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For

City of Sacramento

City Council

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Agenda Packet

Submitted: 10/28/05

For the Meeting of Nov. 1, 2005:

The attached materials were not available at the time the Agenda Packet was prepared.

Subject: Sublease of McClellan Park Building 600 for Homeland Security Uses

Contact Information: Lt. Dave Johnson, 264-5480

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REPORT TO COUNCIL

City of Sacramento

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

STAFF
November 1, 2005

Honorable Mayor and
Members of the City Council

Subject: Sublease of McClellan Park Building 600 for Homeland Security Uses

Location/Council District: Sacramento Region

Recommendation:

Adopt a resolution 1) approving the expenditure of U.S. Department of Homeland Security Urban Areas Security Initiative (UASI) grant funds for an amount not to exceed \$7,167,333; and 2) authorizing the City Manager to execute a 60 month sublease agreement with option to purchase with the Northern California Regional Public Safety Training College Joint Powers Authority for Homeland Security uses.

Contact: Dave Johnson, Lieutenant, 264-5480

Presenters: Dave Johnson, Lieutenant

Department: Police

Division: Office of Emergency Services and Homeland Security

Organization No: 2177

Summary:

The Police Department is requesting City Council approval to enter into a 60-month sublease agreement with the Northern California Regional Public Safety Training College Joint Powers Authority (JPA) for a portion of Building 600 at McClellan Park. The entire building is approximately 77,000 square feet and will be leased to the JPA, subject to approval of the County Board of Supervisors, under a Master Lease with MP Holdings, LLC. Building 600 will be used as a regional, multi-purpose Homeland Security facility.

The City portion of Building 600 will be approximately 34,739 square feet comprised of 27,301 square feet of office and classroom space (UASI portion) and 7,438 square feet of common area. Base rent for the initial 5-year term will be \$0.85 per square foot for office/classroom space with common area expense estimated at \$0.25 per square foot. Rent will adjust 3% annually. The projected cost of \$1,350,000 for the first year of the sublease will service the rent obligation and repay the cost of tenant improvements amortized over the initial 5-year term. The total projected cost for the 5-year term of

\$7,167,333 is anticipated to be fully funded by U.S. Department of Homeland Security Initiative (UASI) grants.

This project is fully funded for the first three years; however, due to the federal grant cycles, allocated Homeland Security funding is awarded and identified for the first 36 months. To guarantee the remaining 24 months under the Master Lease, MP Holdings is requiring the JPA to enter into subleases with all JPA members. In the event that Homeland Security grant funding is not awarded in FY06 and FY07, the City of Sacramento would guarantee the remaining 24 months in the amount of \$2,994,618.

The sublease will become effective on or about May 1, 2006, upon completion of tenant improvements, and includes 3, five-year renewal options. Further, the agreement also includes an option to purchase the entire building at the end of the initial 5-year term for \$13,700,988.

Committee/Commission Action: None.

Background Information:

Since November 2003, the Police Department has received City Council approval to apply for and accept approximately 20 million dollars in Federal grant funding under the Urban Area Security Initiative (UASI) from the U.S. Department of Homeland Security, Office of Domestic Preparedness. These grant dollars are intended to meet the unique planning, training, equipment and exercise needs of the Sacramento region. An assessment that was conducted in October of 2003 indicated the greatest regional needs were in the areas of planning and training.

A major goal of the members of the Sacramento Urban Area is to establish a training center to meet the needs of the region's emergency responders. It is proposed that this regional training and operations center be established in Building 600 at McClellan Park under a Master Lease between the Northern California Regional Public Safety Training College Joint Powers Authority and MP Holdings, LLC. Consistent with the Master Lease, the JPA will sublease portions of Building 600 to the City of Sacramento, the County of Sacramento, and potentially other users as deemed necessary for Homeland Security. The subleases will cover specific portions of the building occupied by each entity as well as areas to be used cooperatively by all.

For the Homeland Security grant purposes, Building 600 will be a secure location for conducting training and planning for at least the next five years, depending on the availability of future funding. Overall, Building 600 will primarily be used as a centralized training and operations center. The City sublease space will include approximately 27,000 square feet, of which more than 13,000 square feet will be devoted to training, including classes in the National Incident Management System (NIMS), terrorism response training in a variety of subjects, and exercises for the region's emergency responders and Citizen Corps groups. Additionally, a significant portion of the space will be used to house the Incident Command Training Simulation Center, which will provide training and exercises to the region's emergency managers in the areas of emergency operations center management, and NIMS. The center will also function as a dedicated, state-of-the-art Emergency Operations Center (EOC) in the

event of an actual emergency, with which multi-jurisdictional users will be familiar as a result of their training.

