



APPROVED  
BY THE CITY COUNCIL

APR 29 1997

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DEPARTMENT OF  
PUBLIC WORKS

CITY OF SACRAMENTO  
CALIFORNIA

REAL ESTATE

OFFICE OF THE  
CITY CLERK

A697-047

1023 J STREET  
ROOM 200  
SACRAMENTO, CA  
95814-2700

March 24, 1997

PH 916-264-5710  
FAX 916-264-8266

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** AGREEMENT TO LEASE 324 K STREET (LOT G PARKING GARAGE) TO  
PETER B. NAVIN AN INDIVIDUAL, DBA NAVIN'S CUSTOM CLOTHIERS

**LOCATION/COUNCIL DISTRICT:** Navin's Custom Clothiers is located on the K Street  
Mall at the Extension of 4<sup>th</sup> Street in Council  
District 1.

**RECOMMENDATION:**

This report recommends that the City Council, by resolution, authorize the execution  
of a Lease Agreement with Peter B. Navin an individual, dba Navin's Custom Clothiers  
(Navin's) for retail space at Lot G Parking Garage (see map attached as Exhibit A).

**CONTACT:**

Gary L. Ransom, Real Property Agent, 264-7800  
Mark Miller, Parking Operations Superintendent,  
264-7610

**FOR COUNCIL MEETING OF:** April 29, 1997

**SUMMARY:**

Subject to City Council approval, a five-year Lease Agreement with a five-year option  
has been negotiated to lease retail space at 324 K Street to Navin's. The Lease will  
replace a month-to-month rental arrangement that the City currently has with Navin's.

The term of the Lease is from March 1, 1997 through February 28, 2002. The Lease  
contains an option for one five-year extension at the then market rent rate.

City Council  
Lease Agreement with Navin's Custom Clothier for 324 K Street  
March 24, 1997

**BACKGROUND INFORMATION:**

Attached as Exhibit B is City Council Resolution N<sup>o</sup> 96-690 adopted by Council on December 17, 1996 providing staff with authority to solicit prospective tenants without competitive bidding and establishing a rental rate of \$1.25/sf per month.

Navin's has been a tenant at 324 K Street since 1982 under lease with SHRA. In 1996 Navin's lease expired and Lot G Parking Garage was transferred from SHRA to the City. Since then, Navin's has remained at the site on a month to month rental basis. City staff and Navin's have now reached agreement on a new lease for the 1,352 square feet of floor space at 324 K Street.

**FINANCIAL CONSIDERATIONS:**

The term of Navin's Lease is five years based on monthly payments beginning at \$1,690.00 per month or \$1.25/sf and increasing at a \$.05/sf per year rate to \$1,960.40 or \$1.45/sf in the fifth year. The total income to the City over the lease term will be \$109,512.00.

Based on a 1996 survey of rents in the area for similar tenants located outside the Downtown Plaza, the rent was determined to be fair market rent for the space. Tenant pays all expenses except water, storm drainage and sewer. These charges are currently \$27.35 per month. All rental payments are deposited to the City's Parking Enterprise Fund for operation of City garages.

**ENVIRONMENTAL ISSUES:**

The Planning Services Division has reviewed the property and determined that the activity is exempt from provisions of CEQA under Section 15301. The activity involves an existing public structure with no changes in land use on the site.

**POLICY GUIDELINES:**

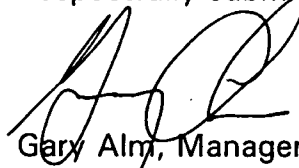
The proposed Lease Agreement will allow the existing tenant to remain at the site while providing a continuity of rental income to the City.

