



## REPORT TO COUNCIL City of Sacramento

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

CONSENT  
December 13, 2005

Honorable Mayor and  
Members of the City Council

**Subject:** Agreement: Second Amendment to Lease Agreement

**Location/Council District:** 6005 and 6007 Folsom Boulevard, north of Folsom Boulevard between 60<sup>th</sup> and 61<sup>st</sup> Streets, District 3

**Recommendation:**

Adopt a Resolution: 1) Authorizing the City Manager to execute the Second Amendment to Lease Agreement with Robert L. and L. Elaine Erickson, and 2) authorizing the execution of such additional documents and taking such additional action as necessary to implement the Amendment.

**Contact:** Rhonda R. Lake, Program Manager, (916) 808-7902  
Alan Boyd, Recreation Superintendent, (916) 277-6077

**Presenters:** None

**Department:** General Services

**Division:** Facilities and Real Property Management

**Organization No:** 3285

**Summary:**

A Second Amendment to Lease Agreement has been negotiated for City office space at 6005 and 6007 Folsom Boulevard, occupied by various work units of the Department of Parks and Recreation's Office of Human Services, including Access Leisure, Mayor's Commission on Children's Health, School Guard Crossing Program and the Year Round Food Program. The Amendment will extend the lease for the first floor of the building through January 31, 2008 and provide use of the second floor through July 31, 2007; however, the Amendment includes a renewal option for both floors through January 31, 2009.

**Committee/Commission Action:** None.



**Background Information:**

The City of Sacramento has been a long-term tenant in the subject building since 1989, originally under City Agreement No. 89-065. In 2000, City Council approved an option to extend the lease term and expand the leased area. As a result, pursuant to City Agreement No. 2000-171, the Lessor made significant interior and exterior improvements to the building at no cost to the City. In 2003, City Council again approved extension of the lease; however, the agreement included an option for the City to vacate the second floor of the building. This provided an opportunity for the City to align space needs with operational requirements and staff discontinued use of the second floor in October 2003. Monthly rent was adjusted accordingly.

On September 13, 2005, City Council adopted Resolution No. 2005-663 to accept grant funds from the First Five Sacramento Commission for the Regional Children's Health Project. This authorized a net gain of 14 full time employees for program expansion and resulted in the need for additional office space, whereby the City has re-occupied the second floor of the building. The leased area is now comprised of approximately 11,840 square feet of office space and 2,830 square feet of common area. The monthly lease rate for office space commences at \$1.25 per square foot and \$0.93 per square foot for common area. It is a full service agreement wherein the landlord pays all costs for utilities, janitorial, maintenance, repairs, taxes and assessments and building operation and management. Additionally, the landlord has made various interior and exterior improvements to the premises at no cost to the City. Lease rates will adjust annually at \$0.05 and \$0.03, respectively, per square foot. Staff has determined that the negotiated lease rate falls within market parameters for buildings of similar type, condition and location. The Amendment includes renewal options for both floors; however, the City again has the opportunity to vacate the second floor, if desired.

**Financial Considerations:**

Funds to pay the lease are allocated within the budgets of the various programs occupying the subject space. If the City vacates the second floor, monthly rent will be adjusted accordingly.

**Environmental Considerations:**

Extension of an existing lease is exempt under CEQA guidelines, Section 15061(3), as it has no potential for causing an environmental impact.

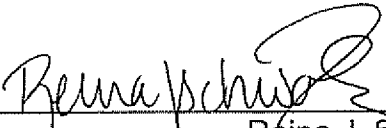
**Policy Considerations:**

Extending this lease will support program expansion of the grant-funded Regional Children's Health Project.

**Emerging Small Business Development (ESBD):**

No goods or services are being purchased.

Respectfully Submitted by:   
Cynthia Kranc  
Facilities Manager

Approved by:   
Reina J. Schwartz  
Director, Department of General Services

Recommendation Approved:

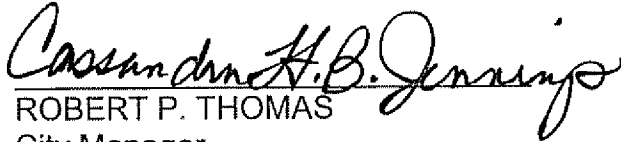
  
ROBERT P. THOMAS  
City Manager

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**RESOLUTION NO.**

Adopted by the Sacramento City Council

December 13, 2005

**AGREEMENT: SECOND AMENDMENT TO LEASE AGREEMENT**

**BACKGROUND**

- A. On September 13, 2005, City Council adopted Resolution No. 2005-663 to accept grant funds from the First Five Sacramento Commission.
- B. The Resolution also authorized a net gain of 14 full time employees for the expansion of the Regional Children's Health Project and resulted in the need for additional office staff to support program operations.
- C. Office space is available in the building occupied by the Department of Parks and Recreation's Office of Human Services.

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

- Section 1. The City Manager is authorized to execute the Second Amendment to Lease Agreement with Robert L. and L. Elaine Erickson for office space and related common area space at 6005 and 6007 Folsom Boulevard.
- Section 2. The City Manager is authorized to execute such additional documents and to take such additional action as necessary to implement the Amendment.