



REPORT TO COUNCIL

City of Sacramento

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

CONSENT
July 31, 2007

Honorable Mayor and
Members of the City Council

Title: Administrative Matter- REA Building Agreement Clarification

Location/Council District: Sacramento Valley Station/Council District 1

Recommendation: Adopt a **Resolution** 1) authorizing the City Manager to execute a parking agreement with REA Master Tenant, LP for 44 parking spaces located adjacent to the REA building at Sacramento Valley Station; and 2) repeal Resolution 2007-539 as that resolution incorrectly identified Carson Development as the contracting party

Contact: Howard Chan, Parking Services Manager, 808-7488

Presenters: None

Department: Transportation

Division: Parking Services

Organization No: 3461

Description/Analysis

Issue: On July 24th, 2007, Council adopted Resolution 2007-539 as amended authorizing the City Manager to execute a parking agreement with Carson Development for 44 parking spaces located adjacent to the REA building at Sacramento Valley Station. However, two weeks prior to the July 24 Council meeting it was determined the proper contracting party should be REA Master Tenant LP, not Carson Development. Subsequently, the agreement was corrected to reflect this change; however, the Council Report and Resolution was not.

Policy Considerations: Correction of the Resolution and clarification of the appropriate contractor will ensure the accuracy of the City's legislative history and provide due diligence.

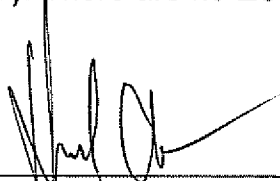
Environmental Considerations: This project is exempt from the California

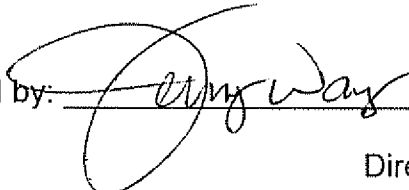
Environmental Quality Act (CEQA) under Section 15301 of the CEQA Guidelines (Operation of existing public structures or facilities involving no expansion of use).

Rationale for Recommendation: It is important to maintain a clear and accurate legislative history and when administrative errors are realized, it is the City's practice to bring those to light in a transparent public process.

Financial Considerations: The City of Sacramento will pay REA Master Tenant, LP \$125 per space per month. Total rent expenditures for the initial 5-year term will be \$330,000. Based on current demand for parking at Sacramento Valley Station, annual revenue earned from the operation of these parking spaces is expected to offset all rent obligations.

Emerging Small Business Development (ESBD): There are no ESBD considerations contemplated with the requested action.

Respectfully Submitted by: 
Howard Chan
Parking Services Manager

Approved by: 
Jerry Way
Director of Transportation

Recommendation Approved:



RAY KERRIDGE
City Manager

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RESOLUTION NO.

Adopted by the Sacramento City Council

ADMINISTRATIVE MATTER- REA BUILDING AGREEMENT CLARIFICATION

BACKGROUND

- A. On December 26, 2008, the City of Sacramento assumed control and operation of most of the on-site surface lots surrounding the historic train depot at Sacramento Valley Station.
- B. REA Master Tenant, LP is the owner the REA building which is located adjacent to the train depot. They recently completed an extensive rehabilitation of the building and have filled several vacancies with retail tenants.
- C. REA Master Tenant, LP also owns 44 parking spaces next to the REA building. The City has agreed to operate those spaces as part of its overall operation of surface lots serving the Sacramento Valley Station.
- D. Each month the City of Sacramento will pay REA Master Tenant, LP \$125 per space for a total of \$66,000 per year for a total of \$330,000 for the initial 5-year term. Based on current demand for parking at Sacramento Valley Station, annual revenue earned from the operation of these parking spaces is expected to offset all rent obligations.
- E. On July 24, 2007 Council adopted Resolution 2007-539 authorizing the City Manager to execute a parking agreement with Carson Development for 44 parking spaces adjacent to the REA Building located at Sacramento Valley Station. However, two weeks prior to the July 24 Council meeting it was determined the proper contracting party should be REA Master Tenant LP, not Carson Development. Subsequently, the agreement was corrected to reflect this change; however, the Council Report and Resolution was not.

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

- Section 1. The City Manager is authorized to execute a parking agreement with REA Master Tenant LP for 44 spaces located next to the REA building at Sacramento Valley Station. The term is five years with a 5-year option. The City will pay REA Master Tenant, LP \$125 per space per month and the City retains any net income it earns from sales of the spaces.
- Section 2. Repeal Resolution 2007-539 as that resolution incorrectly identified Carson Development as the contracting party.