



CITY OF SACRAMENTO  
CALIFORNIA

OFFICE OF THE  
CITY MANAGER

December 22, 1981

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

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: Fire Station #2

APPROVED  
BY THE CITY COUNCIL

DEC 29 1981

OFFICE OF THE  
CITY CLERK

A6  
81093

SUMMARY

On May 14, 1981, the City Council approved the attached report and Memorandum of Understanding and directed staff to prepare the required documents to implement the Memorandum. This report transmits the final contract documents for Council approval and execution.

BACKGROUND

All elements of the contract are consistent with the May 14, 1981 report and Memorandum as follows:

- City will convey the fee to developer.
- City will contribute \$120,000 for foundation and excavation.
- Developer will construct fire station to City specs.
- Developer will construct office space on floors 2, 3, and 4 approximating 30,000 to 50,000 square feet.
- Developer will convey back to City a block of air space which includes the surface of the ground, the fire station, and all easements necessary for utilities, entrance, exit, etc. to support the fire station; all at no cost.
- All conveyances, reconveyances to be simultaneously escrowed. Escrow opening at the time contracts are executed and closed at the time the certificate of occupancy is issued on the fire station.
- All usual clearances and permits to be obtained by developer; ARB, parking permit, building permit, etc.

- City's entire contribution to the project not to exceed the land, the contribution to excavation and foundation, and a prorata share of site improvements.
- City to pay for art work requirement on public portion of the building.
- Developer allowed to draw down the \$120,000 in two payments; one at the beginning of the project and one upon completion.
- City to absorb costs of non-construction furnishings.

The potential developer is the SANFO BAY Corporation represented locally by E. M. Kado and Associates and Dick Hyde, Attorney.

FINANCIAL DATA

The following table provides a comparison of cost estimates between the City building its own fire station alone and a joint venture fire station/office building.

	<u>City Fire Station Alone</u>	<u>Joint Venture Fire Station Plus Office</u>
Land	\$ 436,103	\$436,103
Excavation & Foundation	-0-	120,000
Construction	<u>800,397</u>	<u>-0-</u>
Total	\$1,236,500	\$556,103
Gross Savings		\$680,397
Less: allowance for site improvements, non-construction furnishings and art work		<u>-164,000</u>
Net Savings		\$516,397

One of the advantages accruing from this project is that the great majority of the project remains on the tax rolls while it is in public use. This will add about \$54,000 per year in City revenues that would not otherwise exist.

RECOMMENDATION

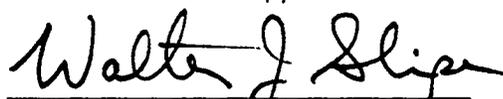
It is recommended that the City Council approve the attached contract documents.

Respectfully submitted,



Mac Mailes  
Assistant City Manager  
for Community Development

Recommendation Approved:

  
Walter J. Slipes, City Manager

December 29, 1981  
District 1

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CITY OF SACRAMENTO  
CALIFORNIA

OFFICE OF THE  
CITY MANAGER

May 6, 1981

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

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: Fire Station #2

APPROVED  
BY THE CITY COUNCIL

MAY 14 1981

OFFICE OF THE  
CITY CLERK

AG  
80213

SUMMARY

This report transmits a proposed Memorandum of Understanding between the City and the SANFO BAY Corporation calling for joint development of a fire station and office building on land owned by the City on the northwest corner of 13th and I Streets. Potential benefits accrue to the City through construction cost savings, efficient site utilization, and property tax revenues. Approval is recommended.

BACKGROUND

This project now appears capable of implementation. The attached Memorandum of Understanding is within the framework already adopted by the Council.

The draft MOU includes the following elements:

- City will convey the whole fee to developer.
- City will contribute \$120,000 for foundation and excavation.
- Developer will construct fire station to City specs.
- Developer will construct office space on floors 2, 3, and 4 approximating 30,000 to 50,000 square feet.
- Developer will convey back to City a block of air space which includes the surface of the ground, the fire station, and all easements necessary for utilities, entrance, exit, etc. to support the fire station; all at no cost.
- All conveyances, reconveyances to be simultaneously escrowed. Escrow opening at the time contracts are executed and closed at the time certificate of occupancy is issued on the fire station.
- All usual clearances and permits to be obtained by developer; ARB, parking permit, building permit, etc.

