



APPROVED  
BY THE CITY COUNCIL

AUG 31 1999

OFFICE OF THE  
CITY CLERK

3.4

DEPARTMENT OF  
PUBLIC WORKS

CITY OF SACRAMENTO  
CALIFORNIA

1699-150

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ROOM 200  
SACRAMENTO, CA  
95814-2700  
PH 916-264-5710  
FAX 916-264-8250

TECHNICAL SERVICES DIVISION  
REAL ESTATE SERVICES

August 26, 1999

City Council  
City of Sacramento

Honorable Members in Session

**SUBJECT: RESOLUTION AUTHORIZING LEASING OF PROPERTY DESCRIBED  
AS APN: 016-0010-039 TO CAPTAIN'S TABLE HOTEL, LLC, WITHOUT  
COMPETITIVE BIDDING**

**LOCATION/COUNCIL DISTRICT:**

West side of Riverside Boulevard between 25<sup>th</sup> Avenue and Captain's Table Road in  
Council District 4.

**RECOMMENDATION:**

This report recommends that City Council:

- Conduct a hearing on the lease of real property described as APN: 016-0010-039 to Captain's Table Hotel, LLC, without competitive bidding, pursuant to City Code Section 12.02.073.
- Find, in accordance with City Code Section 12.02.073, that special circumstances exist which make the use of the bid procedure inappropriate.
- Authorize the City Manager to execute a Ground Lease with Captain's Table Hotel, LLC, for APN: 016-0010-039.
- Approve the recovery of staff costs related to the lease from lease revenue.

**CONTACT PERSONS:**

Rhonda R. Lake, Real Property Agent, 264-7902  
Vic Edmisten, Parks Manager, 264-5336

**FOR THE COUNCIL MEETING OF:** August 31, 1999

**SUMMARY:**

This staff report recommends approval of a ground lease with Captain's Table Hotel, LLC, for a vacant City-owned parcel located along Riverside Boulevard, between 25<sup>th</sup> Avenue and Captain's Table Road, see Exhibits "A" and "A-1" attached. The subject parcel, which will be combined with other property affected by the abandonment of a City right-of-way, is to be used by Lessee to provide access to the river, bike trail system, public facilities and public parking area. It is anticipated that the combined premises will be approximately 2.46 acres following the abandonment. Any and all cost(s) to improve the parcel will be paid for by Captain's Table Hotel, LLC.

The subject property was acquired from the State of California, Department of Transportation (Caltrans), when Interstate 5 was constructed. It has been vacant since acquisition.

The initial term of the ground lease is thirty (30) years. Lease revenue for the initial term is \$925,080. Two 10-year renewal provisions are included in the agreement, subject to approval of the Sacramento City Manager and Sacramento City Council. The renewal periods will provide additional revenue in the amount of \$748,920. The rental amount is based on a staff valuation of the fee simple interest of the property in consideration of a deed restriction.

**COMMITTEE/COMMISSION ACTION:**

The ground lease, in concept, was presented as an information item to the Citizen's Advisory Committee (CAC) for Parks and Recreation in February 1999. CAC provided positive comments on the proposal in March 1999. On May 27, 1999, the City Planning Commission approved the Captain's Table Resort and Marina Project (P96-013), subject to conditions and findings identified in the Notice of Decision and Findings of Fact.

**BACKGROUND INFORMATION:**

In 1975, by Director's Deed of the Department of Transportation (Caltrans), the State of California conveyed the subject property to the City after construction of Interstate 5. The parcel is approximately 1.83 acres and is zoned medium density residential, 16-29 dwelling units per net acre. However, a deed restriction specifies that "the conveyed property be used exclusively for public purposes; that if said property ceases to be used exclusively for public purposes, all title and interest to said property shall revert to the State of California, Department of Transportation". Given this restriction, staff contacted Caltrans' Excess Land Manager to review the proposed use by Captain's Table Hotel, LLC. Caltrans has provided written confirmation to the City that the "proposed intended

use is compatible with the provision as stated – ‘exclusively for public purposes’ “. A copy of the Caltrans letter is attached as Exhibit “B”.

