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**DEPARTMENT OF
PUBLIC WORKS**

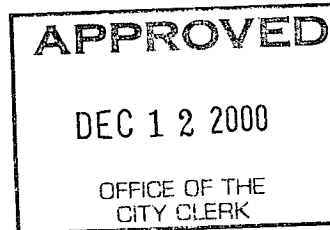
TECHNICAL SERVICES
REAL ESTATE SERVICES

CITY OF SACRAMENTO
CALIFORNIA

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November 28, 2000

City Council
Sacramento, California



AG 2000-202

Honorable Members in Session:

**SUBJECT: LEASE AGREEMENT FOR PREMISES AT SOUTHPONTE
PLAZA FOR THE VALLEY HI LIBRARY**

LOCATION/COUNCIL DISTRICT: Northwest corner of Mack Road and
La Mancha Way in District 8

RECOMMENDATION:

This report recommends that City Council, by resolution, authorize the execution of a lease agreement with CT Retail Properties Finance V, LLC, for 6,000 square feet of space at Southpointe Plaza. The leased premises will be used to establish the Valley Hi Library.

CONTACT PERSONS: Mary Wray, Library Support Services Manager, 264-2737
Rhonda R. Lake, Real Property Agent, 264-7902

FOR THE COUNCIL MEETING OF: December 12, 2000

SUMMARY:

This report recommends approval of a lease agreement negotiated with CT Retail Properties Finance V, LLC, for space within a retail shopping center known as Southpointe Plaza located at Mack Road and La Mancha Way. The leased space is comprised of approximately 6,000 square feet of Space No. 250 at the center (see Exhibit "A"). The premises will be used primarily for the Valley Hi Library, but will include a secondary use as a police service center.

City Council
Lease for Valley Hi Library
November 28, 2000

The initial lease term is ten (10) years with an option to extend for two additional five (5) year periods. Four months free rent was negotiated. The base monthly rental rate begins at \$0.90 per square foot triple net and will increase by \$0.05 per square foot every 24 months. Triple net charges to the City are estimated to be \$0.27 to \$0.30 per square foot per month to cover expenses for common area maintenance, taxes, assessments, insurance and other operating expenses.

The Lessor will deliver the premises in a standard retail "vanilla shell" condition at no cost to City. All other interior improvements specifically required for library use will be constructed by Lessor, however, City will reimburse Lessor for such costs. A lower base monthly rental rate was negotiated in consideration of City paying for tenant improvements. Rent for the option periods will be "fair market rent" as agreed to by the parties when the option is exercised.

The leased space will include a police service center and community room for the public.

BACKGROUND:

Given the growth in the south area, specifically the Valley Hi Library Service Area, the 1995-2010 Sacramento Public Library Master Plan recognized the need for a library in the Valley Hi Library Service Area. The boundaries of the Valley Hi Library Service Area are: North – Sheldon Road, South – City limit, East – Franklin Boulevard, and West – Highway 99. The project was the number two priority for City of Sacramento library facilities, after the construction of the South Natomas Library.

The Sacramento Public Library Authority recently approved "The Library's Future Master Plan 2000" which listed the leased facility for the Valley Hi area as the number one priority for City facilities. The library service area currently has a population of approximately 27,000 and a projected (2020) population of approximately 34,000. The Master Plan calls for construction of a facility by the year 2005.

FINANCIAL CONSIDERATIONS:

In Fiscal Year 1999-2000 the City Council approved \$500,000 for the Valley Hi Library. The City Assessment approved in 1996 included funding for the lease and operation of a storefront library in the Valley Hi Library Service Area. The Sacramento Public Library Authority has approved operational budget for the Valley Hi Library in the FY 2000-2001 budget.

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 interior alterations.

City Council
Lease for Valley Hi Library
November 28, 2000

POLICY CONSIDERATIONS:

This lease supports the City's efforts to provide services and activities which benefit the community.

ESBD CONSIDERATIONS:

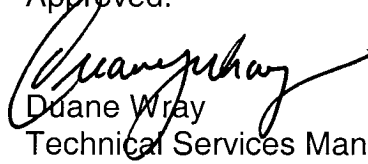
No goods or services are being purchased.

Respectfully submitted,



Gary Alm
Development Services Manager

Approved:



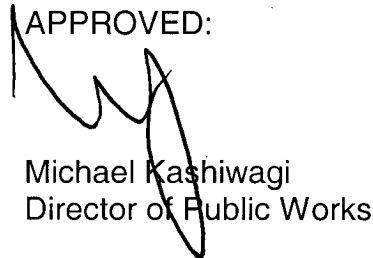
Duane Wray
Technical Services Manager

RECOMMENDATION APPROVED:

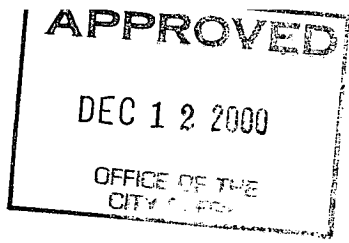


ROBERT F. THOMAS
City Manager

APPROVED:



Michael Kashiwagi
Director of Public Works



RESOLUTION NO. 2000-710

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION AUTHORIZING EXECUTION OF A LEASE WITH
CT RETAIL PROPERTIES FINANCE V, LLC, FOR PREMISES AT SOUTHPOINTE PLAZA
FOR THE VALLEY HI LIBRARY**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. That the City Manager and City Clerk are hereby authorized to execute a lease with CT Retail Properties Finance V, LLC, for retail space at Southpointe Plaza, portion of Space No. 250, in Sacramento, California, to commence one hundred twenty days following the "Turnover Date" as specified in the lease.
2. That the City Manager is hereby authorized to execute such other documents as necessary to carry out the purposes and intent of this Resolution.

MAYOR

ATTEST;

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO: _____

DATE ADOPTED: _____

SOUTHPOINTE SHOPPING CENTER

NWC of Mack Road & LaMancha Way
Sacramento, California



EXHIBIT "A"



** Not to scale
All dimensions are approximate*