- City's entire contribution to the project not to exceed the land, the contribution to excavation and foundation, and a prorata share of site improvements.
- City to pay for art work requirement on public portion of the building.
- Developer allowed to draw down the \$120,000 in ratio to his own expenditures.
- City to absorb costs of non-construction furnishings.

The potential developer is the SANFO BAY Corporation represented locally by E. M. Kado and Associates and Dick Hyde.

FINANCIAL DATA

The following table provides a general comparison of costs between the City building its own fire station and a joint venture fire station/office building.

	<u>City Fire Station Alone</u>	<u>Joint Venture Fire Station Plus Office</u>
Land	\$ 436,103	\$436,103
Excavation & Foundation	-0-	120,000
Construction	<u>800,397</u>	<u>-0-</u>
Total	\$1,236,500	\$556,103
Gross Savings		\$680,395
Less: allowance for site improvements, non-construction furnishings & art work		<u>-164,000</u>
Net Savings		\$516,000

The specific numbers will probably be somewhat different but the savings should remain consistent with overall costs.

One of the advantages accruing from this project is that the great majority of the project remains on the tax rolls while it is in public use. This will provide about \$54,000 per year in City revenues.

RECOMMENDATION

It is recommended that the City Council:

1. Approve the attached Memorandum of Understanding.
2. Direct staff to prepare required contract and conveyance documents consistent with the Memorandum of Understanding.

Respectfully submitted,



Mac Mailes  
Assistant City Manager  
for Community Development

May 14, 1981

MEMORANDUM OF UNDERSTANDING

MAY 14 1981

OFFICE OF THE  
CITY CLERK

This memorandum of understanding (hereinafter "memorandum") is made this 14th day of May, 1981, by and between SANFO BAY Corporation (hereinafter "Developer") and CITY OF SACRAMENTO, a municipal corporation (hereinafter "City") who agree as follows:

RECITALS

a. Developer and City are negotiating an agreement for development of a portion of the block bounded by 12th, 13th, H and I Streets in the City of Sacramento (hereinafter referred to as "property") as designated on Exhibit A which is attached hereto and incorporated herein.

b. Developer and City enter into this memorandum for the purpose of setting forth the state of negotiations at this time. The matters memorialized herein shall not be construed as contractual commitments of either party, but rather as a statement of the basis upon which the parties intend to negotiate a contract for the development of the property.

c. Developer and City shall continue to negotiate with the intent of drafting and executing a detailed contract dealing with the matters contained herein and other related items.

THE PROJECT

1. The development of the property shall consist of the following project:

a. Developer will construct a fire station according to specifications to be provided by City. It is understood and agreed that the fire station will be unique in that it is to house the Firebird 150 which is an unusually large specialized piece of firefighting apparatus.

A-80213

b. Developer shall construct office space approximating 30,000 to 50,000 net leasable square feet in the air space at the aforementioned fire station.

2. Conveyances of land, air space, and other related matters shall be as follows:

a. City shall convey the fee to the property to Developer.

b. Developer shall convey to City a block of air space including the surface of the ground, the fire station, and any and all easements required or desirable for utilities, entrance, exit and etc. In addition, all required and desirable support easements for the fire station shall be conveyed to City.

c. City shall convey to Developer all necessary or desirable support easements for the office building to be constructed in the air space above the fire station upon delivery to City in escrow of satisfactory representations, warranties and assurances that the support constructed in said easements shall be sufficient for all operations to be conducted or foreseeable in the office building as designed and according to the computations of a licensed structural engineer.

d. The fire station shall be delivered to the City on a straight "turnkey" basis ready for use without further preparation.

e. All conveyances, reconveyances and the necessary ancillary representations, warranties, and assurances shall be simultaneously escrowed. Said escrow shall open at the time contracts are executed and said escrow shall close at the time a certificate of occupancy is issued for the fire station.

