



APPROVED  
BY THE CITY COUNCIL

4.1

JUN 14 1994

OFFICE OF THE  
CITY CLERK

DEPARTMENT OF  
PUBLIC WORKS

ENGINEERING DIVISION

CITY OF SACRAMENTO  
CALIFORNIA

927 TENTH STREET  
ROOM 200  
SACRAMENTO, CA  
95814-2700

PH 916-264-7120  
FAX 916-264-7903

CONSTRUCTION SECTION  
640 BERCLUT DRIVE  
SUITE B  
SACRAMENTO, CA  
95814-0131

PH 916-264-5282  
FAX 916-264-7276

May 13, 1994

City Council  
Sacramento, California

Honorable Members In Session:

**SUBJECT:** CIVIC CENTER PLAZA PARKING GARAGE RESOLUTION ESTABLISHING RENTAL RATE AND; AUTHORIZING NEGOTIATION AND LEASING OF PROPERTY WITHOUT BIDDING

**LOCATION/COUNCIL DISTRICT:** South side of I Street between 10th and 11th Streets, in Council District 1.

**RECOMMENDATION:** This report recommends that the City Council adopt the attached resolution to approve the following actions:

- Establish the minimum rental rate for space in this garage at \$1.00 per square foot and;
- Authorize negotiation of leases, including terms and conditions, and thereafter lease property without bidding.

**CONTACT PERSON:** Bruce J. Alej, 264-5055

**FOR COUNCIL MEETING OF:** June 8, 1994

**SUMMARY:**

This is a report back on the staff report, and amended resolution attached as Exhibit "A", adopted by City Council on May 10, 1994. At the May 10, 1994 meeting, Council adopted this amended resolution expanding the current retail tenant policy to allow service and office uses, including governmental agencies, for an interim period of three years and; allowing the recommended City staff uses in this garage.

CONTINUED

FROM 6-8-94  
TO 6-14-94

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Civic Center Plaza Parking Garage Resolution Establishing Rental Rate and;  
Authorizing Negotiation and Leasing of Property without Bidding  
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**COMMITTEE/COMMISSION ACTION:**

None.

**BACKGROUND INFORMATION:**

At the May 10, 1994 meeting, Council adopted an amended resolution approving expanding the current retail tenant policy to allow office and service uses, including governmental agencies for an interim period of three years and; the recommended City uses for this garage.

Council also requested that staff report back on the following issues:

- Iliff Thorn's original proposal and the comps. they used to arrive at the minimum leasing rate.
- The amount Iliff Thorn has received in commissions to date.
- Proposed terms of the new listing agreement with Iliff Thorn.
- The possibility of moving the street parking presently on the north side of I Street to the south side of I Street to better serve the retail business' in the garage.

The market study used to arrive at the original \$1.35/sf minimum leasing rate was performed by staff. This study was based on comps. provided by Iliff Thorn in addition to comps. obtained by staff.

The total amount Iliff Thorn has received in commissions to date is \$4,821.00 for Cloths 'N' Things and \$9,948.21 for Under the Waterfall, totalling \$14,769.21. The commissions paid to Iliff Thorn for tenants placed in the garage conform to their original agreement which was approved by City Council January 2, 1990. The commission schedule in that agreement is consistent with the local industry standards for real estate commissions.

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Now that the City uses have been approved, there is only approximately 2000 sf of space remaining unleased, in addition to the Cafe. Delta Airlines has expressed an interest for 2000 sf of space. Since the space remaining for Iloff Thorn to market is minimal, staff does not recommend that a new listing agreement be entered into at this time. If Iloff Thorn submits a proposal for Delta Airlines, and a lease is approved, it is recommended that a commission be paid to Iloff Thorn on the basis of the original agreement. This would conclude our need for Iloff Thorn & Co. as a leasing agent, at this time.

The resolution has been amended to specify that the expanded tenant policy is for an interim period of three years. Prior to the end of the three-year period, it is recommended that staff perform another market study and determine if there is adequate pedestrian traffic to reinstate the pedestrian-oriented retail use policy.

The Transportation Division was contacted regarding the possibility of moving the street parking on the north side of I Street to the south side, directly adjacent to the garage. The Transportation Division has stated that there was parking on both sides of I Street prior to construction of the Civic Center Plaza Garage, but it was eliminated to provide a wider pedestrian corridor of sidewalk on the I Street side of the garage. To change it now would require shifting the traffic lane over, which would be inconsistent with the City blocks to the east and west of the garage. The only other alternative would be to reduce the width of the sidewalk on the I Street side of the garage.

