



2

OFFICE OF THE
CITY MANAGER

October 18, 1988

CITY OF SACRAMENTO
CALIFORNIA

RECEIVED
OCT 17 1988

CITY HALL
ROOM 101
915 I STREET
SACRAMENTO, CA
95814-2684

Budget and Finance/
Transportation and Community Development Committee
Sacramento, California

916-449-5704

Honorable Members in Session:

**SUBJECT: ACQUISITION OF LAND AND IMPROVEMENTS LOCATED AT 551
SEQUOIA PACIFIC BOULEVARD**

SUMMARY

This report recommends that the Budget and Finance/Transportation and Community Development Committee recommend to the City Council the purchase of real property and improvements located at 551 Sequoia Pacific Boulevard. This site will provide permanent space for the Police Department's Property Management Section and the Identification Unit and for the Parks and Community Services Department's Museum and History Division administration, archives and collections storage.

BACKGROUND

This project proposes a long-term solution to the storage and location needs of two City operations: Police property management and evidence detection and Museum and History administration, archives and collections. Both of these operations are currently faced with critical storage and location needs as a result of inadequate space and termination of exiting lease arrangements.

The attached report to the City Council provides a detailed discussion of the issues, costs and recommended action.

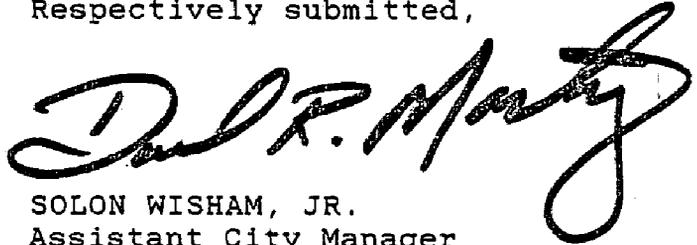
RECOMMENDATION

It is recommended that the Budget and Finance and Transportation and Community Development Committee review and recommend adoption by the full City Council of the attached report recommending the purchase of real property and improvements located at 551 Sequoia Pacific Boulevard.

October 18, 1988
Budget and Finance/
Transportation & Community Development Committee

Page 2

Respectively submitted,



SOLON WISHAM, JR.
Assistant City Manager

for

District 1
October 25, 1988



OFFICE OF THE
CITY MANAGER

CITY OF SACRAMENTO
CALIFORNIA

OCT 17 1988

ROOM 101
915 J STREET
SACRAMENTO, CA
95814-2684

916-449-5704

October 18, 1988

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: ACQUISITION OF LAND AND IMPROVEMENTS LOCATED AT 551
SEQUOIA PACIFIC BOULEVARD**

SUMMARY

This report recommends that the City Council approve the purchase of real property and improvements located at 551 Sequoia Pacific Boulevard. This site will provide permanent space for the Police Department's Property Management Section and the Identification Unit and for the Parks and Community Services Department's Museum and History Division administration, archives and collections storage.

BACKGROUND

Current Storage Needs and Problems

This project proposes a long-term solution to the storage and location needs of two City operations: Police property management and evidence detection and Museum and History administration, archives and collections. Both of these operations are currently faced with critical storage and location needs as a result of inadequate space and termination of exiting lease arrangements.

The following sections describe the functions and space requirements of these operations:

Police

Property Management and the evidence Identification Unit are administered within the Office of Administrative Services. The role of the Property Management Section is to maintain physical storage of all evidence required for criminal prosecution and found property for return to the rightful owners; to provide for the Department's equipment and office supplies needs; to act as

liaison with Fleet Management as well as the tow companies authorized to tow vehicles for the Department; and to attend to the janitorial needs of the Hall of Justice and Police Annex building. The evidence/property storage and disposal functions of the Police Property Management Section are mandated by state law and, therefore, are not discretionary operations of City government.

It is the policy of the Department to maintain and dispose of evidence and found property in a manner consistent with legal requirements and within the concepts of the victim services program. The intent is to minimize the inconvenience to the victims of crime by releasing evidence and property as rapidly as possible without compromising the integrity of the chain of custody required for a successful prosecution.

The Property Management Section is authorized a staff of twenty-four full time employees. The Section's working hours are from 6:00 am to midnight, seven days a week. The hours available to the public are from 12:00 pm to 4:00 pm, Monday through Friday.

The Technical Services Detail of the Department's Identification Unit will also be located at the proposed new location. This Unit utilizes powders, chemicals, dyes, stains, and a laser detection system to develop latent prints on evidence items obtained from crime scenes. These processes will take place in a laboratory environment where specialized equipment and ventilated exhaust hoods will be available. The Unit also responds to major crime scenes to develop latent prints.

These functions are currently housed at three locations. The property warehouse is located at 501 H Street in leased space, the Property Management staff and some evidence is located at 625 H Street, and the Technical Services Unit is located in the Hall of Justice.

Aside from the obvious operational inefficiencies which result from fragmenting operations between different locations, each of these operations has outgrown their existing space with no possibility to expand within the current locations.

The Space Needs Study (January 1987) identified a current need of 22,000 square feet for the property storage detail and a need of 35,000 square feet by the year 2025. Currently, there is only 13,000 square feet available for storage of property and evidence.