The remainder of the building will be subleased to the County of Sacramento, and will be used by the Sacramento Terrorism Early Warning Group, the FBI Cyber Terrorism Task Force, the Sacramento Regional Terrorism Threat Assessment Center, City and County Offices of Emergency Services, and a team from Sacramento County Department of Health and Human Services for a variety of other homeland security planning and operations functions.

Financial Considerations:

There is currently no request for General Fund expenditures based on anticipated grant funding. Pursuant to the terms and conditions of the UASI grant, the City of Sacramento is authorized to use the grant awards to pay for facility leases and security improvements to further grant-funded activities. Only those costs and expenses that have been pre-approved by the City of Sacramento ("authorized expenses") are subject to reimbursement from the grant awards. The grant initiative partners will abide by their respective procurement and purchasing regulations and those required by the Federal Government pursuant to the grant awards.

Environmental Considerations:

This proposal does not constitute a "project" and is therefore exempt from the California Environmental Quality Act according to CEQA guidelines Section 15061 (b)(1) and 15378(b)(3).

Policy Considerations:

Utilizing funds from the U.S. Department of Homeland Security for the purpose of establishing a Regional Training Center is consistent with the City of Sacramento's mission and vision.

Emerging Small Business Development (ESBD):

Goods or services purchased as a result of this agreement will be done in accordance with the City's ESBD policy.

Respectfully Submitted by: Michael M. Carby
acting for, Rick Braziel
Deputy Chief of Police

Approved by: Albert Nájera
Albert Nájera
Chief of Police

Recommendation Approved:

Robert P. Thomas

ROBERT P. THOMAS
City Manager

Ref: COP 10-36

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RESOLUTION NO.

Adopted by the Sacramento City Council

November 1, 2005

SUBLEASE OF MCCLELLAN PARK BUILDING 600 FOR REGIONAL HOMELAND SECURITY USES

BACKGROUND

- A. The City of Sacramento has received Urban Areas Security Initiative (UASI) grant funds since 2003 from the U.S. Department of Homeland Security for the purposes of regional homeland security.
- B. The establishment of a multi-purpose Regional Training Center at McClellan Park to serve as both a training location and as a secure high technology planning center is consistent with a major program goal of the UASI grant.
- C. The use of UASI funds for security improvements and lease of facilities for homeland security purposes is allowed pursuant to the terms and conditions of the UASI grant guidelines.

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

- Section 1. The City Manager is authorized to execute a sublease agreement with the Northern California Regional Public Safety Training College Joint Powers Authority for use of a portion of McClellan Park Building 600 for a total amount not to exceed \$7,167,333.
Grant funds from UASI grants 255-OGR-G457-4xxx, 255-OGR-G532-4xxx, 255-OGR-G567-4xxx, and future grants will be utilized for payment of the sublease.
- Section 2. The initial term of the sublease shall commence on or about May 1, 2006, or upon completion of tenant improvements, and continue for 60 months thereafter.

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- Exhibit A: Tenant Costs Spreadsheet – 1 Page
- Exhibit B: Square Footage Assignment – 1 Page
- Exhibit C: Floor Plan of Building 600 - 1 Page

