



REPORT TO CITY COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent
October 16, 2007

Honorable Mayor and Members of the City Council

Title: Seventh Amendment to the Army Depot Master Lease – Parcel Assignment

Location/Council District: Former Army Depot Site (District 6)

Recommendation: Adopt a **Resolution** authorizing the City Manager to execute the Seventh Amendment to the Army Depot "Industrial Development Lease and Option to Purchase" (Master Lease), City Agreement No. 94-194, between the City of Sacramento and US National Leasing, LLC.

Contact: Melissa Anguiano, Sr. Economic Development Project Manager, 808-5864

Presenters: n/a

Department: Economic Development Department

Division: Citywide

Organization No: 4453

Description/Analysis

Issue: In 1994, City Council approved a Master Lease with Packard Bell Electronics, Inc. Along with the lease agreement, the City entered into a loan agreement with Packard Bell in the amount of \$36 million for site improvements and relocation expenses. By 1999, Packard Bell was facing difficult financial issues and was dissolving as a corporation. As a result, Packard Bell requested the City consent to assignment of the Master Lease to US National Leasing. The City approved the transfer, with some additional requirements, and US National Leasing was successful in paying off \$16 million in loans owed to the City by Packard Bell.

Since 1999 there have been a number of amendments to the Army Depot Master Lease. On March 28, 2006 City Council approved the sixth amendment, which released four parcels from the Master Lease with US National Leasing and transferred them to US National Lands.

The released parcels currently make up part of the total leased premises, as defined in the Master Lease. Currently, the developer is unable to finance specific projects at the site because the Master Lease covers the property for the entire project. The seventh amendment will assign US National Leasing's

interest in these four parcels to its affiliate US National Depot Lands. The proposed amendment will allow the developer to obtain financing for the development of new projects on the released parcels. (See attachment 1 depicting the subject parcels).

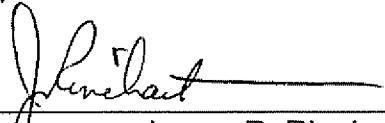
Policy Considerations: The Master Lease gives US National Leasing the ability to assign the lease in part or whole to an affiliate company, including all rights and interests. This amendment will give the developer the ability to finance specific projects, which will increase private investment in the former Army Depot.

Environmental Considerations: This project is subject to the environmental review process as part of the approval of its development application.

Rationale for Recommendation: The action requested herein is consistent with the City's goal to expand economic development and assist in the reuse of the former Army Depot.

Financial Considerations: There are no funding requirements related to this project.

Emerging Small Business Development (ESBD): Not Applicable

Respectfully Submitted by: 
James R. Rinehart
Economic Development Manager

Approved by: 
David L. Spaur, CEcD, EDFP
Director, Economic Development

Recommendation Approved:

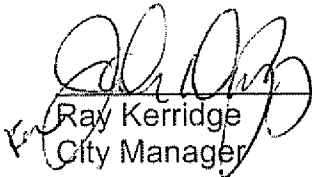

Ray Kerridge
City Manager

Table of Contents:

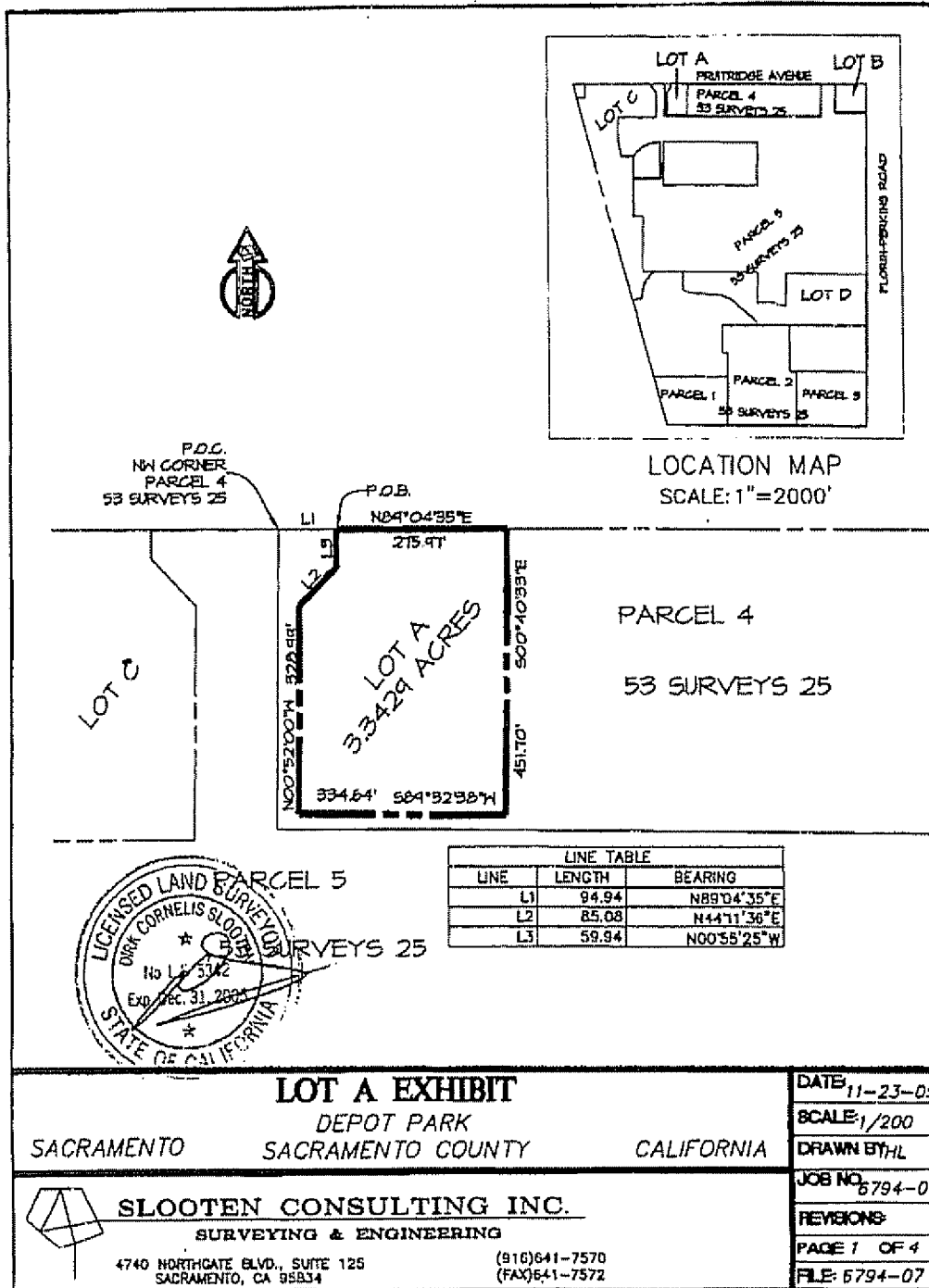
	Pg	1	Report
Attachments			
1	Pg	3	Attachment 1—Parcel Descriptions
2	Pg	7	City Resolution

Sent by: FISCHER PROPERTIES

206 328 4000;

01/09/06 4:34PM;#442;