A recent survey revealed that three times more property is being received than is being disposed. The length of time property is held varies, largely depending on how long it takes for the case to be adjudicated. Courts are taking longer to handle cases; therefore evidence is held longer. In cases of unsolved homicides, there is evidence dating back nearly 40 years. Each month the Property Management Section receives an average of

evidence/property booked has increased 60%.

The current storage areas are now full. In July 1988, over 400 hours of overtime were used to make more space for incoming property and to clear aisles by consolidating stored property and concentrating on disposition of property. Retrieval of stored property and evidence now takes considerable time, resulting in delays and inconveniences to the public.

The Police have leased the 501 H Street building since November 1981. The current lease is on a month-to-month basis with a 90 day noticing clause. Southern Pacific, the owner, is unwilling to negotiate a long-term lease. The conditions at this location are inadequate. The building has no heating or cooling system; it has poor lighting, making it extremely difficult to work at nights; during heavy rains, water seeps onto the floor, under the roll-up doors, and through the sky light; the floor is deteriorating and dry rot has set into the west wall.

Clearly, it is not reasonable to continue to subject employees to these conditions. Regardless of the decision on this proposal, it will be necessary to relocate the property warehouse operation to another location in 1989, due to space needs and conditions.

The proposed location will allow the Technical Services Unit to expand their evidence development capability to include processing automobiles and large furniture items with the laser fingerprint detection system. This is currently not possible with the system located on the fourth floor of the Hall of Justice.

Consolidation of the property function will result in increased efficiency and improve the space problems downtown.

Museum and History

The Division of Museum and History is equally funded by the City and County of Sacramento and is the lead agency for the protection and development of historic and cultural resources. It is administered by the City and, since 1977, has been operating within the Department of Parks and Community Services. The Division is responsible for the operation of the Sacramento History Center and the Sacramento Science Center. In conjunction with the 9 member Sacramento Museum and History Center Commission, the Division works with the Sacramento History Center Association, a 1500 member organization with a 15 member Board of Trustees, to provide support for the Sacramento History Center in Old Sacramento.

The Museum and History Division is responsible for Division administration, maintaining City and County public record archives, assisting the Sacramento History Center Association with fund raising, and developing exhibits for the Sacramento History Center, and caring for a large collection of artifacts ranging

from gold coins to horse drawn carriages.

The Division's administration and partial archives are located at 1930 J Street. The balance of the collections are housed in a leased warehouse at 221 Lathrop Way. Smaller portions of the collection are temporary housed by a local drayage company and SMUD. The lease for the 1930 J Street site expired in May 1988, and has continued on a month-to-month basis since. On September 1, 1988, the City received a 30 day notice to terminate the lease (refer to Exhibit A). The owner, Duke Development Company, has made arrangements with another party for a long-term lease of this location. Staff has persuaded the owner to allow the City to continue to occupy the site for the next 4-6 months.

The lease for the warehouse on Lathrop Way will expire in March 1989. Although this lease could be re-negotiated at that time, the owner has indicated that they have another tenant for this site and would move us to another location.

The proposed facility will house the Division administration offices, the public archives and research area, and will house collections for the archives, the History Center, Science Center and partially for the Crocker Art Museum.

As proposed, the collections storage area has a climate controlled environmental system which allows the Division to provide a protective environment for collections ranging from fine art paintings to animal mounts. The environment in the collections storage area will be strictly controlled for temperature (68°) and humidity (50%, +/- 2%). In addition, the system will provide air filtration to minimize dirt and dust. Currently, the Division's collections are not stored in a controlled environment, although the 1930 J Street location does have temperature control.

Environmental control, although expensive to install and operate, is crucial to extending the useful life of collections of all types used by museums and archives, thus avoiding vastly larger expenses to stabilize or restore items which have deteriorated under improper archive storage conditions.

Proposed Solution

For the past year, Museum and History and Police staff have been working, independently from each other, with the City's Real Estate section to identify new sites for possible relocation. During this time over a dozen sites were evaluated to greater or lesser degrees and rejected for various reasons.

The basic criteria used in evaluating potential sites for both functions was: eventual ownership of the site (lease/purchase or outright purchase); size (to accommodate current needs plus those identified in the Space Needs Study); building configuration consistent with the needs of the function; location proximate to downtown; that the City would be the only occupant of the

building; and cost. Ownership of the site will benefit the City through lower future payments (level debt service versus inflating leases), and accumulation of equity.

In late April 1988, staff was referred to a 50,000 square foot warehouse on Sequoia Pacific Boulevard in the Richards Boulevard area (refer to Exhibit B for a location map). The building is only two years old and was formerly leased to Biggers Industrial. This building is larger than the current requirements for either Police property or Museum and History's individual needs. However, the combined projected space needs of these two functions totals approximately 50,000 square feet. Staff then began to evaluate the potential to modify the interior of the building to accommodate the needs of each function.

Preliminary floor plans have been developed which allocate approximately 30,000 square feet to Police and the remaining 20,000 square feet to Museum and History. The existing interior layout of the building is inconsistent with the needs of either Police or Museum and History and will require extensive remodeling to accommodate the special needs of each function: security, climate control, office configuration, size of storage areas, etc.

