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DEPARTMENT OF
PARKS AND RECREATION

CITY OF SACRAMENTO
CALIFORNIA

3801 POWER INN ROAD
SACRAMENTO, CA
95826

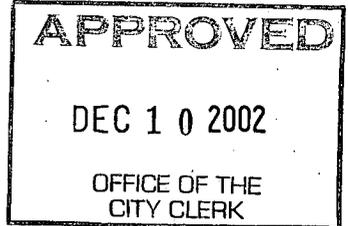
RECREATION ADMINISTRATION

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November 20, 2002

City Council
Sacramento, California

06 2002 - 218



Honorable Members in Session:

**SUBJECT: LEASE OF OFFICE SPACE IN THE SERNA EDUCATION CENTER AT
5735-47TH AVENUE FOR THE DEPARTMENT OF PARKS AND
RECREATION'S 4TH "R" PROGRAM ADMINISTRATIVE STAFF**

LOCATION/COUNCIL DISTRICT: Stockton Boulevard and 47th Avenue in Council
District 6

RECOMMENDATION:

This report recommends that City Council authorize the City Manager to execute a lease agreement with Sacramento City Unified School District for office space for the City of Sacramento's 4th R Program administration staff at 5735-47th Avenue in the Serna Education Center.

CONTACT PERSON: Ralph Pettingell, Recreation Manager, 277-6173

FOR THE COUNCIL MEETING OF: December 10, 2002

SUMMARY:

This lease request in this report is for 2,285 square feet for a five year period. No general fund support is requested.

COMMITTEE/COMMISSION ACTION:

None.



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BACKGROUND INFORMATION:

The 4th "R" School Age program has administered school age child care throughout the City and County of Sacramento for the past sixteen years. Over those years, the relationship between the program and the Sacramento City Unified School District has strengthened to where 19 child care centers are now located directly on school campuses in the district.

In the design phase of the new S.C.U.S.D. administration building, the district approached the Department of Parks and Recreation asking for the 4th "R" Child Care program to be a partner in leasing administration space. The proximity will provide a close working relationship with the district in providing a seamless and continuous service of child care to 1,500 hundred children within the district.

The lease space is comprised of approximately 2,285 square feet on the ground floor of the building and will accommodate administrative staff of the City's School-age Child Care Program, 4th "R", currently housed in cramped quarters with insufficient parking and loading space in a commercial building at 6005 Folsom Boulevard.

The lease agreement provides an initial term of five (5) years and an opportunity to negotiate a successor lease in the event that SCUSD determines that it will not need to use the space for its own purposes. Monthly rent will be lower than is currently paid at 6005 Folsom Boulevard, and begins at \$1.50 per square foot, or \$3,427.50, and will be adjusted \$0.05 per square foot every 2 years, ending at \$1.60 per square foot, or \$3,656.00, in year 5. The lease rate negotiated falls within market parameters for buildings of comparable size, condition and location. Rent for a successor lease, if desired, will be negotiated six months prior to the expiration of the initial term.

The lease is a full service agreement in that SCUSD is responsible for all expenses, including utilities, maintenance and repairs, janitorial service and all other operating costs, without pass-through to the City. Tenant improvements required for City's occupation of the space will be paid by SCUSD as well.

FINANCIAL CONSIDERATIONS:

The current lease for housing the 4th "R" administration expires in January 2003 and the 4th "R" School Age Program is a self-sufficient program that has been covering housing costs for the administration staff since 1990. The new lease provides a reduction of \$20,000 per year over the current lease costs. There is no general funding used to cover the cost of the lease. Program fees cover administrative costs.

ENVIRONMENTAL CONSIDERATIONS:

This project is exempt from the California Environmental Quality Act (CEQA) under Section 15301(a) of the CEQA guidelines. This section addresses the lease of space within an existing private structure involving no expansion of use, except for minor alterations.

POLICY CONSIDERATIONS:

The lease is consistent with the goals of the City Council's Strategic Plan: Establish and strengthen the community and regional partnerships to enhance the quality of life by providing a closer working relationship with a major partner of the Department of Parks and Recreation. Preserve and expand the arts and culture, open space, urban forest, parks and recreation opportunities through acting as a liaison between the City and the School district.

ESBD CONSIDERATIONS:

No goods or services are being purchased.

Respectfully submitted,



Robert G. Overstreet
Director of Parks and Recreation

Recommendation Approved:



Robert P. Thomas, City Manager