Captain’s Table Hotel, LLC, has agreed that it will not change or allow a change in use of the property in such a manner as to violate the restriction. Furthermore, the Lessee will construct, maintain and operate, at Lessee’s cost and expense, a public parking area to be used by the general public free of charge and make reasonable accommodations to the public in providing access to the Sacramento River, the Sacramento Parkway Recreational Area, the recreational facilities of the river and recreational area, and any and all pedestrian and bike paths. Lessee also agrees during the term of the lease to make reasonable changes to the layout, configuration, and use of the improvements to accommodate such plans for public access at Lessee’s sole cost and expense.

Pursuant to City Code Section 12.02.073 Council may find that it is in the best interest of the City to lease property without competitive bidding when the City proposes a ground lease for a term in excess of twenty (20) years where the Lessee, as a condition of the lease, is required to construct facilities on the leased premises having a value in excess of one hundred thousand dollars (\$100,000), and these facilities will become the property of the City upon termination of the lease. The proposed ground lease meets these requirements.

#### **FINANCIAL CONSIDERATIONS:**

A recommendation to allocate lease revenue to Parks Maintenance in the Land Park/Riverside area was endorsed by City Planning Commission at the Captain’s Table Resort and Marina Project hearing conducted on May 27, 1999. Another comment from Planning Commission was that a portion of lease revenue be allocated to mitigate traffic.

#### **ENVIRONMENTAL CONSIDERATIONS:**

The Planning Division prepared an Environmental Impact Report (EIR) for the Captain’s Table Marina and Resort Hotel Project (P96-013) which included lease of the vacant subject parcel. Pursuant to CEQA Guidelines Section 15092, the City Planning Commission certified the Final Environmental Impact Report (FEIR) and adopted the Findings of Fact and Statement of Overriding Considerations and a Mitigation Monitoring Plan for the Captain’s Table Marina and Resort Hotel. Therefore, no further environmental review is required.

#### **POLICY CONSIDERATIONS:**

Under City Code Section 12.02.073, if Council deems it is in the best interest of the City, it may, upon giving notice of intention by resolution, authorize the negotiation of a lease including terms and conditions, and thereafter lease real property without competitive

City Council  
Resolution Authorizing Leasing of APN: 016-0010-039 without Competitive Bidding  
August 26, 1999

bidding. Authorizing negotiation and leasing of property without bidding is consistent with City policy.

**ESBD CONSIDERATIONS:**

No goods or services are being provided.

Respectfully submitted,



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Gary Alm  
Development Services Manager


APPROVED:



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Duane Wray  
Technical Services Manager

RECOMMENDATION APPROVED:



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Michael Kashiwagi  
Director of Public Works



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ROBERT P. THOMAS  
City Manager

**EXHIBIT "A"**

A portion of those certain parcels of land described in Deed recorded November 29, 1965 in Book 5384 at Page 369 and Part "A" of Final Order of Condemnation, recorded July 21, 1971 in Book 71-07-21, Page 474, both in Official Records of Sacramento County.

Said portion is described as follows:

BEGINNING at a point distant S. 78° 30' 48" E. 176.25 feet from Southwesterly corner of said deed recorded November 29, 1965, said point also being distant 415.75 feet Southwesterly, measured radially from said "B" line at Engineer's Station "B: 309 + 04.75; thence from said point of beginning N. 43° 56' 55" E. 238.70 feet; thence along a curve to the right with a radius of 775.00 feet; through an angle of 17° 09' 12" an arc distance of 232.02 feet; thence N. 59° 48' 42" E. 118.34 feet; thence S. 23° 53' 19" W. 317.82 feet; thence from a tangent that bears S. 63° 53' 19" W. along a curve to the left with a radius of 338.00 feet, through an angle of 43° 19' 40", an arc length of 255.60 feet; thence S. 62° 50' 51" W. 49.25 feet; thence N. 48° 27' 05" W. 150.31 feet; thence N. 03° 22' 09" W. 29.97 feet to the point of beginning.