Staff has entered into discussions with representatives of the owner, Clara Massie. The owner has offered the land and building to the City at a fair price. The owner is also willing to construct all tenant improvements. By using the owner to accomplish the improvements, the City will realize significant savings, both in terms of cost and time.

Based upon cost estimates provided by the Facility Management Division, the City will save between 30-35% (approximately \$250,000) of the costs of providing tenant improvements by having the owner complete the work. Additionally, this work can be completed within 60 days of the issuance of building permits; a much more aggressive timetable than would be possible utilizing City work crews.

Each side of the divided building will contain office space and storage areas. The two functions will be divided by a specially constructed security wall, will have separate entrances, and will operate independent of each other.

The office areas will allow for growth beyond the present staffing levels. Growth in the storage areas will be accommodated by utilizing mechanized compactor storage systems. The use of this type of storage medium instead of fixed aisle storage systems will allow us to effectively increase the storage potential by 50-100% (see Exhibit C for an illustration of this type of storage system). This will allow for anticipated growth through the year 2025, per the Space Needs Study, without needing to acquire additional square footage.

This project assumes that nearly all shelving to be used in the

warehouse areas will be of the high-density compactor type. Due to the long lead time for manufacture and installation of an order of this magnitude, and the pressing needs of both functions to relocate as soon as possible, staff has conditionally issued a Request for Proposal to selected vendors. These proposals will be evaluated using a scoring matrix which weighs several factors including prior experience, quality of materials, ability to deliver within the project timetable, cost, etc. The storage systems need to be in place prior to moving the property and archive items to the new location. Any delay in installing the systems will mean that the building will sit vacant until they can be installed and the collections moved.

This site meets all of the criteria established by the respective departments for relocating the property management and Museum and History archive functions. Additionally, the City realizes several advantages by co-locating functions on one site instead of two or more: maintenance of the building and parking surface, landscaping, maintenance of mechanical systems and security systems, sharing of parking facilities, etc. It is clearly more cost effective to send crews to a single location than to multiple locations to service these maintenance items.

Additionally, the location of a City facility in this area should aid in the redevelopment of the Richards Boulevard area. The presence of the Police Department and the frequent passage of patrol cars to deposit property and evidence throughout the 24 hour day will be an added benefit to the area.

Project Timetable

As outlined above, both functions have reached critical stages in their space needs. It is important that the City move as quickly as possible to solve the challenges described here. Staff is proposing the following time line for this project:

Project approval by City Council	Nov. 1
Execution of agreement on purchase	Nov. 2
Final plans submitted by Massie on improvements	Nov. 9
Council accepts bid on storage system	Nov. 15
Improvements completed on building	Jan. 27
City takes possession of building	Jan. 30
Facility Management completes balance of improvements, installs furnishings, phones, security system, etc.	Jan. 30 - March 17
Storage systems installed	Feb. 28

Move property and archives

March 1 -
March 31

Fully functional operations

April 3

FINANCIAL ANALYSIS

Project Costs and Savings

The total net cost for the purchase and improvements to the property is \$3.9 million. This is detailed in Exhibit D.

As the exhibit details, these costs include the land and building (\$34.74 square foot), improvements to be constructed by the owner (\$15.86 square foot), improvements to be completed by the City's Facility Management Division, furnishings, equipment, storage systems, and Art in Public Places project.

Exhibit E compares the costs of continuing to perpetually lease space for the Police and Parks and Community Services functions addressed in this proposal, versus the purchase of this warehouse. This analysis assumes that the City would need to relocate the Police property operation to a larger location in 1989 and expand again in 1998 as they exhaust the available space. Rent and utilities are conservatively projected to increase by five percent annually. Based upon these assumptions, the project will realize net annual savings over continued leasing by the fourteenth year of the project. These savings will continue to grow each year with annual savings of over \$700,000 per year once the debt has been retired. This purchase will also result in equity growth for the City in an area with excellent appreciation potential.

Additionally, the approval of this project may eliminate the need to allow for property warehouse space in the Public Safety Complex. The preliminary plans for the Complex had allocated 45,540 square feet for property storage and operations at an estimated cost of about of \$3.9 million. This space could either be reduced to a minimum of 5,000 square feet for transitory evidence storage (saving \$3.4 million from the project) or allocated to another function.

As noted previously, the County of Sacramento funds one half of the operating costs for the Museum and History Division. The County's appropriation for 1988-89 is \$201,856, of which approximately \$90,000 is for leases and utilities. Exhibit F separates out the land and improvements costs associated with the needs of the Museum and History Division. The net increase in annual requirements for Museum and History is \$31,200, assuming continued equal funding by the County (the County Executive has

been briefed on this project). Exhibit G provides an analysis of the alternatives of continuing to lease space versus the proposed purchase. Annual rental and utility increases are assumed. This analysis indicates that in only eight years the City will realize net annual savings by purchasing permanent space instead of continuing to perpetually lease space. These savings increase over the term of the debt schedule, totaling nearly \$1.7 million dollars.