Tenant Costs - TI's over 60 Months

AREA	PRIMARY Sq Ft	LOAD FACTOR		COMMON	ADJUSTED COMMON*	TOTAL	% of FACILITY		Annual Ongoing \$	Individual TIs	Shared TIs	Monthly Ongoing \$	Total Monthly	Total Annual	Per SF
		Shared	Shared				Shared	Shared							
FBI															
SCTTF	18,094	31.06%	6,000	3,000	21,094	27.2%	\$466,511	\$17,070	\$2,586	\$38,876	\$40,199	\$220,000	\$2.77		
UASI	5,590	9.60%	1,654	7,271	12,861	16.6%	\$284,440	\$4,803	\$1,577	\$23,703	\$30,083	\$361,002	\$2.34		
RTTAC/TEWG	3,568	6.12%	1,183	6,601	10,169	13.1%	\$224,892	\$3,446	\$1,247	\$18,741	\$23,434	\$281,207	\$2.30		
Class #4 & Comp Lab	2,418	4.15%	802	0	2,418	3.1%	\$53,476	\$2,367	\$296	\$4,456	\$7,120	\$85,442	\$2.94		
Classrooms	10,281	17.65%	3,409	0	10,281	13.3%	\$227,373	\$10,066	\$1,260	\$18,948	\$30,274	\$363,289	\$2.94		
ICTSG	10,926	18.76%	3,623	0	10,926	14.1%	\$241,637	\$23,519	\$1,339	\$20,136	\$44,995	\$539,940	\$4.12		
City OES	504	0.87%	167	167	671	0.9%	\$14,843	\$996	\$82	\$1,237	\$2,315	\$27,783	\$3.45		
County OES	823	1.41%	273	273	1,096	1.4%	\$24,237	\$1,003	\$134	\$2,020	\$3,157	\$37,884	\$2.88		
DHHS/Public Health	6,051	10.39%	2,007	2,007	8,058	10.4%	\$178,202	\$3,013	\$988	\$14,850	\$18,851	\$226,211	\$2.34		
Common/Mechanical	19,319														
TOTALS	77,574	100.00%	19,319	19,319	77,574	100.0%	\$1,715,613	\$66,284	\$9,510	\$142,968	\$218,762	\$2,625,146	\$2.82		
<p>Tenant Improvement Costs</p> <p>P&I/mo = $P \& I = a * (f - 1) / (1 - f - n)$</p> <p>Shared TI's **</p> <p>Shared TI's = monthly Payment (principal + interest, a.k.a. "P&I")</p> <p>SCITF</p> <p>UASI</p> <p>RTTAC/TEWG</p> <p>County OES</p> <p>City OES</p> <p>ICTSC/EOC</p> <p>Classrooms</p> <p>DHS</p> <p>Totals</p>															
<p>Ongoing Costs (soft estimates)</p> <p>MBP Base Lease</p> <p>Security Svcs</p> <p>Service Contracts</p> <p>Utilities</p> <p>Janitorial Svcs</p> <p>Maintenance Reserve</p> <p>Facility Mngr</p> <p>Total Ongoing Costs</p>															
<p>Classroom Detail</p> <p>Phase 3 CR #1</p> <p>Phase 3 CR #2</p> <p>Phase 3 CR #3</p> <p>Phase 3 Rm 120</p> <p>Phase 1 CR #4</p> <p>Phase 1 CR #5</p> <p>Phase 1 Comp Lab</p> <p>Phase 1 Sdnt Bkrm</p> <p>TOTALS</p>															
<p>LEGEND</p> <p>Sacramento County</p> <p>Sacramento City</p>															
<p>*See Common Space Calculations & Adjustments under "SF Assignment" Tab</p> <p>** Shared TI's cover Common Space + Mechanical Space - Security Fence Cost</p>															

Primary Square Foot Assignment

SCTTF	18,094	18,094
UASI	5,590	5,590
TEWG	3,568	3,568
Classrooms, Lab, Brkrm	12,699	12,699
ICTSC	10,926	10,926
City OES	504	504
County OES	823	823
Conf Center	3,313	
Warehouse	1,982	County Public Health Total
Public Health Offices	756	6,051
Mechanical	5,119	
Corridor	6,333	
Kitchen	553	Total Common Area
Lobby	1,058	
Restrooms	2,238	
Common Space	4,018	19,319
Total	77,574	77,574

Common Space Calculations & Adjustments

	Common by Load Factor	Adjusted Common
SCTTF*	6,000	3,000
UASI**	1,854	7,271
TEWG**	1,183	6,601
Classrooms	4,211	0
ICTSC	3,623	0
City OES	167	167
County OES	273	273
DHHS/Public Health	2,007	2,007
TOTAL	19,319	19,319

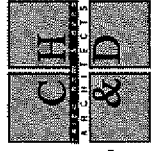
Components of Sublease Areas

Sublease	Components with Common Space	SF	Annual Cost
County of Sacramento	SCTTF	21,094	\$702,388
	TEWG	10,169	\$281,207
	County OES	1,096	\$37,884
	Classroom 4 & Lab	2,418	\$85,442
	DHHS/Pub Health	8,058	\$226,211
	Total	42,834	\$1,333,133
City of Sacramento	Classrooms & ICTSC	21,207	\$903,229
	UASI	12,861	\$361,002
	City OES	671	\$27,783
	Total	34,740	\$1,292,014
Grand Total		77,574	\$2,625,146