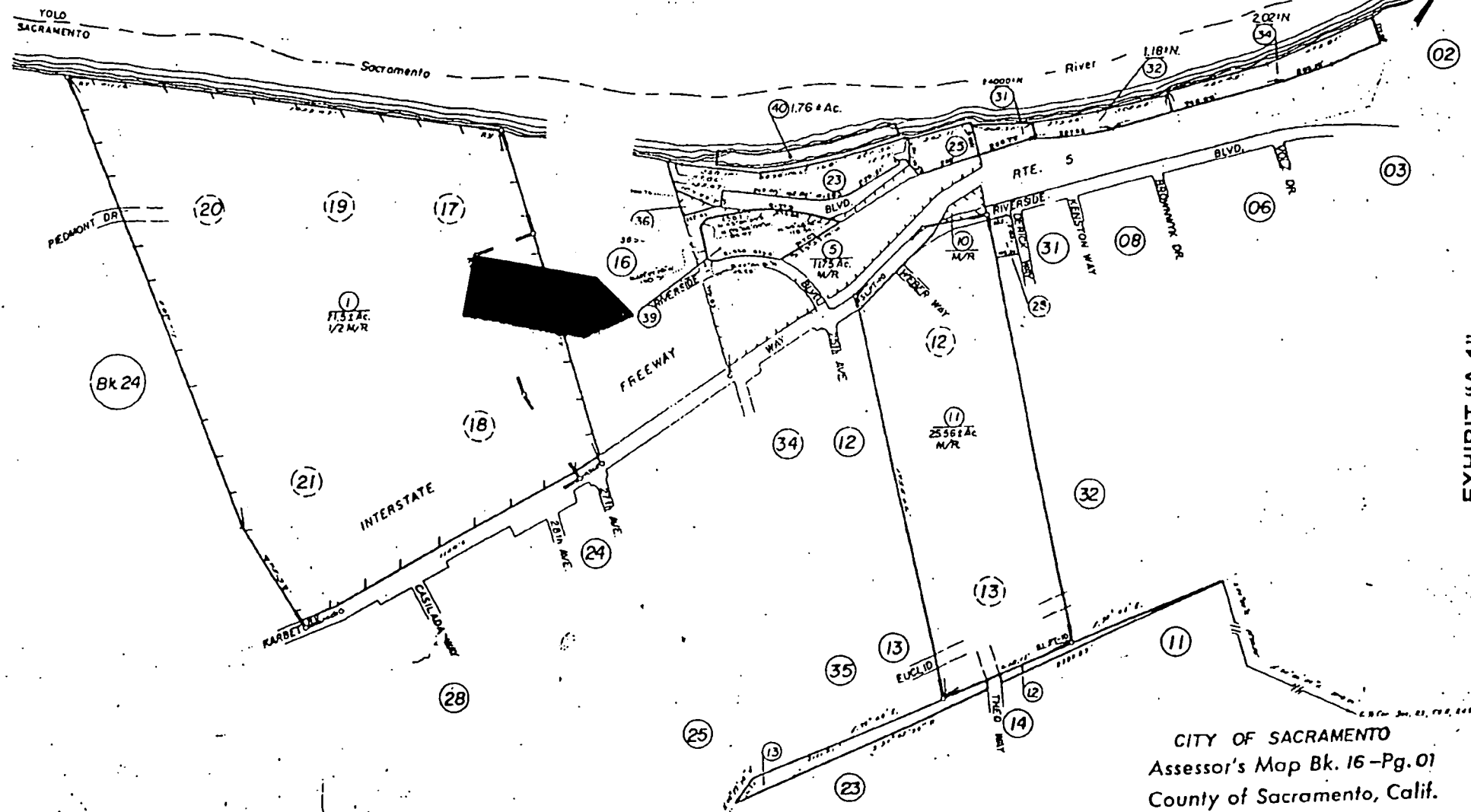
Excepting therefrom all the within granted realty, all underground minerals, including oil, gas and hydrocarbons, but not including water, with the right to explore, mine and extract the same from those certain areas, to be later designated as four corner lots to be shown on a subdivision map covering the acreage herein described lying West of the Riverside Road, and four corner lots to be shown on a subdivision map covering the acreage herein described lying East of the Riverside Road; each of said eight corner lots to contain not less than 5000 square feet in area; provided that no mining, drilling or exploration is to be carried on in any other area within the exterior boundaries of the within granted realty and the surface of the said realty so excepted from surface mining, drilling and exploration will be fully protected against damage from such operations carried on hereunder; and provided further, that the owners of said eight corner lots hereinbefore referred to, shall be reimbursed for any and all damages to buildings and surface improvements, by reason of any exploration, drilling or mining operations performed thereon.

Assessor's Parcel No: 016-0010-039

16-1

RIVERSIDE VILLAGE, SOUTH LAND PARK TER. UNIT. 10 & POR. SEC. 22 & 23,  
T.8 N., R.4 E., M.D.B. & M.  
\* PROJECTED INTO NEW HELVETIA RANCHO

Tax Area Code



CITY OF SACRAMENTO  
Assessor's Map Bk. 16-Pg. 01  
County of Sacramento, Calif.