Proposed Financing

The purchase price of the property with improvements provided by the owner is set at the negotiated price of two million five hundred and thirty thousand dollars (\$2,530,000) which is eighty thousand dollars (\$80,000) more than the appraisal by Howard A. Pearson and Associates. The purchase price is higher than the appraised market value due to the special uses intended for the building. The special environmental system required in the Museum and History storage area and the special security features added to the wall separating the Police from the Museum and History function adds significant costs to the project which do not add to the market value of the building. Terms of the real estate purchase are contained in the attached agreement (Exhibit H) which includes a description of the property.

Additional improvements to be completed by the City and the purchase of furnishings, storage systems, security systems, moving expenses, telephones, etc., will cost one million four hundred and seventy thousand dollars (\$1,470,000). These will be offset by one hundred thousand dollars (\$100,000) currently available in a capital project (MA16).

The Museum and History component of this project was initially funded in the 1981-82 Capital Improvement Program with \$60,000 by each the City General Fund and the County of Sacramento for the purpose of locating and designing permanent office and archive storage facilities. Of the initial \$120,000 appropriated for this project, \$100,000 remains.

Funding for the project is available from the 1987 Public Facilities Projects Certificates of Participation. The 1987 COP provided \$9.9 million to defease the outstanding 1971 Community Center Bonds and \$27.2 million (including interest earnings) to be used to construct and acquire various City projects and equipment. The \$27.2 million construction proceeds were further divided into two categories. The first category, referred to as Category I projects, includes the construction of a police substation, the acquisition of equipment for the Public Safety Communication System and the purchase of 60,000 solid waste 90-gallon containers. These Category I projects total \$11.7 million.

The concept of Category II projects was developed by the City Treasurer and allocated \$15.5 million of the 1987 COP proceeds

into this category in order to provide maximum financing flexibility for the City. The intent of Category II is to make money available for capital projects of the City with useful lives of at least 25 years. At the time that the COP was issued, it was planned that approximately \$14.455 million from Category II could be used to purchase land for the expansion of the Community Center, or for other projects. In the event that either the expansion does not take place or another use of Category II money is identified, the funds in Category II may be used for any other government purpose project in the City. Subsequently, funds from Category II have been expended to payoff the mortgage on the Scofield Building (\$1.047 million), the purchase of 4 parcels on the north side of K Street (\$1.79 million), and the purchase of 2200 Front Street (\$1.775 million). This project will require \$3.9 million, leaving \$6.982 million remaining in Category II.

It was determined in discussions with the City Treasurer that it would be permissible to use Category II money to purchase the warehouse property. Category II was intended to be used as a pool of money that would fund capital projects as required. As projects are completed, they become part of a collateral base of other City assets upon which capital needs can be financed. If the Council approves the Community Center expansion, a Phase II financing could be accomplished using the Community Center and other assets of the City which are free of lien (including the Sequoia Pacific warehouse) to provide some of the funding for the expansion.

Annual Requirements

The annual payments necessary to service the debt on the Category II funds is estimated at \$456,000. Maintenance and operating expenses of the building (utilities, custodial services, landscape maintenance, etc.) are estimated to be \$120,000 per year. The total annual requirement, therefore, is \$576,000.

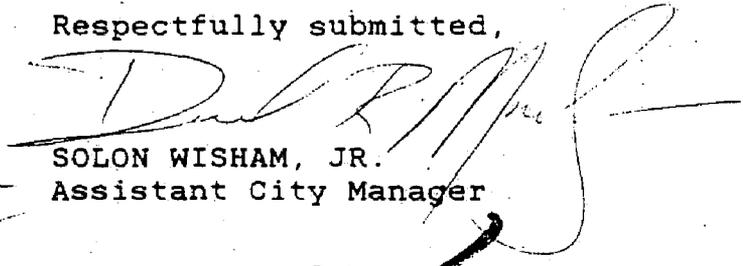
Currently, the Police Department has budgeted \$18,600 for property warehouse leases. The Museum and History Division has budgeted \$180,000 for office and storage leases and maintenance and operations. The total amount currently budgeted is \$198,600. The increase to be requested from the County for fiscal year 1989-90 is \$31,200. Therefore, the net first year increase in annual requirements for the City is \$346,200.

No operating budget appropriation is needed for the current fiscal year. The first debt service payment will be due in fiscal year 1989-90. Operating costs during the balance of 1988-89 will be paid from currently budgeted funds. Both operations have funds budgeted for utilities and maintenance for their current locations. Also, both have anticipated 12 months of lease payments in their 1988-89 budgets. Once the operations move, these lease monies can be applied to the cost of operating in the new facility.

RECOMMENDATION

It is recommended that the City Council, by resolution, authorize the City Manager to execute an agreement purchasing real property and improvements located at 551 Sequoia Pacific Boulevard, and appropriate the necessary funds required to complete the purchase and improvements from funding available from the 1987 Public Facilities Projects Certificates of Participation.