City Council  
Lease Agreement with Navin's Custom Clothiers for 324 K Street  
March 24, 1997

**MBE/WBE:**

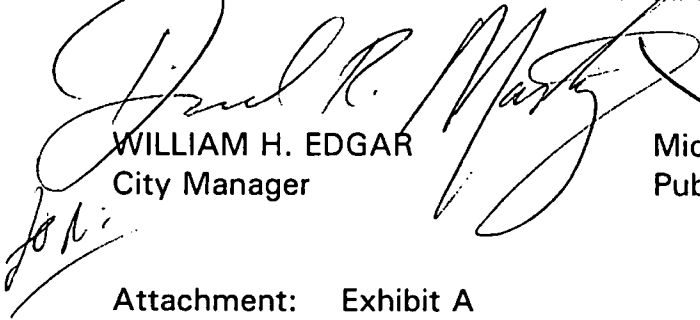
None, no goods or services are being sold.

Respectfully submitted,



Gary Alm, Manager  
Real Estate Services & Special Districts

RECOMMENDED FOR APPROVAL: APPROVED:



WILLIAM H. EDGAR  
City Manager



Michael Kashwagi, Director  
Public Works, Technical Services

Attachment: Exhibit A  
Exhibit B

# PUBLIC WORKS - REAL ESTATE SERVICES

Lot G Garage - Lot "G" - Lease Space

A = Navin's Clothiers	1,352 s.f
B = City Parking	<u>3,785 s.f</u>
Total	5,137 s.f

--Parking Lot--

4th Street Walkway

3rd Street

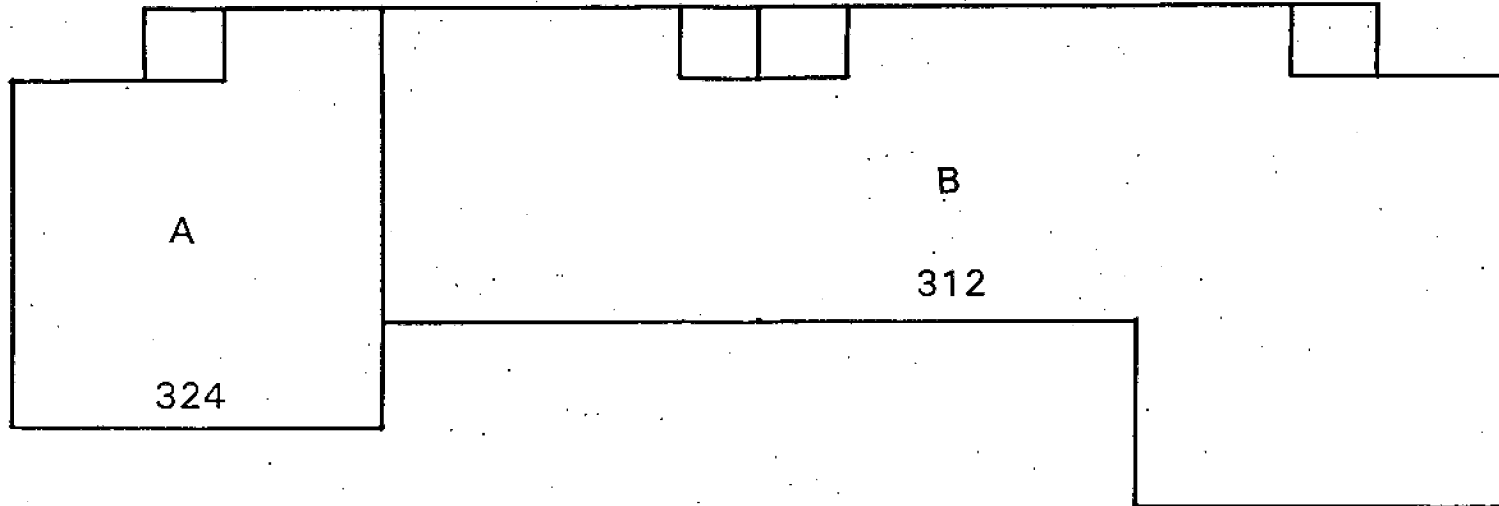


EXHIBIT "A"

