

REPORT TO COUNCIL

City of Sacramento

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



CONSENT
May 1, 2007

Honorable Mayor and
Members of the City Council

Title: Agreement—19th & W Parking Lot

Location/Council District: 19th & W Streets/Council District 4

Recommendation: Adopt a **Resolution** authorizing the City Manager to execute a ten-year lease agreement with two 5-year options, with the State of California, Department of Transportation, for the State's property located at 19th & W Streets with a starting rental fee of \$2,700 per month.

Contact: Howard Chan

Presenters: None

Department: Transportation

Division: Parking Services

Organization No: 3461

Description/Analysis

Issue: The State of California is owner of property located beneath Highway 50 near the corners of 19th & W Streets. The City would like to enter into a lease agreement with the State to develop a surface parking lot that would support the local emerging business district.

Policy Considerations: This lease agreement supports the City of Sacramento Strategic Plan goal to expand economic development throughout the City.

Environmental Considerations: This project is exempt from the California Environmental Quality Act (CEQA) under Section 15301, "Operation of existing public structures or facilities involving no expansion of use."

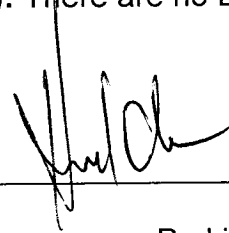
Rationale for Recommendation: The area surrounding the State's property at 19th & W Streets has limited parking resources to support new businesses being

developed. By entering into a lease agreement with the State, the City will be able to develop a surface parking lot that will provide long-term parking solutions for the emerging business district.

Financial Considerations: Rent will start at \$2,700 per month (\$324,000 for 10 years) and be adjusted annually after year 5 by a rate equal to the Consumer Price Index. After the fifth year of the lease term, the City will also pay the State 50% of revenue collected in excess of the monthly rent obligation.

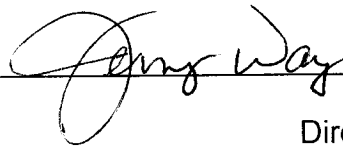
Emerging Small Business Development (ESBD): There are no ESBD considerations contemplated with the requested action.

Respectfully Submitted by: _____



Howard Chan
Parking Services Manager

Approved by: _____



Jerry Way
Director of Transportation

Recommendation Approved:

for


RAY KERRIDGE
City Manager

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RESOLUTION NO.

Adopted by the Sacramento City Council

EXECUTE A LEASE AGREEMENT WITH THE STATE OF CALIFORNIA: 19TH & W PARKING LOT

BACKGROUND

- A. The State of California is owner of property located beneath Highway 50 near the corners of 19th & W Streets. The City would like to enter into a lease agreement with the State to develop a surface parking lot that would support the local emerging business district.
- B. Rent will start at \$2,700 per month (\$324,000 for 10 years) and be adjusted annually after year 5 by a rate equal to the Consumer Price Index. After the fifth year of the lease term, the City will also pay the State 50% of revenue collected in excess of the monthly rent obligation.

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 lease agreement with the State of California, Department of Transportation for the State's property located at 19th & W Streets. Rent will start at \$2,700 per month. After year 5, the City will also pay 50% of revenue collected in excess of the monthly rent obligation. The term of the agreement will be 10 years with two, 5-year options.

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Exhibit A: Location Map -19th & W Streets

Exhibit A

Location Map - 19th and W Streets