Page 9/15

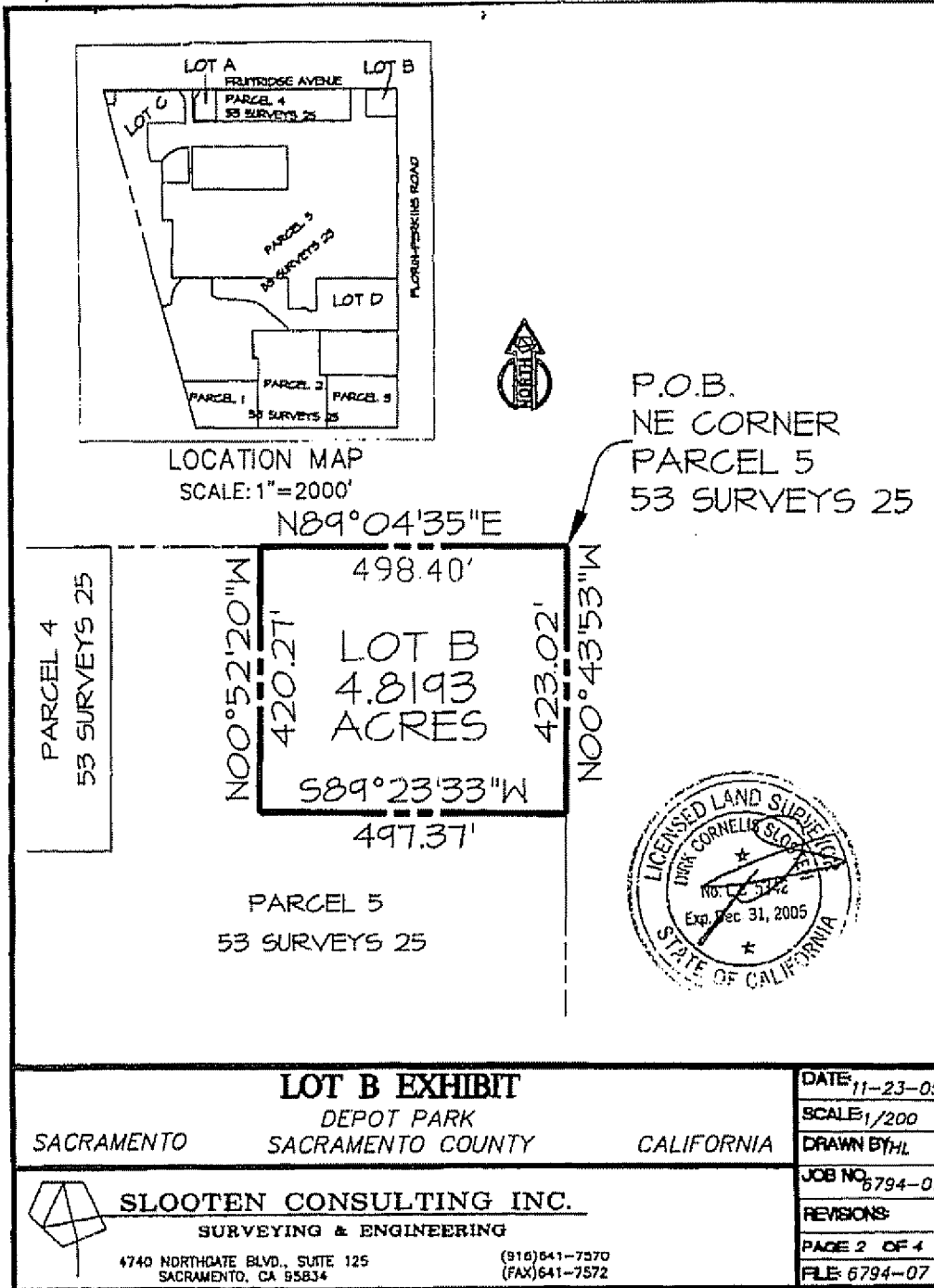


Sent by: FISCHER PROPERTIES

