

RESOLUTION NO. 2008-070

Adopted by the Sacramento City Council

February 5, 2008

LEASE AGREEMENT: VANINI EUROPEAN CLOTHIER

BACKGROUND

- A. John Boghossian is the owner of Vanini European Clothier, a full service tailor and clothier that has been located at 1031 L Street since 1997.
- B. Mr. Boghossian's prior lease agreement with the City, City Agreement No. 97-170, expired at the end of October 2007. He has been renting on a month-to-month basis and would like to execute a new lease agreement that will allow him to continue operating at his current location.
- C. Pursuant to City Code 3.68.110 John Boghossian submitted a firm and complete written offer to lease wherein the rent specified is at or above the fair market rate for comparable property as determined by the City's real property supervisor.
- D. 1031 L Street is located at the corner of 11th & L Streets in the City's Capitol Garage. The site is approximately 1,400 square feet in size. Capitol Garage has over 21,000 square feet of commercial retail/office space.
- E. The term of the lease is five years with one 5-year extended term option. Based on a market rate of \$1.90 per square foot, monthly rent payments will begin at \$2,660.00. Mr. Boghossian's current rate is \$1.90 per square foot. Rent will increase 3% annually, except for year five when it will not change. Rent for the extended term will be adjusted to market rates, but in no event will it be reduced from the level at the end of the initial term. Total rent collected during the initial 5-year term will be \$168,421.
- F. Mr. Boghossian is planning to complete some upgrades to the premises, and the City will contribute a one-time tenant improvement allowance of \$21,000 (\$15/sqft) which will be used for those standard site improvements that will remain as property of the City on the date the tenant moves from the premises.

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

- Section 1. Pursuant to City Code 3.68.110, it is in the best interests of the City to lease 1031 L Street without bidding.
- Section 2. The City Manager is authorized to execute a lease agreement with John Boghossian, dba Vanini European Clothier, for retail space located at 1031 L Street for a term of five years with one 5-year extended term option.

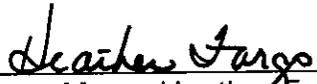
Adopted by the City of Sacramento City Council on February 5, 2008 by the following vote:

Ayes: Councilmembers Cohn, Fong, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: Councilmember Hammond.



Mayor Heather Fargo

Attest:



Shirley Concolino, City Clerk