NOTE-Assessor's Block Numbers Shown in Ellipse.  
Assessor's Parcel Numbers Shown in Circles.

EXHIBIT "A-1"

DEPARTMENT OF TRANSPORTATION

North Region - Right of Way  
P. O. BOX 911  
MARYSVILLE, CA 95901  
TDD (530) 741-4509  
FAX (530) 741-4490  
Telephone (530) 741-4568

EXHIBIT "B"



File: 03-SAC-5-20.1  
DD 018346-02-01

February 2, 1999

Subject: Captain's Table Property for Proposed Public Use (APN: 016-0010-039)

Rhonda R. Lake  
Real Property Agent  
915 I Street Room 200  
Sacramento, CA 95814-2700

Dear Ms. Lake:

Per our telephone conversation and faxes, I am forwarding this letter in response to your concerns regarding the Captain's Table Property.

After reviewing the Director's Deed and lease, it appears that the proposed intended use is compatible with the provision as stated - "exclusively for public purposes". Should the intended use change or any restrictions be put into place, please notify us immediately.

Thank you for notifying Caltrans of the intended use. Should you need any additional information, please feel free to contact me at (530) 741-4586.

Sincerely,

A handwritten signature in cursive script that reads "Cesley Nixon".

Cesley Nixon  
Excess Land Manager

CN:deb

(lake.Pha65.lb)

# RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

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

**RESOLUTION AUTHORIZING LEASING OF REAL PROPERTY  
DESCRIBED AS APN: 016-0010-039 TO CAPTAIN'S TABLE HOTEL, LLC  
WITHOUT COMPETITIVE BIDDING PURSUANT TO TITLE 12, CHAPTER 2  
OF THE SACRAMENTO CITY CODE**

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

1. Notice is hereby given that the City of Sacramento intends to lease real property described as APN: 016-0010-039 without competitive bidding, pursuant to City Code Section 12.02.073.
2. 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 term of the ground lease is in excess of twenty years; (ii) the Lessee, as a condition of the lease, is required to construct facilities on the leased premises having a value in excess of one hundred thousand dollars and; (iii) these facilities will become the property of the City upon termination of the lease.
3. The City Manager is hereby authorized and directed to execute a Ground Lease with Captain's Table Hotel, LLC, a California Limited Liability Company, for APN: 016-0010-039. The agreement is on file with the City Clerk.
4. The City Manager is further authorized to execute such additional documents and take such additional actions as necessary to implement the Ground Lease with Captain's Table Hotel, LLC.

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**FOR CITY CLERK USE ONLY**

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

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



FOR CITY CLERK USE ONLY  
5. That lease revenue during the term of the lease shall be allocated for purposes of  
Parks Maintenance in the Land Park/Riverside area. RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_  
6. That staff costs related to the lease of the property shall be recovered from lease  
revenue.

\_\_\_\_\_  
MAYOR

ATTEST:

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

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

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

FOR CITY CLERK USE ONLY

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

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

FOR CITY CLERK USE ONLY

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

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

AMENDED

**RESOLUTION NO. 99-447**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF AUG 05 1999

RESOLUTION OF INTENTION TO LEASE REAL PROPERTY  
DESCRIBED AS APN: 016-0010-039 TO CAPTAIN'S TABLE HOTEL, LLC  
WITHOUT COMPETITIVE BIDDING PURSUANT TO TITLE 12, CHAPTER 2  
OF THE SACRAMENTO CITY CODE.

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

1. Notice is hereby given that the City of Sacramento intends to lease real property described as APN: 016-0010-039 without competitive bidding, pursuant to City Code Section 12.02.073.
2. The City Clerk is directed to publish this Resolution, in accordance with the provisions of City Code Section 12.02.074.
3. The City Council will conduct a public hearing at the hour of 2:00 p.m. on August 31, 1999 on the lease of real property described as APN: 016-0010-039. The hearing will be held at the meeting place of the City Council located in City Hall, 915 I Street, Second Floor, Sacramento, California.

**JOE SERNA, JR.**

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MAYOR

ATTEST:

**VALERIE BURROWES**

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CITY CLERK

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: 99-447

DATE ADOPTED: AUG 05 1999