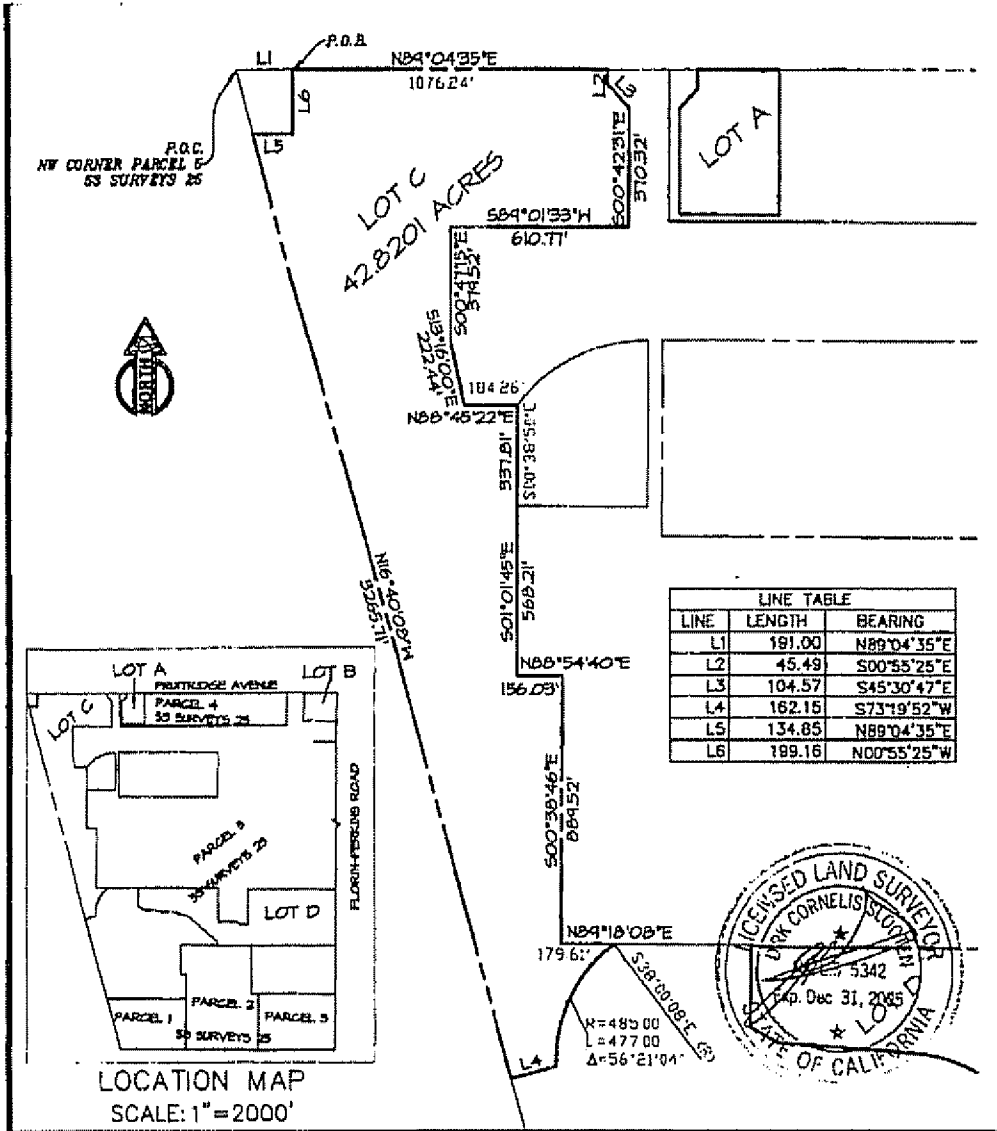
208 328 4000;


01/09/06 4:35PM;#442;

