

APPROVED
BY THE CITY COUNCIL

JUN 22 1999

OFFICE OF THE
CITY CLERK



1.9

DOWNTOWN
DEPARTMENT

PARKING LOT ADMINISTRATION

CITY OF SACRAMENTO
CALIFORNIA

June 10, 1999

312 K STREET
SACRAMENTO, CA
95814-3329

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AG99-101
CC99-328

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: AGREEMENT TO LEASE 1009 L STREET TO SEE'S CANDIES, INC.

LOCATION: North side of L Street, between 10th and 11th Streets – Council District 1.

RECOMMENDATION:

This report recommends that the City Council, by resolution, authorize execution of a Lease agreement with See's Candies, Inc. for retail space at 1009 L Street, Lot H Parking Garage (see map attached as Exhibit A).

CONTACT PERSON: Mark S. Miller, Parking Manager, 264-7610

FOR COUNCIL MEETING OF: June 22, 1999

SUMMARY:

Subject to City Council approval, a five-year Lease Agreement has been negotiated to rent 2,787 square feet of retail space to See's Candies, Inc. The Lease is for space at 1009 L Street in the 10th and L Street parking facility (Lot H).

COMMITTEE/COMMISSION ACTION:

None.

City Council
Agreement to Lease 1009 L Street
June 10, 1999

BACKGROUND:

One of the City's best tenants, See's Candies has maintained a booming operation at 1009 L Street for the past ten years. With no remaining options on their current Lease with the City, See's has signed a new Lease that will keep the store in its current location for at least five more years.

The rental rate in the proposed agreement meets the City Council established minimum for Lot H of \$1.25 per square foot per month (Resolution No. 97-575). Rent will remain constant at \$1.60 per square foot per month during the five-year term.

The Lease agreement has been approved to form by the City Attorney's Office.

FINANCIAL CONSIDERATIONS:

Monthly rental payments will be \$4,459.20 (\$1.60 per square foot) throughout the initial Lease term.

The Lessee shall receive no free rent and shall not be reimbursed for any tenant improvements. Tenant will pay all utilities, except for water and sewage. The tenant will pay all property taxes levied on the premises, including possessory interest taxes.

Yearly rental income during the five years of this Lease will be \$53,510.40. All rents from this Lease shall be deposited in the appropriate Parking Fund for operation of City garages.

ENVIROMENTAL 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".

POLICY CONSIDERATIONS:

This item conforms to current policy, which requires obtaining market rent and conditions for City leases.

City Council
Agreement to Lease 913 10th Street
June 10, 1999

ESBD CONSIDERATION:

None. No goods or services are being purchased.

Respectfully submitted,



Mark S. Miller
Parking Operations Manager

RECOMMENDATION APPROVED:



for ROBERT P. THOMAS
City Manager

APPROVED:



Thomas V. Lee
Deputy City Manager

APPROVED
BY THE CITY COUNCIL

JUN 22 1999

OFFICE OF THE
CITY CLERK

RESOLUTION NO.

99-328

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION AUTHORIZING EXECUTION OF A
LEASE AGREEMENT WITH SEE'S CANDIES, INC.
FOR THE LEASE OF RETAIL SPACE
AT 1009 L STREET**

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

1. That the City Manager is hereby authorized and directed to execute a Lease with See's Candies, Inc. for the lease of retail space at 1009 L Street, Lot H Parking Garage.
2. The City Manager is further authorized to execute such additional documents, and to take additional acts as necessary, to implement the Lease.
3. Income derived from this Lease shall be deposited in the Parking Fund for the operation of City garages.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

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RESOLUTION NO.: _____

DATE ADOPTED: _____

PUBLIC WORKS - REAL ESTATE SERVICES

Tenth & L Garage - Lot "H" - Lease Space

