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**DEPARTMENT OF
PUBLIC WORKS**

TECHNICAL SERVICES
REAL ESTATE SERVICES

CITY OF SACRAMENTO
CALIFORNIA

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June 6, 2000

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: LEASE OF 2030 DEL PASO BOULEVARD AND
2397 CANTALIER STREET FOR THE SACRAMENTO
METROPOLITAN ARTS COMMISSION**

LOCATION/COUNCIL DISTRICT:

South side of Del Paso Boulevard at Dixie Avenue in Council District 2.

RECOMMENDATION:

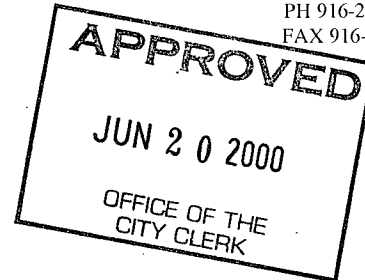
This report recommends that City Council, by resolution, authorize the execution of the lease agreement with Allen R. Marcus and Janet C. Marcus for office space at 2030 Del Paso Boulevard and adjacent parking at 2397 Cantalier Street for the Sacramento Metropolitan Arts Commission.

CONTACT PERSON: Rhonda R. Lake, Real Property Agent, 264-7902

FOR THE COUNCIL MEETING OF: June 20, 2000

SUMMARY:

This report recommends approval of a lease agreement with Allen and Janet Marcus for approximately 4,348 square feet of office space located at 2030 Del Paso Boulevard. Parking will be provided at 2397 Cantalier Street adjacent to the subject property. The premises will accommodate the administrative offices of the Sacramento Metropolitan Arts Commission and provide much needed gallery space.



Lease of 2030 Del Paso Boulevard for
Sacramento Metropolitan Arts Commission
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The initial lease term is ten (10) years with an option to extend the lease for two additional terms of five (5) years. The lease is a full service agreement in that the Lessor will be responsible for maintenance, utilities, janitorial, and other City Council operating costs. City will pay expenses which exceed Base Year expenses. The rental rate, which includes amortized tenant improvements, will begin at \$1.35 per square foot and adjust annually five percent. The rental rate falls within the range of fair market rent for similar space, fully serviced, at comparable terms. Staff will have use of the premises for meetings held after normal business hours without additional charge for rent. The property at 2397 Cantalier Street will be improved by the City to provide a secure parking area for the premises.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

The Sacramento Metropolitan Arts Commission (SMAC or Metro Arts) is currently housed in the Richardson Building at 800 10th Street. As part of the development of the Civic Center Administration Building, the Richardson Building will be torn down. The existing space occupied by Metro Arts has several problems and deficiencies that compromise the functionality of the space and the efficiency of staff. These include a lack of suitable storage space for original art; an inadequate heating, ventilation and air conditioning system that affects the proper storage of works; lack of display area for artwork; and lack of meeting space for commission meetings, project intake events and public meetings with artists and the community.

In August 1999, Council directed staff to investigate the relocation of the Sacramento Metropolitan Arts Commission to the existing and emerging arts community in North Sacramento. This direction is consistent with Council policy for commercial strip revitalization and for decentralization of certain City services under the Modified Decentralization Plan. The subject site is the old North Sacramento City Hall on Del Paso Boulevard. Locating the office here will demonstrate City support for the arts and could serve as a catalyst for additional arts activities in the area. This vicinity of Del Paso Boulevard is also part of a redevelopment area. Use of the subject site as a public facility is consistent with economic redevelopment objectives and corridor improvement goals.

The new facility will provide a storefront façade with views into the building as well as onto the boulevard. Gallery space for artwork will be an integral feature of the space since encouraging and expanding art in public places is a cornerstone of the Metro Arts program.

FINANCIAL CONSIDERATIONS:

Funding for site and tenant improvements and for furnishings and equipment are available in the Capital Improvement Program budget under CE71.

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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 use of an existing private structure involving no expansion of use, except minor interior alterations.

POLICY CONSIDERATIONS:

Approval of this item is consistent with Council policy to support commercial strip revitalization and for the decentralization of certain City services.

ESBD:

No goods or services are being purchased.

Respectfully submitted,




Gary Alm
Development Services Manager

Approved:



Duane Wray
Technical Services Manager

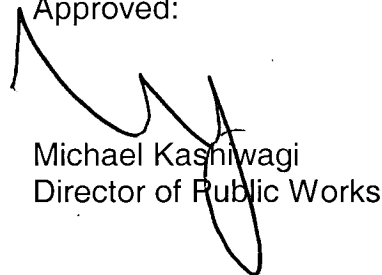
RECOMMENDATION FOR APPROVAL:



ROBERT P. THOMAS
City Manager

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Approved:



Michael Kashiwagi
Director of Public Works



RESOLUTION NO. *2000-340*

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION AUTHORIZING EXECUTION OF A
LEASE WITH ALLEN R. MARCUS AND JANET C. MARCUS
FOR 2030 DEL PASO BOULEVARD AND 2397 CANTALIER STREET**

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

That the City Manager and City Clerk are hereby authorized to execute a lease with Allen R. Marcus and Janet C. Marcus for 2030 Del Paso Boulevard and 2397 Cantalier Street in Sacramento, California, to commence on November 1, 2000, or sooner, upon completion of the tenant improvements.

MAYOR

ATTEST:

CITY CLERK

FOR CITY USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____