

RESOLUTION NO. 2010-155

Adopted by the Sacramento City Council

March 23, 2010

LEASE AGREEMENT: 1013 L STREET

BACKGROUND

- A. Abe Saadeh has submitted an offer to lease the City's property located at 1013 L Street in Capitol Garage. He plans to open an Italian style café that specializes in homemade gelato but will also serve pasta dishes, sandwiches, salads, and espresso based coffee beverages. Mr. Saadeh has also submitted an offer to lease a small room located in the basement of Capitol Garage which will be used as supplemental storage space to support his restaurant operations.
- B. Pursuant to City Code Section 3.68.110 Abe Saadeh submitted a firm and complete written offer to lease the 1013 L Street space and the small storage room wherein the rent specified is at or above the fair market rate for comparable property as determined by the City's real property supervisor.
- C. 1013 L Street is located near the corner of 11th and L Streets in the City's Capitol Garage. The site is approximately 850 square feet in size. Capitol Garage has over 21,000 square feet of commercial retail/office space. The storage room is located in the central basement portion of the garage and is approximately 100 square feet in size.
- D. The term of the lease is five years with two 5-year options. Based on a market rate of \$1.75 per square foot, monthly rent payments will begin at \$1,487.50 and increase 2% annually. The small storage room is approximately 100 square feet and will be leased for a flat rate of \$50 per month. Total rent collected during the initial 5-year term will be \$95,891 (including rent for the storage room). All rental income will be deposited in the Parking Fund (Fund 6004). The City will contribute a one-time tenant improvement allowance of \$42,500 (\$50 per square foot) to be applied towards facility upgrades, including the installation of a restroom and added infrastructure that will remain part of the building.

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

- Section 1. Pursuant to City Code Section 3.68.110, it is in the best interests of the City to lease 1013 L Street and a central storage room without bidding.
- Section 2. The City Manager is authorized to execute a lease agreement with Abe Saadeh for retail space located located at 1013 L Street and a storage room located in Capitol Garage for a term five years with two 5-year options.

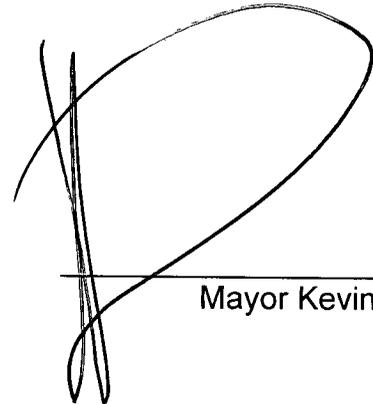
Adopted by the City of Sacramento City Council on March 23, 2010 by the following vote:

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

Noes: None.

Abstain: None.

Absent: None.

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a vertical line, positioned above a horizontal line.

Mayor Kevin Johnson

Attest:


Shirley Concolino, City Clerk