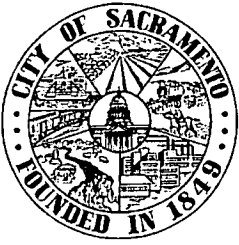


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CITY OF SACRAMENTO
CALIFORNIA

OFFICE OF THE
CITY MANAGER

May 6, 1981

CITY HALL
915 I STREET - 95814
(916) 449-5704

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Fire Station #2

SUMMARY

This report transmits a proposed Memorandum of Understanding between the City and the SANFO BAY Corporation calling for joint development of a fire station and office building on land owned by the City on the northwest corner of 13th and I Streets. Potential benefits accrue to the City through construction cost savings, efficient site utilization, and property tax revenues. Approval is recommended.

BACKGROUND

This project now appears capable of implementation. The attached Memorandum of Understanding is within the framework already adopted by the Council.

The draft MOU includes the following elements:

- City will convey the whole fee to developer.
- City will contribute \$120,000 for foundation and excavation.
- Developer will construct fire station to City specs.
- Developer will construct office space on floors 2, 3, and 4 approximating 30,000 to 50,000 square feet.
- Developer will convey back to City a block of air space which includes the surface of the ground, the fire station, and all easements necessary for utilities, entrance, exit, etc. to support the fire station; all at no cost.
- All conveyances, reconveyances to be simultaneously escrowed. Escrow opening at the time contracts are executed and closed at the time certificate of occupancy is issued on the fire station.
- All usual clearances and permits to be obtained by developer; ARB, parking permit, building permit, etc.

APPROVED
BY THE CITY COUNCIL

MAY 14 1981

OFFICE OF THE
CITY CLERK

AG
80213

- City's entire contribution to the project not to exceed the land, the contribution to excavation and foundation, and a prorata share of site improvements.
- City to pay for art work requirement on public portion of the building.
- Developer allowed to draw down the \$120,000 in ratio to his own expenditures.
- City to absorb costs of non-construction furnishings.

The potential developer is the SANFO BAY Corporation represented locally by E. M. Kado and Associates and Dick Hyde.

FINANCIAL DATA

The following table provides a general comparison of costs between the City building its own fire station and a joint venture fire station/office building.

	<u>City Fire Station Alone</u>	<u>Joint Venture Fire Station Plus Office</u>
Land	\$ 436,103	\$436,103
Excavation & Foundation	-0-	120,000
Construction	<u>800,397</u>	<u>-0-</u>
Total	\$1,236,500	\$556,103
Gross Savings		\$680,395
Less: allowance for site improvements, non-construction furnishings & art work		<u>-164,000</u>
Net Savings		\$516,000

The specific numbers will probably be somewhat different but the savings should remain consistent with overall costs.

One of the advantages accruing from this project is that the great majority of the project remains on the tax rolls while it is in public use. This will provide about \$54,000 per year in City revenues.

RECOMMENDATION

It is recommended that the City Council:

1. Approve the attached Memorandum of Understanding.
2. Direct staff to prepare required contract and conveyance documents consistent with the Memorandum of Understanding.

Respectfully submitted,



Mac Mailes
Assistant City Manager
for Community Development

May 14, 1981

81-341

RESOLUTION NO. 81-341

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION APPROVING SALE OF CITY OWNED REAL PROPERTY WITHOUT COMPETITIVE BIDDING (2/3 VOTE)

WHEREAS, on July 31, 1980, the City solicited proposals for the development of City real property at 13th and I Streets;

WHEREAS, City received no proposals as a result of such solicitation;

WHEREAS, subsequent to said solicitation, a developer has made a proposal for development of said City real property at the northwest corner of 13th and I Streets including construction of a fire station in conjunction with an office building;

THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO AS FOLLOWS:

That the City Manager is authorized and directed to enter negotiations for a formal agreement for the development of the City real property at the northwest corner of 13th and I Streets generally in accordance with the Memorandum of Understanding heretofore executed and delivered by the developer; and,

RESOLVED FURTHER, the Council finds that the sale of the City real property at the northwest corner of 13th and I Streets without calling for bids is in the best interest of City; and,

RESOLVED FURTHER, the City Manager and the City Clerk are authorized and directed to do all acts necessary and convenient to make a final agreement to sell the City real property at the northwest corner of 13th and I Streets without competitive bidding and to negotiate a final agreement for the development and use of the City real property at 13th and I Streets generally according to the aforementioned Memorandum of Understanding.