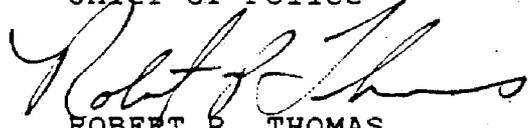
Respectfully submitted,

for 

SOLON WISHAM, JR.
Assistant City Manager

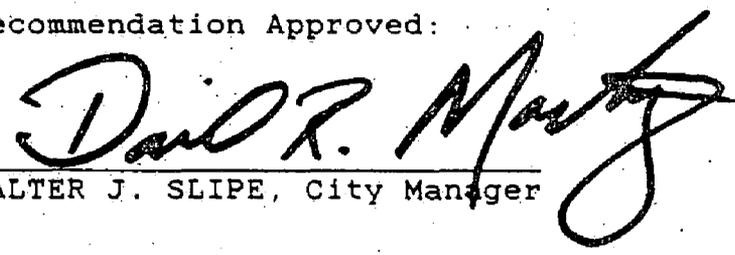


JOHN P. KEARNS
Chief of Police



ROBERT P. THOMAS
Director of Parks and Community
Services

Recommendation Approved:

for 

WALTER J. SLIPE, City Manager

District 1
November 1, 1988

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

A RESOLUTION RECOMMENDING THE PURCHASE OF REAL PROPERTY AND IMPROVEMENTS LOCATED AT 551 SEQUOIA PACIFIC BOULEVARD TO PROVIDE FOR POLICE PROPERTY MANAGEMENT AND MUSEUM AND HISTORY ADMINISTRATION, ARCHIVES AND COLLECTIONS STORAGE

WHEREAS, the City needs to provide space to be used for Police property management and storage and for Museum and History administration, archives and collections storage; and

WHEREAS, these functions need to be relocated due to termination of current leases and inadequate space; and

WHEREAS, the property owner, Clara Massie, has voluntarily entered into an agreement to sell the subject property and improvements to the City at a price of two million five hundred and thirty thousand dollars (\$2,530,000).

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

1. The City Manager is hereby authorized to execute the purchase agreement and other necessary documents to conclude the purchase of the real property and improvements from Clara Massie as described in the attached purchase agreement and the property description designated as Exhibit H.
2. The City Treasurer is authorized to appropriate the purchase price of two million five hundred and thirty thousand dollars (\$2,530,000) and an additional one million three hundred and seventy thousand dollars (\$1,370,000) to provide for furnishings, storage systems, improvements, and related expenses, from the proceeds of the 1987 Public Facilities Project Certificates of Participation (Category II) to cover the full cost of the project.
3. The Trust Agreement for the 1987 Public Facilities Project is hereby amended to include in the Description of Buildings the property and improvements located at 551 Sequoia Pacific Boulevard.

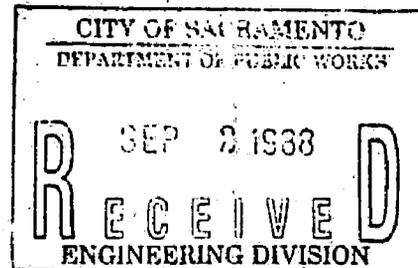
4. Funds from CIP project number MA16 are transferred to this project.

MAYOR

ATTEST:

CITY CLERK

EXHIBIT A
RECEIVED
CITY CLERK'S OFFICE
CITY OF SACRAMENTO
SEP 1 5 02 PM '88



DUKE
DEVELOPMENT
COMPANY

300 CAPITOL MALL, SUITE 1800
SACRAMENTO, CALIFORNIA 95814
TELEPHONE: 916/447-5535

September 1, 1988

Mr. Irvin E. Moraes
Real Estate Supervisor
City of Sacramento
City Hall
915 "I" Street
Sacramento, Ca. 95814

Subject: Museum and History Department

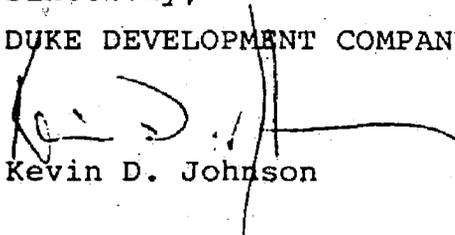
Dear Mr. Moraes:

Please find enclosed a copy of our Notice To Terminate our lease of the subject tenant.

Please contact me if you have any questions.

Sincerely,

DUKE DEVELOPMENT COMPANY


Kevin D. Johnson

KDJ/seg

NOTICE

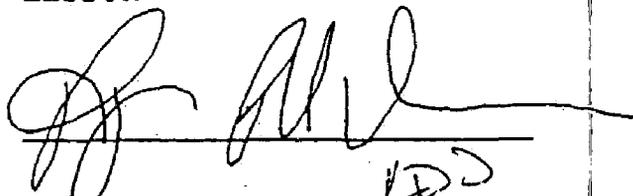
TO: CITY OF SACRAMENTO, DEPARTMENT OF MUSEUM AND HISTORY
NOTICE IS HEREBY GIVEN that your month-to month tenancy of the premises located at 1930 J Street is terminated as of thirty (30) days after service on you of this Notice in accordance with the provisions of California Code of Civil Procedure, Section 1162, and you are requested to remove from the premises and to deliver up possession of said premises to the undersigned on or before expiration of said thirty (30) day period.

The rental for said premises shall be due and payable up to and including the date of termination of the tenancy. The sum of \$9,925.00, the amount due and payable to and including the termination date, is payable to the authorized agent of the undersigned on or before the date of termination.