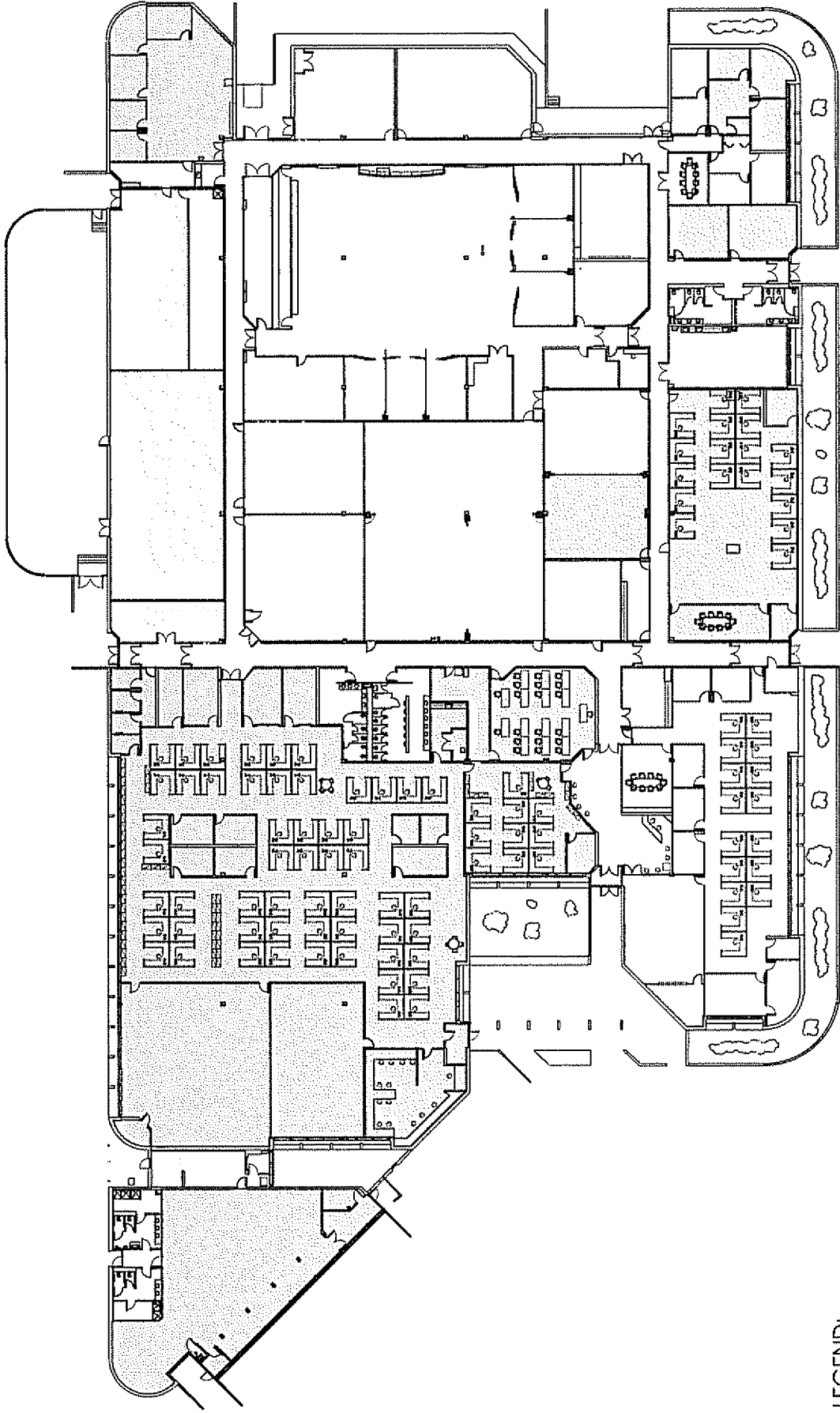
Square Foot Responsibility and Cost by Phase

	Phase 1	Phase 2	Phase 3	Total	
County of Sacramento	Primary	10,160	19,971	823	30,954
	Common	3,200	3,750	4,931	11,881
	Total SF	13,360	23,721	5,754	42,835
City of Sacramento	Cost /Month	\$34,439	\$95,541	\$111,094	\$111,094
	Primary	7,290	0	20,011	27,301
	Common	2,318	0	5,120	7,438
	Total SF	9,608	0	25,131	34,739
	Cost /Month	\$30,147	\$30,147	\$107,668	\$107,668
Grand Total SF	22,968	23,721	30,885	77,574	

*SCTTF will only be responsible for a portion of the immediate surrounding halls and entry ways due to the seclusion of personnel within their area.
 **UASI & TEWG share costs of remaining SCTTF common space as well as that assigned to Classrooms and ICTSC for security reasons
 ***Differences in totals are due to rounding used in certain calculations



10-07-2005



LEGEND:

County +/- 30,954 S.F.

City +/- 27,301 S.F.

Common Area +/- 19,319 S.F.

Overall Total +/- 77,574 S.F.

Building 600

McClellan Business Park - McClellan, CA