**RESOLUTION NO. 96-690**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF DEC 17 1996

A RESOLUTION ESTABLISHING RENTAL RATE  
AND PROVIDING NOTICE OF INTENTION  
TO LEASE PROPERTY WITHOUT COMPETITIVE BIDDING  
FOR 324 K STREET AT THE LOT G PARKING GARAGE  
LOCATED ON THE SOUTH SIDE OF THE K STREET MALL  
BETWEEN 3RD AND 4TH STREETS, PURSUANT TO TITLE 12,  
CHAPTER 2 OF THE SACRAMENTO CITY CODE

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

1. The minimum rental rate for 324 K Street currently occupied by Navin's Custom Clothiers at the Lot G Parking Garage, is established at \$1.25 per square foot;
2. Notice is hereby given that the City of Sacramento intends to lease 324 K Street at the Lot G Parking Garage, without competitive bidding, pursuant to City Code Section 12.02.073(F);
3. The City Council finds and determines, in accordance with City code Section 12.02.073(F), that special circumstances exist which make the use of the bid procedure inappropriate. Those special circumstances are that: (i) the bidding process is not common in the commercial rental market; (ii) in order for the City to be competitive with other available spaces being offered in the area, the appropriate procedures is to use the open listing method to market the property; and (iii) the existing and prospective tenants will have continuity of business at a selected location, without interruption due to a competitive process which, in turn, increases the attractiveness of the offered property.

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: 96-690

DATE ADOPTE

1996

4. The City Clerk is directed to publish this Resolution, in accordance with the provisions of City Code Section 12.02.074.
5. Upon completion of the publication process pursuant to Section 4 of this resolution, City staff is authorized to solicit prospective tenant(s) for the lease and/or sublease of 324 K Street in the Lot G Parking Garage without the necessity for competitive bidding. Each lease which is negotiated shall be subject to approval by the City Council.

JOE SERNA, JR.

\_\_\_\_\_  
MAYOR

ATTEST:

VALERIE BURROWES

\_\_\_\_\_  
CITY CLERK

RES6-07.LSE

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: 96-690  
DATE ADOPTED: DEC 17 1996

**RESOLUTION NO. 97-197**

**APPROVED**  
BY THE CITY COUNCIL  
**APR 29 1997**  
OFFICE OF THE  
CITY CLERK

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

RESOLUTION AUTHORIZING EXECUTION  
OF LEASE AGREEMENT  
WITH PETER B. NAVIN, AN INDIVIDUAL,  
DBA NAVIN'S CUSTOM CLOTHIERS  
TO LEASE RETAIL SPACE AT 324 K STREET

WHEREAS, by City Council Resolution N<sup>o</sup> 96-690 adopted on December 17, 1996, the City Council established a minimum rental rate of \$1.25 square foot for space at 324 K Street and authorized City staff to solicit prospective tenants at the minimum rental rate.

WHEREAS, the City's Real Estate Services Section has solicited a lease proposal from Peter G. Navin, dba Navin's Custom Clothiers, with a beginning rental rate of \$1.25 square foot, which lease contains a five-year term with a five-year option to renew.

NOW THEREFOR, BE IT RESOLVED THAT the City Manager is hereby authorized and directed to execute a Lease Agreement with Peter B. Navin an individual, dba Navin's Custom Clothiers to lease retail space at 324 K Street and is further authorized to execute such other documents as are necessary to carry out the purpose and intent of this resolution.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

GR2-30-3.24

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

APPROVED  
BY THE CITY COUNCIL

APR 29 1997

OFFICE OF THE  
CITY CLERK

April 15, 1997

MEMORANDUM

TO: Operations Staff  
FROM: Kathy Howard/Stephanie  
SUBJECT: CITY COUNCIL AGENDA OF 4/29/97 - CONSENT ITEM

Request to open an application period for the **Sacramento Metropolitan Arts Commission** due to two 07-28-97 term expirations in the categories of Arts Administrator (Gloria Woodlock) and Public Member (Anthony Marquez "vacated").

RECOMMENDATION OF STAFF: OPEN APPLICATION PERIOD  
APPLICATIONS DUE: 05-23-97

cc: Michelle Walker

OPEN REQ\018