

APPROVED
BY THE CITY COUNCIL

MAR 30 1999

OFFICE OF THE
CITY CLERK



1.12

NEIGHBORHOODS, PLANNING AND
DEVELOPMENT SERVICES DEPARTMENT

CITY OF SACRAMENTO
CALIFORNIA

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AG99-064
CC99-148

March 15, 1999

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: LEASE AGREEMENT WITH SIERRA CURTIS NEIGHBORHOOD
ASSOCIATION FOR SIERRA 2 COMMUNITY CENTER**

LOCATION: City Council District 5, Curtis Park Neighborhood

RECOMMENDATION:

This report recommends that the City Council, by Resolution, authorize the City Manager to execute a Lease Agreement with the Sierra Curtis Neighborhood Association for the operation, maintenance and programming of *Sierra 2 Community Center*.

CONTACT PERSON: Janet Baker, Administrative Analyst, 277-2348

FOR COUNCIL MEETING OF: March 30, 1999

SUMMARY

In February, 1997, the City Council approved an exchange agreement between the Sacramento City Unified School District (SCUSD) and the City to exchange the land occupied by the Keith B. Kenny Elementary School in Oak Park (owned by the City) for the Sierra 2 Community Center (owned by the SCUSD). The proposed lease agreement between the Sierra Curtis Neighborhood Association and the City of Sacramento sets forth the operating and management agreement for the facility for a period of ten years with possible extensions for two additional ten year terms.



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BACKGROUND

As a result of the City Council approval on February 4, 1997 of the property exchange agreement between the SCUSD and the City for Sierra 2 Community Center, the Center has operated under the management of the Sierra Curtis Neighborhood Association (SCNA) as they have for the past 20 years. Until the new lease agreement could be developed, the former license agreement between SCNA and SCUSD was in place with the City taking over the former role of the SCUSD as lessor to the property.

The Sierra 2 Community Center was originally an elementary school built in 1926. In 1976, Curtis Park residents created the Sierra Curtis Neighborhood Association (SCNA), and through their efforts, saved the school which was slated for demolition. The intent of the SCNA was to preserve the historic building and use it as a neighborhood center for cultural, recreational and educational activities. SCNA has managed the Center since then as a community facility that now includes community classes, theater performances, a child care center and leased office space for community-based organizations and non-profits. SCNA operates as a non-profit 501c3 entity.

City staff has worked with the SCNA Board of Directors to develop the terms of the attached lease agreement. Under the terms of the proposed lease, the Center will continue to be operated and managed by the SCNA Board. The Center will continue to operate as it has. The City will be involved in major maintenance and facility decisions and may assist the Center with facility improvement designs. The City recognizes and applauds the SCNA for their fine stewardship of this community treasure.

FINANCIAL CONSIDERATIONS

The primary means of providing operating and maintenance funds for the Sierra 2 Community Center are generated from office space lease agreements and rental permits managed through the SCNA. Under the terms of this lease agreement, the operating and building maintenance costs for the facility will be the sole responsibility of the SCNA. Over the past 20 years, the SCNA has provided an outstanding community resource and made many improvements to the facility through its own resources.

During the negotiations regarding the terms of this agreement, the City recognized that there were several major capital improvements needed at the facility that were of such a large scale, that the SCNA would have difficulty funding them. They included a new fire alarm system and a new heating system.

The fire alarm system was necessary to meet current building codes to keep the facility open to the public. Due to the urgency of the project, the fire alarm system became a City CIP last fall (KC26) and the work is currently being completed. The City has agreed to pay for the fire alarm project. The projected final cost is approximately \$77,000.

The current heating system, a military ship's boiler, is original to the building and is near failure. The City recognizes that this is also a large capital project which needs to be accomplished in the near future. The City and Sierra 2 are currently participating in an "energy audit" program through the California Energy Commission. A complete energy study of the building is underway and will present recommendations on the best way to proceed with a new system. The audit will also project energy savings which will result from the conversion. Staff is hopeful that a low-cost loan may be available and the energy savings can be used for the repayment. Staff is also investigating other types of funding such as the State of California's PVEA fund (Petroleum Violator's Escrow Account) managed through the State Legislature. Staff has agreed to participate in some type of a cost sharing plan to replace the existing heating system. A plan will be developed based on the results of the energy audit.

POLICY CONSIDERATIONS

The operation of the Sierra 2 Community Center by the SCNA is consistent with City Council priorities of preserving and enhancing neighborhoods through strong neighborhood associations and leadership. The Sierra 2 Community Center has been an asset to the City and neighborhood over the past 20 years.

ENVIRONMENTAL CONSIDERATIONS

No environmental review is required to execute the proposed Lease Agreement for the existing Sierra 2 Community Center.

MBE/WBE CONSIDERATIONS

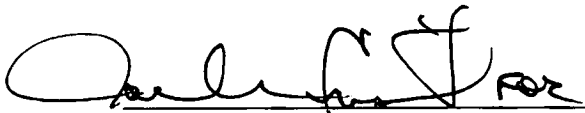
No purchasing of goods or materials is proposed with this agreement. Staff will provide the SCNA with appropriate City guidelines and goals regarding small and minority owned businesses.

Respectfully submitted,



MICHAEL HANAMURA, Area Director
Neighborhoods, Planning and Development
Services Department

Recommendation Approved:



ROBERT P. THOMAS
City Manager



JACK CRIST
Deputy City Manager

APPROVED
BY THE CITY COUNCIL

MAR 30 1999

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 99-148

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION AUTHORIZING THE CITY MANAGER
TO EXECUTE A LEASE AGREEMENT WITH SIERRA CURTIS
NEIGHBORHOOD ASSOCIATION FOR OPERATION OF
SIERRA 2 COMMUNITY CENTER**

WHEREAS, the City of Sacramento owns the facility known the Sierra 2 Center for the Arts and Community located at 2791 24th Street, Sacramento, California (APN: 014-0231-001); and

WHEREAS, the City of Sacramento wishes to enter into a Lease Agreement for the operation and management of the Sierra 2 Center by the Sierra Curtis Neighborhood Association and their Board of Directors;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. The City Manager is authorized to execute a Lease Agreement with the Sierra Curtis Neighborhood Association for a period of ten (10) years.

MAYOR

Attest:

City Clerk

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____