3. The City shall make only the following contributions to the development:

a. The fee to the land heretofore mentioned.

b. The sum of \$120,000 cash for foundation and excavation; provided, developer shall be allowed to draw down said sum of \$120,000 only in proportion to its own expenditures for the foundation according to a formula to be based on final design and working drawings.

c. City shall pay for art work required for the public portion of the building.

d. Costs incurred for construction of curbs, gutters, sidewalks, alleys, street lights will be divided between City and developer with City to pay for all work necessitated by the Firebird and a prorata share of the remainder based on square footage used.

4. All entitlements, permits, environmental clearances and other authorizations of whatsoever nature required for the development shall be obtained by the Developer at its own cost.

5. Developer shall pay all appropriate fees and taxes.

CITY OF SACRAMENTO

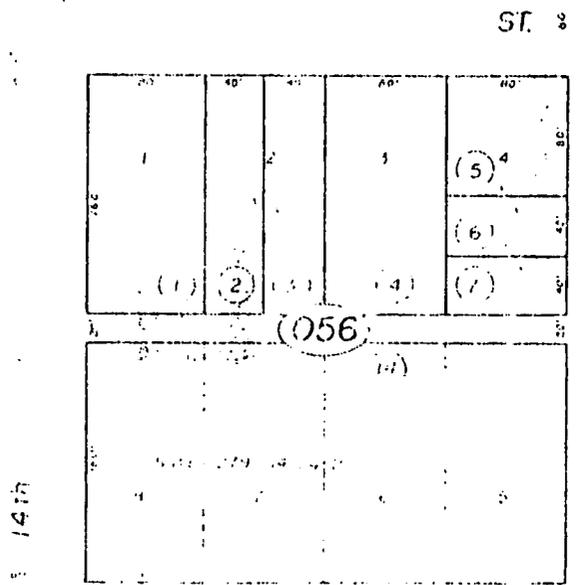
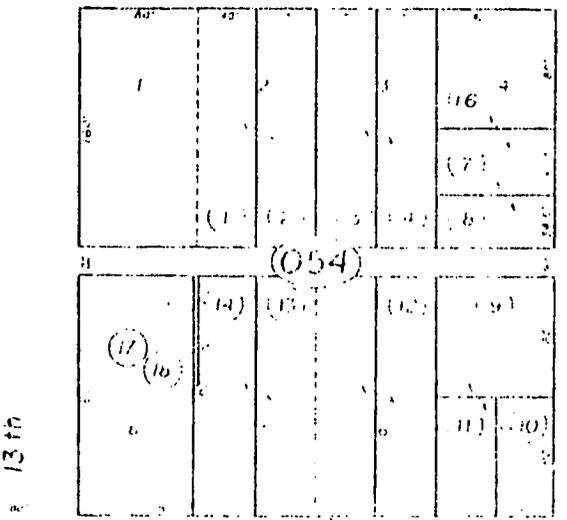
