

# RESOLUTION NO. 2007-341

Adopted by the Sacramento City Council

June 5, 2007

## APPROVAL OF GROUND LEASE BETWEEN THE CITY AND RAPTON INVESTMENT GROUP, LLC

### BACKGROUND

- A. The City of Sacramento owns the property at 3701 Fulton Avenue, the proposed site of the Fulton Avenue Development Project (the "Site").
- B. The City had leased the Site, comprising 21± acres of Del Paso Park, to the Sacramento Trapshooting Club since approximately 1915. The lease expired on September 30, 2004, but the Trapshooting Club continued to operate on the Site under a month-to-month agreement until the lease was terminated on June 30, 2006.
- C. In 2002, the City Council directed staff to examine potential alternatives for the "highest and best" uses for the Site.
- D. In March 2004, Colliers International presented the City with an opportunity to lease the Site to Mel Rapon, Inc., which does business as Mel Rapon Honda.
- E. An Exclusive Right to Negotiate (the "ERN") was executed on June 1, 2004, between the City and Mel Rapon, Inc. The ERN granted Mel Rapon, Inc. the exclusive right to negotiate with the City for the lease of the Site. It was renewed twice by the City Council and expires on August 31, 2007.
- F. The City Council certified an environmental impact report for the Fulton Avenue Development Project on January 16, 2007 (the "EIR").
- G. On December 12, 2006, the City Council approved an *Agreement Regarding Conditions Precedent to Lease of Land*, which is designated as City Agreement No. 2006-1393 (the "Conditions Precedent Agreement"). The Conditions Precedent Agreement memorializes the parties' progress in negotiating a lease and commits both parties to perform specific actions.
- H. Both parties have executed their responsibilities under the Conditions Precedent Agreement and are prepared to execute the attached Ground Lease.

### BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1: The facts set forth in the Background are correct.
- Section 2: The City Council hereby approves the attached Ground Lease between the City and Rapon Investment Group LLC and authorizes the City Manager to sign that lease on the City's behalf.
- Section 3: If needed, the City Manager may make minor, non-substantive changes to the attached Ground Lease with the approval of the City Attorney.

Adopted by the City of Sacramento City Council on June 5, 2007 by the following vote:

Ayes: Councilmembers, Cohn, Fong, Hammond, McCarty, Pannell, Sheedy,  
Tretheway, Waters and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: None.

  
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Mayor Heather Fargo

Attest:  
  
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Shirley Concolino, City Clerk