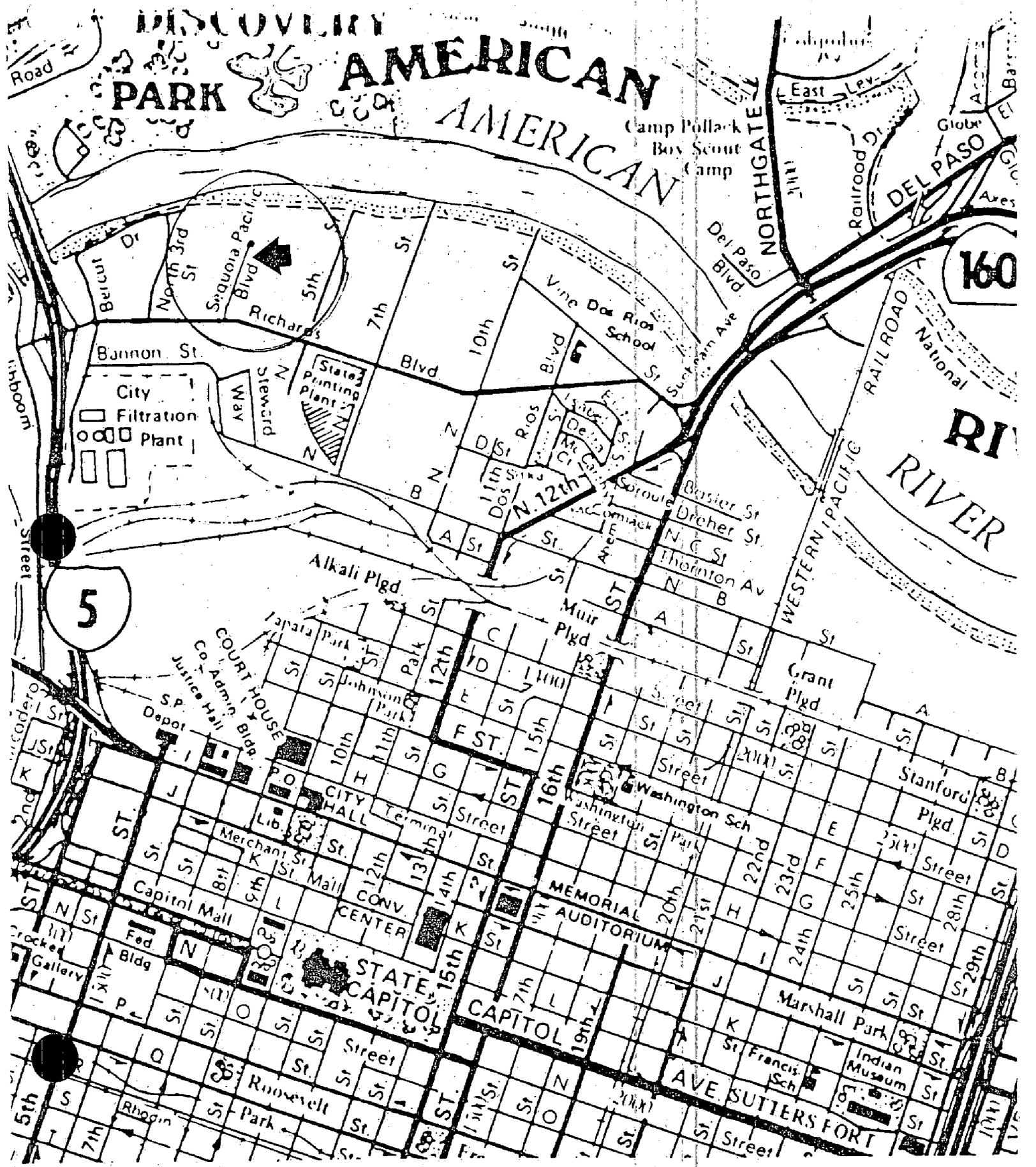
This notice is given pursuant to the provisions of Section 1946 of the California Civil Code for the purpose of terminating your tenancy as of thirty (30) days after service on you of this Notice.

