



3.23

APPROVED  
BY THE CITY COUNCIL

JAN 4 1991

OFFICE OF THE  
CITY CLERK

A691013

DEPARTMENT OF  
PUBLIC WORKS  
  
ENGINEERING DIVISION

CITY OF SACRAMENTO  
CALIFORNIA

927 TENTH STREET  
ROOM 200  
SACRAMENTO, CA  
95814-2705

916-449-8220  
FAX 916-449-8678

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

916-449-5282

January 3, 1991

City Council  
Sacramento, California

Honorable Members In Session:

SUBJECT: 1003 L Street, Parcel No. 2, (10th and L Streets Parking  
Garage - JN:2008) - Authorization to Execute SUBLEASE  
AGREEMENT

SUMMARY

Adoption of the attached resolution approving the SUBLEASE AGREEMENT  
pertaining to Parcel No. 2, 1003 L Street (10th and L Streets Parking  
Garage) is recommended.

BACKGROUND

The City of Sacramento currently leases commercial space in the 10th and  
L Parking Garage from the Parking Authority. The City in turn subleases  
individual spaces to various tenants.

Home Savings of America has occupied the subject space, Parcel No. 2,  
for nine years. Their existing lease expires on December 31, 1991 with  
no further options to renew. They would like a new five-year lease to  
start January 1, 1992, with an option for an additional five-year period  
after the initial term. Their present lease covers 3,000 square feet  
(all of Parcel 2), of which 930 square feet is subleased to a print  
shop, and they would like to continue their obligation for 3,000 square  
feet. They have been an excellent tenant for the City over the past  
nine years.

FINANCIAL DATA

The proposed lease, if approved, will generate a total of \$279,000 over  
the initial five-year period of the lease with a monthly rental of  
\$4,650 (\$1.55/sq. ft.). This rate is fixed for the five-year term, but  
was increased from their prior rate of \$1.25/sq. ft. This increased  
rate was determined by a market study conducted by the Real Property

City Council  
Authorization to Execute Sublease Agreement  
January 3, 1991  
Page 2

Section. This rate was adjusted up an extra amount (8¢/sq. ft.) to reflect compensation to the City for the tenant's benefit of a fixed rate. The Lessee is also responsible, as additional rent, for the payment of the possessory interest tax, which is levied by the County Assessor's Office for the value of the lease.

The lease provides for a rental rate adjustment, determined by market comparison, if the renewal option is exercised. The proceeds received will be deposited into the Parking Fund, Account Number 412-310-3183-3670, Rental Income.

POLICY CONSIDERATIONS

The action is consistent with prior City leases.

MBE/WBE EFFORTS

There are no goods or services being purchased.

RECOMMENDATION

It is recommended that the City Manager and City Clerk be authorized to execute the SUBLEASE AGREEMENT for Parcel No. 2 in the 10th and L Streets Parking Garage with Home Savings of America, F.A.

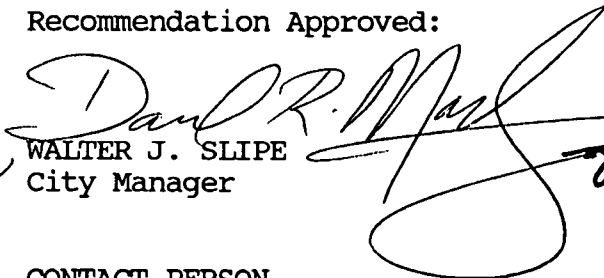
Respectfully submitted,

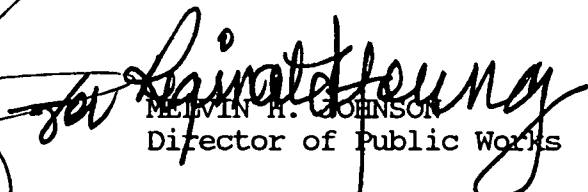


THOMAS M. FINLEY  
Engineering Division Manager

Recommendation Approved:

Approved:

*for*  
  
WALTER J. SLIPE  
City Manager

  
MELVIN H. JOHNSON  
Director of Public Works

CONTACT PERSON

January 3, 1991  
District No. 1

Bruce J. Alei, Real Property Agent  
(916) 449-5055

BJA:mb  
RE2-01LS.C  
12.1890.5

Attachment

**RESOLUTION NO. 91-010**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

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

APPROVED  
BY THE CITY COUNCIL  
JAN 4 1991  
OFFICE OF THE  
CITY CLERK

AUTHORIZATION TO EXECUTE  
SUBLEASE AGREEMENT  
WITH HOME SAVINGS OF AMERICA, F.A.  
FOR PARCEL NO. 2  
10TH AND L STREETS PARKING GARAGE,  
1003 L STREET

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

1. That the City Manager and the City Clerk are hereby authorized and directed to execute a sublease with Home Savings of America, F.A.
2. Funds received shall be deposited into the Parking Fund, Account Number 412-310-3183-3670, Rental Income.

\_\_\_\_\_  
MAYOR

ATTEST:

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

BJA:mb  
RE2-01LS.C  
12.1190.3

FOR CITY CLERK USE ONLY

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

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



OFFICE OF THE  
CITY CLERK

OPERATION SERVICES

CITY OF SACRAMENTO  
CALIFORNIA

CITY HALL  
ROOM 304  
915 I STREET  
SACRAMENTO, CA  
95814-2671

916-449-5426

January 9, 1991

Home Savings of America, F.A.  
Attn: Real Estate Department  
1390 South Main Street  
Walnut Creek CA 94596

On January 3, 1991, the Sacramento City Council adopted Resolution No. 91-010 authorizing the execution of Agreement No. 91-013 regarding sublease agreement for Parcel No. 2, 1003 L Street.

Enclosed, for your records, is one fully certified copy of said agreement and authorizing resolution.

Sincerely,

Valerie A. Burrowes  
City Clerk

mls/3.23

Enclosures

cc: Public Works  
Risk Management