**FINANCIAL CONSIDERATIONS:**

Revenue from Civic Center Plaza Parking Garage space rental will be deposited in the Parking Fund.

**POLICY CONSIDERATIONS:**

Under City Code Section 12.02.073, if the 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 bidding when Council has also established by resolution a proposed rental rate

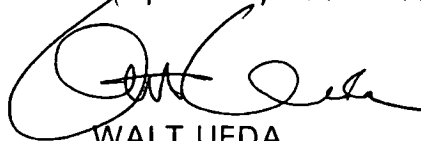
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May 13, 1994

for the specified City-owned real estate. Authorizing negotiation and leasing of property without bidding is consistent with the City's leasing policy for commercial space at the other parking garages. City Council will continue to approve execution of each Lease Agreement on a case-by-case basis.

**MBE/WBE:**


None. No goods or services are being purchased.

Respectfully submitted,



WALT UEDA  
Special Services Division Manager

RECOMMENDATION APPROVED:

  
WILLIAM H. EDGAR  
City Manager

APPROVED:

  
MICHAEL KASHIWAGI  
Deputy Director of Public Works

**RESOLUTION NO.**

94-375

ADOPTED BY THE SACRAMENTO CITY COUNCIL

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

**APPROVED**  
BY THE CITY COUNCIL

JUN 14 1994

OFFICE OF THE  
CITY CLERK

**A RESOLUTION ESTABLISHING RENTAL RATES  
AND PROVIDING NOTICE OF INTENTION  
TO LEASE PROPERTY WITHOUT COMPETITIVE  
BIDDING FOR THE CIVIC CENTER GARAGE LOCATED  
AT 1000 I STREET, PURSUANT TO TITLE 12,  
CHAPTER 2 OF THE SACRAMENTO CITY CODE**

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

1. The minimum rental rate for space at the Civic Center Plaza Parking Garage, 1000 I Street, Sacramento, California, is established at \$1.00 per square foot.

2. Notice is hereby given that the City of Sacramento intends to lease the commercial space in the Civic Center Plaza Parking Garage, 1000 I Street, Sacramento, California, without competitive bidding, pursuant to City Code Section 12.02.073(F).

3. 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 bidding process is not common in the commercial rental market; (ii) in order for the City to be competitive with other available spaces being offered in the area, the appropriate procedure is to use the open listing method to market the property; and (iii) it provides existing and prospective tenants that they will have continuity of business at a selected location, without interruption due to a competitive process which, in turn, increases the attractiveness of the offered property.

4. The City Clerk is directed to publish this resolution, in accordance with the provisions of City Code Section 12.02.074.

**FOR CITY CLERK USE ONLY**

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

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

5. Upon completion of the publication process pursuant to section 4 of this resolution, city staff is authorized to negotiate for leases of the commercial space in the Civic Center Plaza Parking Garage, 1000 I Street, Sacramento, California, without the necessity for competitive bidding. Each lease which is negotiated shall be subject to approval by the City Council.

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MAYOR

ATTEST:

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CITY CLERK

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FOR CITY CLERK USE ONLY

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

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

# RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

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

RESOLUTION ESTABLISHING RENTAL RATE AND;  
AUTHORIZING NEGOTIATION AND LEASING OF PROPERTY  
WITHOUT BIDDING;  
FOR THE CIVIC CENTER GARAGE

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

1. That the minimum rental rate for space at the Civic Center Plaza Parking Garage is established at \$1.00 per square foot.
2. That it is in the best interest of the City to authorize negotiation of leases including terms and conditions and thereafter lease property without bidding.

\_\_\_\_\_  
MAYOR

ATTEST:

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

FOR CITY CLERK USE ONLY

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

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

AMENDED  
**RESOLUTION NO.**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

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

RESOLUTION EXPANDING THE CURRENT TENANT USE POLICY AND;  
AUTHORIZING CITY STAFF USES;  
FOR THE CIVIC CENTER PLAZA PARKING GARAGE

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

1. That the current retail tenant policy is expanded to permit office and service uses, including governmental agencies, for an interim period of three years.
2. That the City's Traffic Operations Center and associated traffic engineering staff be permanently located in the Civic Center Plaza Parking Garage.
3. That the City's information/Communication Services functions remaining in Lot B be temporarily relocated into the Civic Center Plaza Parking Garage prior to beginning site preparation for the multi-story office structure on Lot B.

\_\_\_\_\_  
MAYOR

ATTEST:

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CITY CLERK

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**FOR CITY CLERK USE ONLY**

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

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