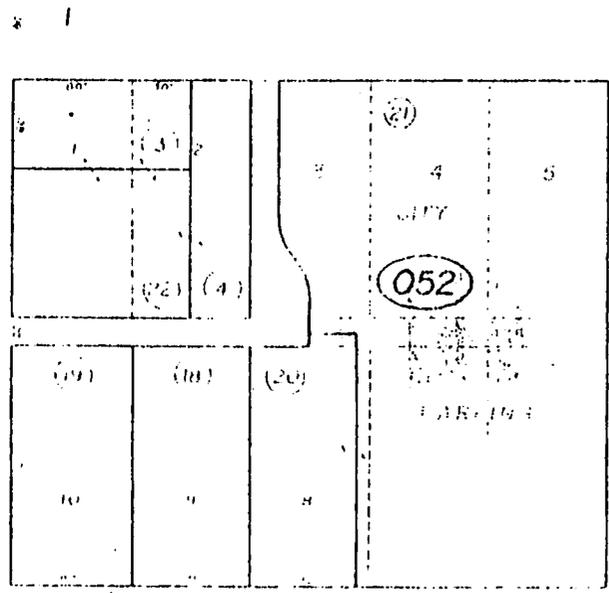
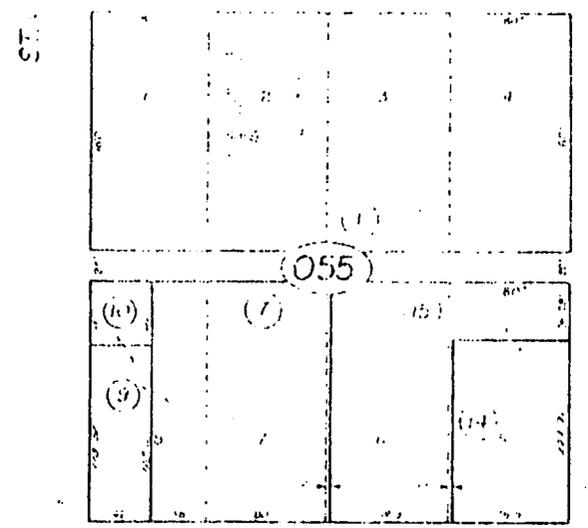
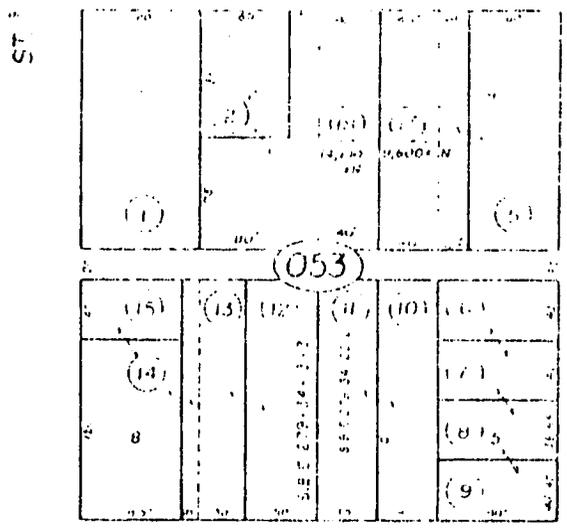
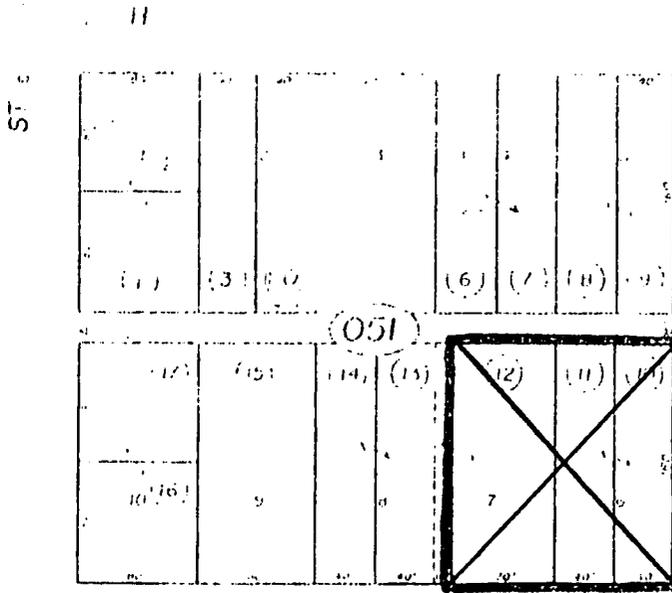
By Walter J. Slipe  
WALTER J. SLIPE  
City Manager

SANFO BAY CORPORATION

By Harry Riskas  
HARRY RISKAS  
Managing Director

80213

City Agreement No. \_\_\_\_\_



**RESOLUTION NO. 81-951**

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

December 29, 1981

RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER  
AND THE CITY CLERK TO EXECUTE DEVELOPMENT AGREEMENT  
AND EASEMENT RESTRICTION AND OPERATING AGREEMENT FOR  
FIRE STATION NO. 2

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

The City Manager and the City Clerk are authorized and directed to execute the Development Agreement and the Easement, Restriction and Operating Agreement between Sanfo Bay Corporation and City of Sacramento for the development of Fire Station No. 2.

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MAYOR

ATTEST:

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CITY CLERK