Page 11/15



Sent by: FISCHER PROPERTIES 206 328 4000; 01/09/06 4:38PM; #442; Page 13/15



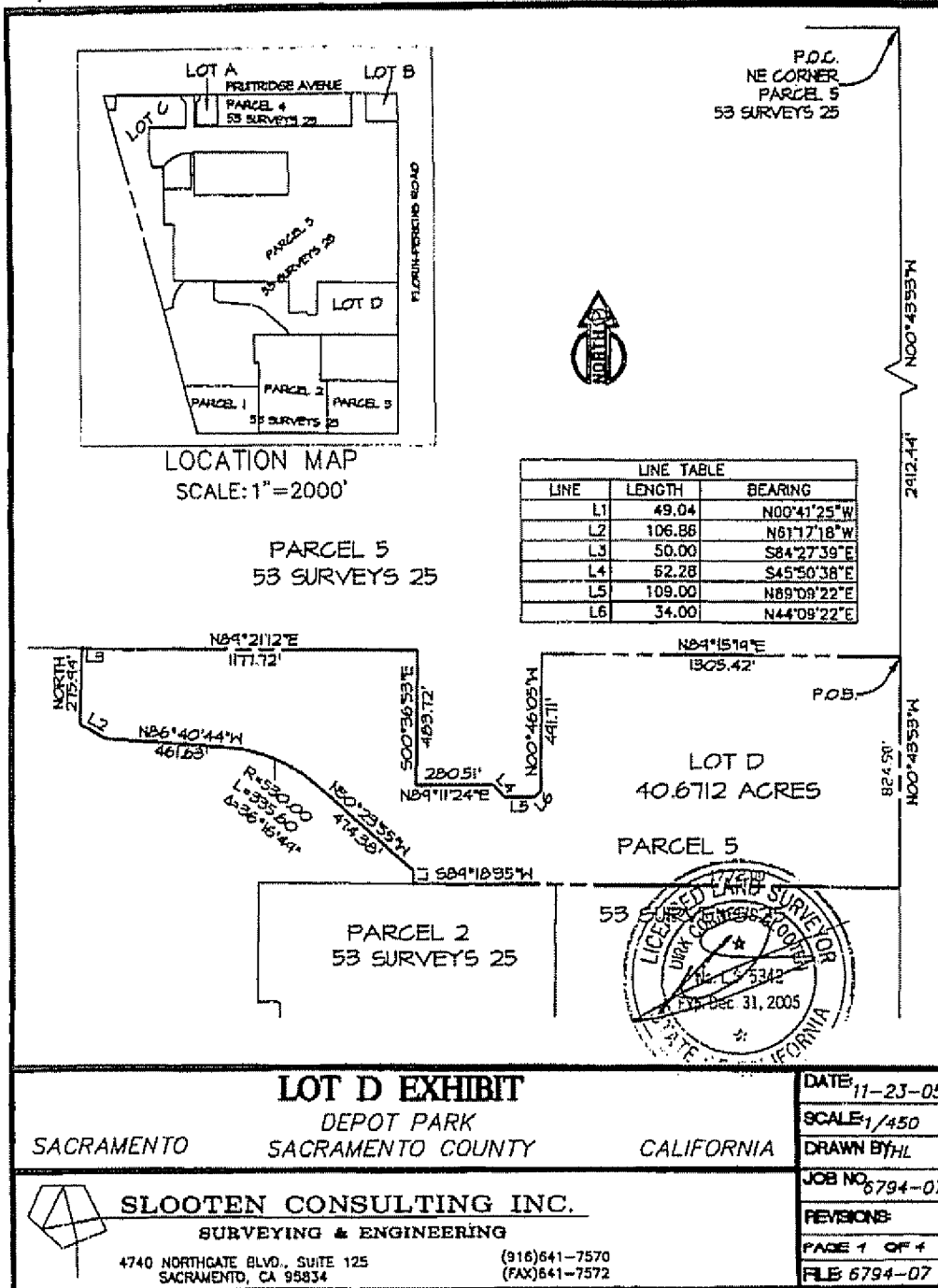
LOT C EXHIBIT		DATE: 11-23-05
DEPOT PARK		SCALE: 1/450
SACRAMENTO	SACRAMENTO COUNTY	CALIFORNIA
 SLOOTEN CONSULTING INC. SURVEYING & ENGINEERING 4740 NORTHGATE BLVD., SUITE 125 SACRAMENTO, CA 95834 (916) 641-7570 (FAX) 641-7572		DRAWN BY: HL
		JOB NO: 6794-07
		REVISIONS:
		PAGE 3 OF 4 FILE: 6794-07

Sent by: FISCHER PROPERTIES

208 328 4000;

01/09/08 4:38PM;#442;

Page 15/15



RESOLUTION NO. 2007-

Adopted by the Sacramento City Council

APPROVING THE SEVENTH AMENDMENT TO THE ARMY DEPOT INDUSTRIAL DEVELOPMENT LEASE AND OPTION TO PURCHASE

BACKGROUND

- A. In 1994, the City Council approved an Industrial Lease and Option to purchase with Packard Bell Electronics, Inc. (City Agreement Number 94-194)
- B. In 1999, at the request of Packard Bell, the City approved the transfer and assignment of the Lease to US National Leasing, LLC.
- C. US National Leasing has made this amendment request in accordance with the terms and conditions contained in the Master Lease.
- D. US National Lands, LLC is an affiliate company of US National Leasing, LLC.
- E. US National Depot Lands, LLC is an affiliate company of US National Leasing, LLC.
- F. The proposed amendment will give the developer the ability to finance specific projects, which will allow for increased private investment in the former Army Depot.

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

- Section 1: The City Manager is authorized to execute the Seventh Amendment to the Army Depot Industrial Development Lease and Option to Purchase to assign interest in four parcels included in the current lease to US National Depot Lands, LLC.