MAYOR

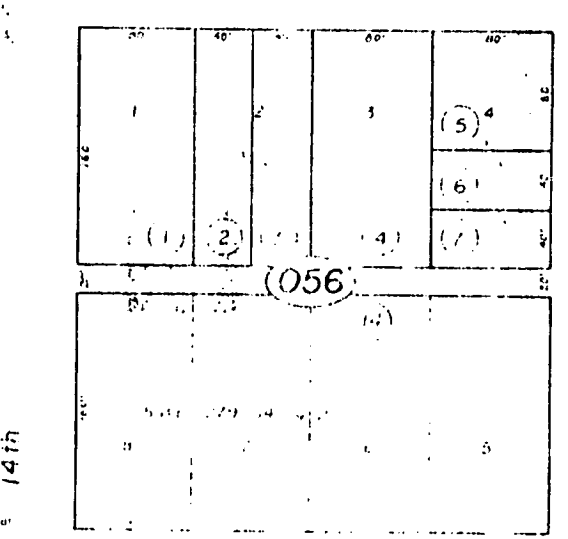
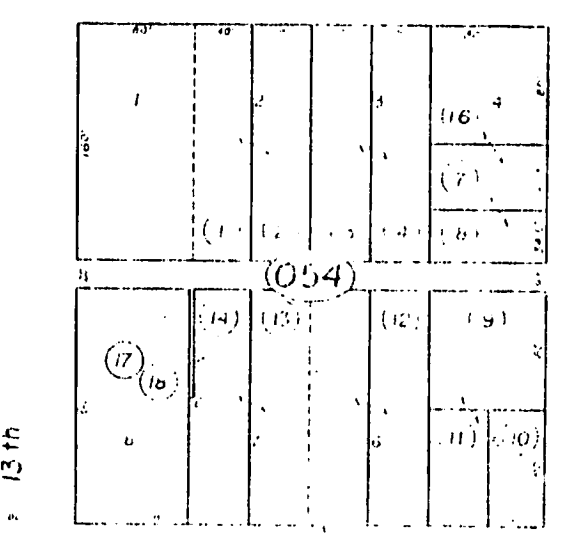
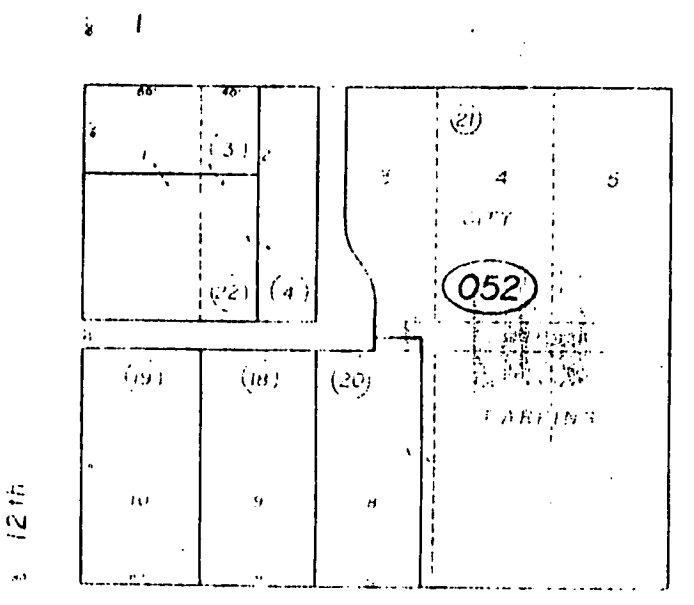
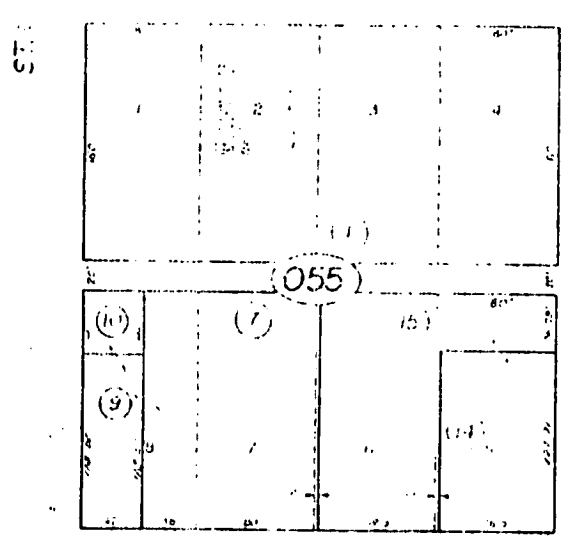
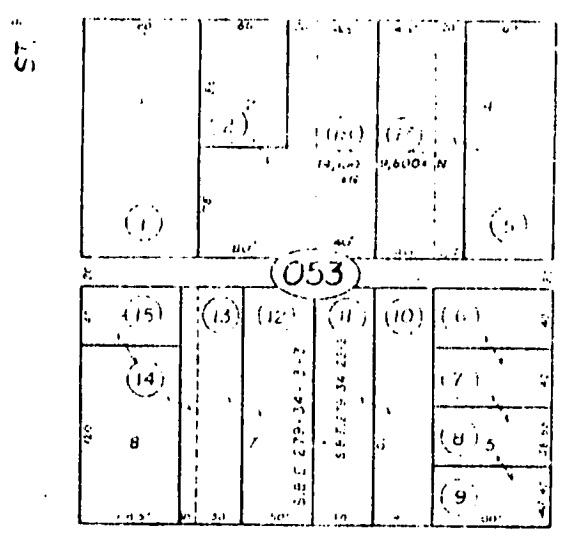
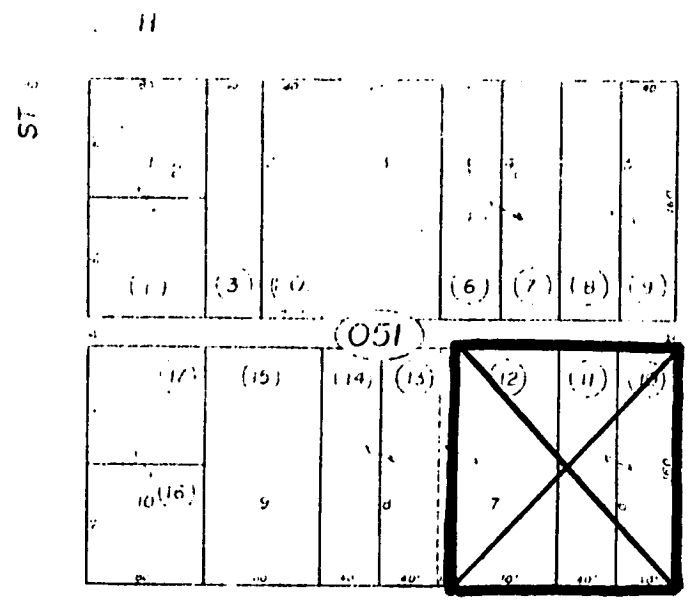
ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

MAY 14 1981

OFFICE OF THE
CITY CLERK



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VICE MAYOR

ATTEST:

CITY CLERK

80213

City Agreement No. _____