Dated: September 1, 1988

LESSOR


9/1/88

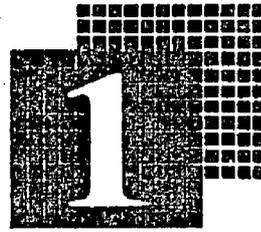
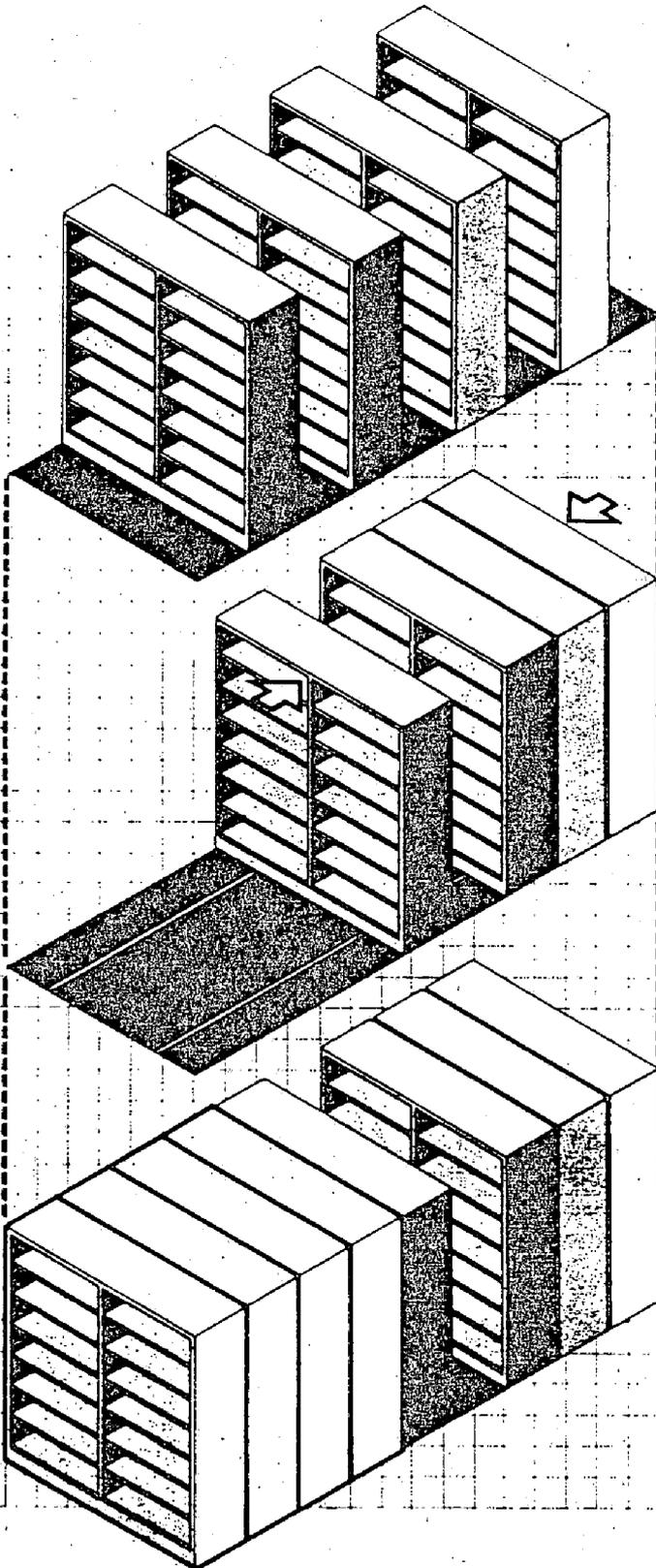
DISCOVERY PARK AMERICAN AMERICAN



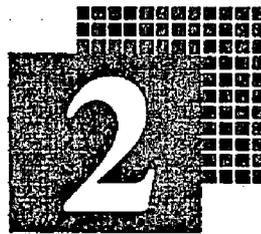
HIGH-DENSITY SYSTEMS

THE SPACESAVER CONCEPT

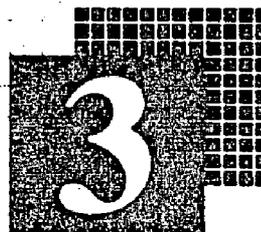
The illustrations below show the efficient space-utilization comparison between stationary storage and that of Spacesaver high-density mobile storage systems.



Conventional Layout
Typical conventional arrangement of stationary storage units with non-productive aisles between units.



Spacesaver Layout
By elimination of non-productive aisles between the fixed ranges, the Spacesaver concept compacts the materials stored saving 50% of the space for other functions.



Spacesaver Layout
Or a full 100% more storage is available within the original floor space area, *thereby doubling the storage capacity.*

EXHIBIT D

SEQUOIA PACIFIC WAREHOUSE PROPERTY
POLICE PROPERTY/MUSEUM & HISTORY ADMINISTRATION

CAPITAL OUTLAY		Cost per Square Foot
		<u> </u>
Land & Building	1,737,000	34.74
Improvements by Owner		
Police (30,000 sq ft)	383,496	12.78
Museum & History (20,000 sq ft)	409,504	20.48
	<u> </u>	
Subtotal Improvements	793,000	15.86
Memo: Massie's Offer	2,530,000	50.60
Identification Lab (work by Fac. Mgt.)	179,000	49.58
Furnishings, telephones, moving, security, architect/engineer, project management and inspection, etc.		
Per Facility Mgt	395,000	
Additional Police Equip.	130,000	
Additional Museum & Hist. Equip	50,000	
	<u> </u>	
Subtotal Furnishings	575,000	
Art in Public Places	20,000	
Compactor Mechanized Storage Systems	600,000	
Contingency	96,000	
	<u> </u>	
Project Subtotal	4,000,000	80.00
Less Currently Budgeted Funds	(100,000)	
	<u> </u>	
PROJECT TOTAL	<u> </u> <u> </u>	78.00

ANNUAL REQUIREMENTS

Debt Service	456,000	.76
Maintenance & Operation	120,000	
	<u> </u>	
Annual Requirement	576,000	
Current Annual Leases		
Police (10,314 sq ft)	(18,600)	.15
Museum & History (17,916 sq ft)	(160,000)	.74
Current Annual Maintenance & Operations	(20,000)	
	<u> </u>	
NET INCREASE IN REQUIREMENTS	<u> </u> <u> </u>	

