



OFFICE OF THE
CITY MANAGER

CITY OF SACRAMENTO
CALIFORNIA

May 14, 1985

CITY HALL
915 I STREET - 95814
(916) 449-5704

Budget & Finance Committee
Sacramento, California

Honorable Members in Session:

**SUBJECT: Modification in Lease Agreements with Sacramento Police
Athletic League, Inc.**

SUMMARY

This report recommends that the City provide the Sacramento Police Athletic League with a master lease to use a new site for recreation and youth activities. Further, the termination of an existing lease for the former Donner School site; the execution of a lease for 3520 5th Avenue building; and a \$20,000 budget amendment are recommended.

BACKGROUND INFORMATION

In June, 1981, the City entered into a 50-year lease agreement with the Sacramento Police Athletic League, Inc., (PAL) for use of the former Donner School Site. The City purchased the 3.6 acre surplus site from the Sacramento City Unified School District for \$3,000 to provide a home for the PAL. PAL was required under terms of the lease agreement to demolish all existing structures prior to occupying the site. Demolition of the buildings was estimated to cost \$57,000. One building has been razed and some landscaping and irrigation have been completed in the last 3 1/2 years. PAL has not been able to raise the funding necessary to effectively utilize the site to date.

The administrative office of the Department of Parks and Community Services, located at 3520 5th Avenue, is available for use by community groups. The size, location, and park setting make this an attractive site for the Sacramento Police Athletic League to provide youth and recreation services. The site would require no immediate improvements and would allow PAL to begin immediately providing services originally planned for the Donner Site.

The existing lease for the Donner School Site should be terminated and that site be assigned to the Sacramento Housing and Redevelopment Agency for redevelopment as part of the Oak Park Redevelopment Area. PAL has invested \$20,000 in the site which should be returned to their organization.

Further, the City should enter into a lease agreement with PAL for the 5th Avenue building. Significant terms of the agreement would include a 10 year term, operation and maintenance responsibilities to be held by PAL, \$150 annual rent, permission to sublet to non-profit at below market rates and to commercial/private at market rates, and appropriate insurance to be provided by PAL.

FINANCIAL DATA

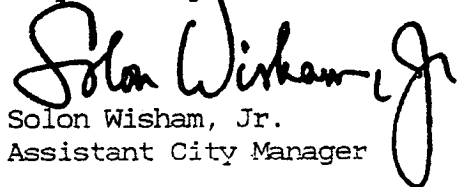
Revenue from the proposed lease will be \$1,500 over 10 years. Revenue is deposited in the General Fund.

RECOMMENDATION

It is recommended that the Budget & Finance Committee recommend full Council approval of the following:

1. Terminate the existing lease agreements No. 80240 dated June 30, 1981 and No 81092 dated December 29, 1981 for the Donner School Site with the Sacramento Police Athletic League.
2. Authorize the City Manager to reimburse the SPAL for \$20,000 for their investment at the Donner School site;
3. Authorize and direct the City Manager to execute the attached agreement with the Sacramento Police Athletic League for the 3520 5th Avenue building.

Respectfully submitted,


Solon Wisham, Jr.
Assistant City Manager

May 21, 1985
District 5

RESOLUTION No.

Adopted by The Sacramento City Council on date of

May 21, 1985

RESOLUTION AUTHORIZING TERMINATION OF CERTAIN AGREEMENTS
AND EXECUTION OF A NEW AGREEMENT BETWEEN THE CITY OF
SACRAMENTO AND THE SACRAMENTO POLICE ATHLETIC LEAGUE,
INC. AND THE APPROPRIATION OF \$20,000

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

That Agreements No. 80240 dated June 30, 1981 and No 81092 dated December 29, 1981 for the lease of the Donner School Site between the City and Sacramento Police Athletic League, Inc. is hereby terminated, and;

That the City Manager is hereby authorized and directed on behalf of the City of Sacramento to execute the attached agreement between the City and the Sacramento Police Athletic League for a ten (10) year lease of the property located at 3520 - 5th Avenue, to use for recreation and youth services and to sublease according to terms of said agreement, and;

That an appropriation of \$20,000 from the Administrative Contingency Fund is made for the purpose of reimbursing the Sacramento Police Athletic League for their investment in the former Donner School Site.

Mayor

ATTEST:

City Clerk

