

Oversight Board for Redevelopment Agency Successor Agency (RASA)

07

Meeting Date: 12/16/2013**Report Type:** Consent**Title:** Contract for Property Management Services

Recommendation: Pass a **Resolution** Recommending Approval of a Contract with Ray Stone Incorporated for Property Management Services for the 700 and 800 Blocks of K and L Streets.

Contact: Leslie Fritzsche, Senior Project Manager, City of Sacramento Economic Development Department, (916) 808-5450.

Presenter: NA

Issue: The Redevelopment Agency Successor Agency ("RASA") owns multiple properties on the 700 and 800 blocks of K and L streets (see Attachment 1). These properties are vacant with the exception of one tenant. Keeping them secure and minimizing deterioration is vital to protect their value and to comply with the City Code requirements regarding maintenance of vacant properties. Until the time that these properties can be transferred to the City or sold to allow for their redevelopment, the properties will require ongoing and responsive property management. Entering into an agreement with a commercial property management firm will ensure that such assets are preserved and remain in a safe condition and not become a public nuisance.

Ray Stone Incorporated (RSI), under contract with the Redevelopment Agency, has been maintaining these properties, but that contract expires at the end of 2013. These expenses were included on the Recognized Obligation Payment Schedules for 2013 and 2014. RASA staff recommends RSI continue to provide these property management services. RSI is a family-owned Sacramento-based business that has been managing and investing in commercial real estate since 1969. The firm was selected through previous bid processes conducted by the former Redevelopment Agency in 2006 and 2010. They have been a responsive and conscientious firm. With Board approval, RASA and Ray Stone Incorporated

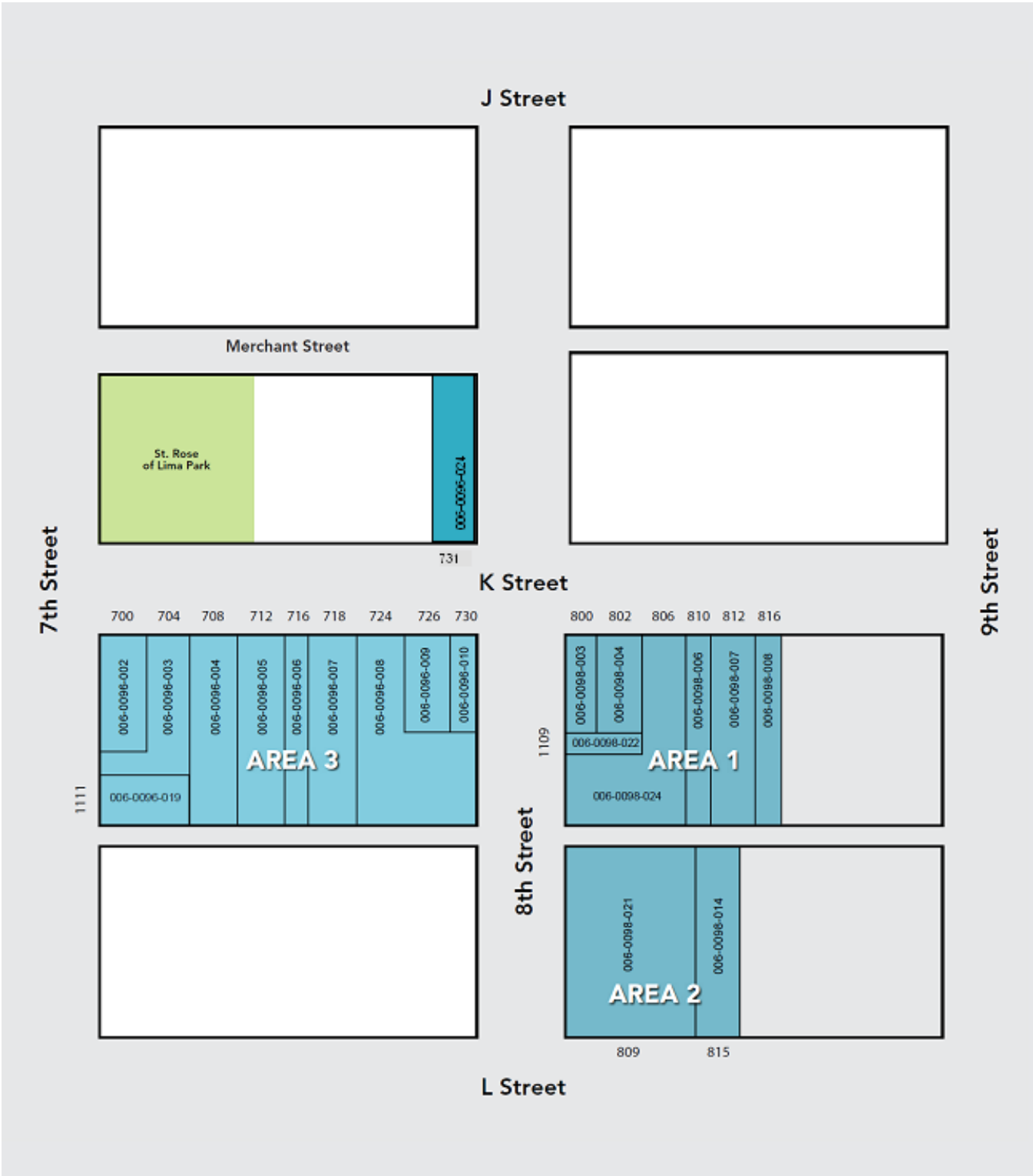
will enter into a one year contract to allow for continued management services until these properties are transferred or sold, which is expected to occur in 2014. RSI would be responsible to serve as the main point of contact for all property management-related items including rent collection, utility payments, arrangement for any required repairs and resolution of any health and safety issues. The cost of these services for all of the 19 parcels is \$4,583.0 per month for an annual amount not to exceed of \$55,000. In addition, the contract provides for reimbursement for expenses to pay utilities and to undertake repairs and other expenses related to protection of these properties from vandalism and trespass. Once all these properties have been transferred or sold, this contract will then be terminated.

Attachments:

- 1 – Location Map
- 2 - Resolution: Recommending Approving of a Contract with Ray Stone Inc. for Property Management Services in 2014
Exhibit A - Contract for Property Management Services

Attachment 1

Redevelopment Agency Successor Agency Owned Properties
Location Map



RESOLUTION NO. 2013-

Adopted by

Oversight Board for
Redevelopment Agency Successor Agency

December 16, 2013

**APPROVAL OF A RASA CONTRACT WITH RAY STONE INCORPORATED FOR
PROPERTY MANAGEMENT SERVICES**

BACKGROUND

- A. The Redevelopment Agency Successor Agency (RASA) owns multiple properties on the 700 and 800 blocks of K and L streets.
- B. These properties require property management services in order to protect them from deterioration and vandalism and to keep them in a safe condition.
- C. RASA staff recommends that the Oversight Board approve the Property Management Contract with Ray Stone Incorporated for the RASA properties located on the 700 and 800 blocks of K and L Streets.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE OVERSIGHT
BOARD FOR REDEVELOPMENT AGENCY SUCCESSOR AGENCY RESOLVES AS
FOLLOWS:**

- Section 1. The Oversight Board hereby recommends approval of the contract between RASA and Ray Stone Incorporated for Property Management Services for the properties located on 700 and 800 blocks of K and L Streets in an amount for services not to exceed \$55,000, plus reimbursement of utility, repairs and other expenses related to protection of the properties, in substantially similar form to the attached Exhibit A.

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Exhibit A - Contract for Property Management Services

Exhibit A