



# REPORT TO COUNCIL

## City of Sacramento

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

CONSENT  
September 15, 2009

Honorable Mayor and  
Members of the City Council

**Title: Lease Agreement: Sacramento START Program**

**Location/Council District:** 5725-5735 47th Avenue, District 6

**Recommendation:** Adopt a **Resolution** authorizing **1)** the City Manager or City Manager's designee to execute a four-year lease with the Sacramento City Unified School District for office space for the Sacramento START (Students Today Achieving Results for Tomorrow) Program at 5725-5735 47th Avenue; and **2)** authorizing the City Manager or the City Manager's designee to execute such additional documents and to take such additional actions as necessary to implement the lease.

**Contact:** Alan Tomiyama, Recreation Manager, 808-8958

**Presenters:** N/A

**Department:** Parks and Recreation

**Division:** Recreation

**Organization No:** 19001631

### Description/Analysis

**Issue:** The Parks and Recreation Department's Sacramento START (Students Today Achieving Results for Tomorrow) after-school literacy and enrichment program has been leasing office space since 2003 at 8795 Folsom Boulevard. The lease is expiring and START has negotiated a four-year lease at 5725-5735 47th Avenue, the headquarters of the Sacramento City Unified School District. Staff recommends that City Council authorize the execution of the new lease through October 31, 2013. No General Fund support is required.

**Policy Considerations:** Continued participation in after-school programming is consistent with the City's strategic plan to enhance livability.

### Environmental Considerations:

**California Environmental Quality Act (CEQA):** This project is exempt from the California Environmental Quality Act (CEQA) under Section 15301(a) of the CEQA Guidelines. This Section addresses the lease of space within an existing public structure involving no expansion of an existing use, except for

minor alterations.

**Sustainability Considerations:** The approval of the lease is not applicable to the goals, policies and targets of the Sustainability Master Plan or the 2030 General Plan.

**Commission/Committee Action:** None

**Rationale for Recommendation:** With START's lease expiring, START considered several alternatives for future office space. The goal was to find a location to support its expanding program with space for a large training room that is used weekly, a convenient location where employees from more than 60 after-school sites across Sacramento County can come regularly to pick up and drop off educational and administrative materials, and where linkages with partners can be fostered. The headquarters building of the Sacramento City Unified School District meets all of START's needs.

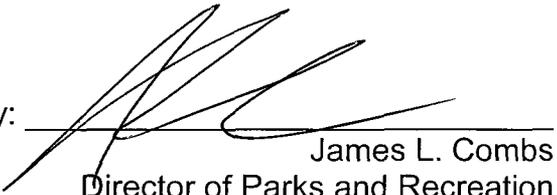
Since 2002 the City's 4th "R" child care program has been housed at the Sacramento City Unified headquarters building. By moving to the same location, START will be able to expand on the existing relationship with the 4th "R" program.

The START program operates at 61 elementary schools, 37 of which (60%) are on Sacramento City Unified campuses. Being housed in the school district's headquarters building will help facilitate a closer working relationship with the school district, both for the START program and for other Parks and Recreation programs. In addition, the school district has available space at a competitive rate.

**Financial Considerations:** Over the four-year term of the lease the maximum payment to the school district for rent is \$673,613, with a maximum first-year rent cost of \$159,936. The initial rental rate is \$1.70 per square foot, for which the school district provides all utilities, maintenance, repairs and janitorial services without pass-through to the City. The school district will provide tenant improvements to suit START's needs and will charge up to \$50,000, bringing the maximum lease payments to \$723,613. The rental rate falls within market parameters for buildings of comparable size, condition and location. Had START remained at its current location, the proposed rental rate was \$1.84 per square foot, or 14 cents more expensive than the school district location. About six percent of the funding used in the START program is in the General Fund. Funding for lease payments will come from the START Fund (2501). No new funds or fund appropriation is required.

**Emerging Small Business Development (ESBD):** The Sacramento City Unified School District is not certified as an emerging/small business.

Respectfully submitted by:   
Alan Tomiyama  
Recreation Manager

Approved by:   
James L. Combs  
Director of Parks and Recreation

Recommendation Approved:

  
for Ray Kerridge, City Manager

**Table of Contents:**

Report	pg. 1
<b>Attachments</b>	
1 Background	pg. 4
2 Resolution	pg. 5

## **Attachment 1**

### **Background**

Sacramento START (Students Today Achieving Results for Tomorrow) was launched in 1996. Today, START is widely recognized as one of the most outstanding after-school literacy and enrichment programs in the country, serving thousands of elementary school children in the most disadvantaged areas of the City and County. The City of Sacramento through its Parks and Recreation Department provides management and administrative support. Funding and in-kind support is provided through a partnership with the California Department of Education, the City of Sacramento, five participating school districts, and donations from foundations, businesses and individuals. A significant portion of the funding comes from the State or from school districts whose funding comes from the State. No fees are charged to the children or their parents.

START provides a consistently high quality and valuable service to 5,300 Sacramento families. START currently operates 61 programs on elementary school campuses of the Elk Grove, Natomas, Robla, Sacramento City and Twin Rivers school districts.

The proposed lease with the Sacramento City Unified School District for a portion of 5725-5735 47th Avenue is for a four-year term, beginning November 1, 2009, and expiring on October 31, 2013. The lease may be terminated with six months' notice.

With annual rent increases of just over three percent, the monthly rental rate would increase from \$1.70 to \$1.88 per square foot over the four years. The maximum amount that could be paid under the proposed lease is \$723,613 for the four-year term, including up to \$50,000 for tenant improvements.

The lease agreement is available for review in the City Clerk's Office.

## **RESOLUTION NO.**

Adopted by the Sacramento City Council

### **AUTHORIZING THE LEASE OF A PORTION OF 5725-5735 47TH AVENUE FOR ADMINISTRATIVE OFFICES OF THE SACRAMENTO START PROGRAM**

#### **BACKGROUND**

- A. The Parks and Recreation Department's Sacramento START after-school literacy and enrichment program has been in operation service since 1996. Services are provided after school hours throughout the year. The program serves approximately 5,300 children each year on 61 elementary school campuses.
- B. The START program has been leasing office space since 2003 at 8795 Folsom Boulevard. The lease is expiring and a new four-year lease with the Sacramento City Unified School District has been prepared for the period November 1, 2009, to October 31, 2013.
- C. The proposed lease is a full-service agreement that makes the school district responsible for all expenses, including utilities, maintenance, repairs and janitorial services without pass-through to the City. The school district will charge for tenant improvements required for moving into the building up to \$50,000.
- D. With annual rent increases of just over three percent, the monthly rate would increase from \$1.70 to \$1.88 per square foot over the four years. The maximum rent that could be paid under the proposed lease is \$673,613 for the four-year term. Including the cost for tenant improvements, the maximum payments could be \$723,613.
- E. Funding will continue to come from the START Fund (2501). The START program is funded almost exclusively by outside funds. No new funds or fund appropriation is required.

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

- Section 1. The City Manager or City Manager's designee is authorized to execute a four-year lease with the Sacramento City Unified School District for office space for the START Program at 5725-5735 47th Avenue.
- Section 2. The City Manager or the City Manager's designee is authorized to execute such additional documents and to take such additional actions as necessary to implement the lease.