EXHIBIT E

ANALYSIS OF LEASING ALTERNATIVES FOR POLICE PROPERTY
AND MUSEUM AND HISTORY

YEAR (1)	CURRENT LEASES + M&O PLUS ADDED SPACE** (2)	PROPOSED WAREHOUSE*** DEBT SERVICE and M & O (3)	ANNUAL (COST)/SAVINGS OF PROPOSAL (2) - (3)
1989	312,000	576,000	(264,000)
1990	327,600	582,000	(254,400)
1991	343,980	588,300	(244,320)
1992	361,179	594,915	(233,736)
1993	379,238	601,861	(222,623)
1994	398,200	609,154	(210,954)
1995	418,110	616,811	(198,702)
1996	439,015	624,852	(185,837)
1997	460,966	633,295	(172,329)
1998	556,014	642,159	(86,145)
1999	583,815	651,467	(67,652)
2000	613,006	661,241	(48,235)
2001	643,656	671,503	(27,847)
2002	675,839	682,278	(6,439)
2003	709,631	693,592	16,039
2004	745,112	705,471	39,641
2005	782,368	717,945	64,423
2006	821,487	731,042	90,444
2007	862,561	744,794	117,767
2008	905,689	759,234	146,455
2009	950,973	774,396	176,578
2010	998,522	790,316	208,206
2011	1,048,448	807,031	241,417
2012	1,100,870	824,583	276,288
TOTAL	15,438,280	16,284,240	(845,960)
EQUITY @ 2012	0	9,030,000	

Assumes debt service payments are level and the debt is retired after 24 years.

**Assumes relocating Police property to a 20,000 sq ft site in 1989 and adding 10,000 sq ft additional storage for Police in 1998.

Assumes annual increase in leased space cost of 5% per annum.

***Assumes annual increase cost of utilities of 5%.

SEQUOIA PACIFIC WAREHOUSE PROPERTY
MUSEUM & HISTORY ADMINISTRATION AND ARCHIVES
(PRORATA SHARE OF TOTAL BUILDING)

CAPITAL OUTLAY

		Cost per Square Foot
Land & Building (20,000 sq ft)	694,800	34.74
Improvements by Developer	413,104	
Memo: Massie's Offer		1,107,904 55.40
Furnishings, telephones, moving, architect, engineering, project mgt., project inspection, etc.	231,239	
Art in Public Places	10,000	
Compactor mechanized storage system	250,000	
Contingency	38,400	
Project Subtotal	1,637,543	81.88
Less Currently Budgeted Funds	(100,000)	
PROJECT TOTAL	1,537,543	76.88

ANNUAL REQUIREMENTS

	TOTAL	COUNTY SHARE	
Debt Service	182,400	91,200	.76
Maintenance & Operation	60,000	30,000	
Annual Requirement	242,400	121,200	
Current Annual Leases			
Museum & History (17,916 sq ft)	(160,000)	(80,000)	.74
Current Annual Maintenance & Operations	(20,000)	(10,000)	
NET INCREASE IN REQUIREMENTS	62,400	31,200	
Additional Amount to Be Requested From County	31,200		

11.6% increase in gross square footage.

8.25% increase in annual "lease", fixed over the next 20 years.

Current M&O does not include energy costs for storage environmental system.

Current County appropriation for 1988-89 totals \$201,856

EXHIBIT G

ANALYSIS OF LEASING ALTERNATIVES FOR MUSEUM & HISTORY

YEAR (1)	CURRENT LEASES + M&O (2)	PROPOSED WAREHOUSE DEBT SERVICE and M & O (3)	ANNUAL (COST)/SAVINGS OF PROPOSAL (4) (2) - (3)	COUNTY SHARE OF ANNUAL (COST)/SAVINGS (5) (4) * .50
1989	196,000	242,400	(46,400)	(23,200)
1990	205,800	245,400	(39,600)	(19,800)
1991	216,090	248,550	(32,460)	(16,230)
1992	226,895	251,858	(24,963)	(12,482)
1993	238,239	255,330	(17,091)	(8,546)
1994	250,151	258,977	(8,826)	(4,413)
1995	262,659	262,806	(147)	(73)
1996	275,792	266,826	8,966	4,483
1997	289,581	271,047	18,534	9,267
1998	304,060	275,480	28,581	14,290
1999	319,263	280,134	39,130	19,565
2000	335,227	285,020	50,206	25,103
2001	351,988	290,151	61,836	30,918
2002	369,587	295,539	74,048	37,024
2003	388,067	301,196	86,871	43,435
2004	407,470	307,136	100,334	50,167
2005	427,843	313,372	114,471	57,235
2006	449,236	319,921	129,314	64,657
2007	471,697	326,797	144,900	72,450
2008	495,282	334,017	161,265	80,633
2009	520,046	341,598	178,448	89,224
2010	546,049	349,558	196,491	98,245
2011	573,351	357,916	215,435	107,718
2012	602,019	366,691	235,327	117,664
TOTAL	8,722,392	7,047,720	1,674,672	837,336

Assumes annual rental increases of 5% at current location
and 5% annual increases in utilities in either alternative.

Current M&O does not include energy costs for storage environmental system.

EXHIBIT H

The purchase agreement will be included with the November 1, 1988 City Council agenda packet.