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DEPARTMENT OF
CONVENTION, CULTURE
AND LEISURE

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January 31, 2002

AG 2002-027

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: OLD SACRAMENTO PUBLIC MARKET MANAGEMENT

LOCATION AND COUNCIL DISTRICT: Old Sacramento; District 1

RECOMMENDATION:

Approve management agreement with Bill George to provide consulting services for property management and accounting for the Public Market in Old Sacramento.

CONTACT PERSON: Barbara E. Bonebrake, Director
Convention, Culture & Leisure Department

FOR COUNCIL MEETING OF: February 12, 2002

SUMMARY:

This report recommends approval of a professional services agreement with Bill George to manage the Public Market in Old Sacramento.

COMMITTEE/COMMISSION ACTION: None

City Council
Old Sacramento Public Market Management
February 5, 2002

BACKGROUND:

The Public Market was developed in 1996. Initially the Market was managed by Old Sacramento management staff, however, it was determined that an outside property manager would be more efficient. William (Bill) George was hired in 1998 to do an assessment of the Market, develop a financial system, and provide overall management for the Market. After successfully accomplishing this, the City continued to work with Bill George to manage the Public Market. Mr. George has done a very good job, particularly given the many constraints of the Market, including the necessity to monitor products offered by the tenants. During the time Mr. George has managed the Market, he has brought rents up to market rate, has had full occupancy, has overseen necessary repairs and improvements, and has turned the Market into a more positive cash flow position.

Negotiations are in process to return the north building of the Public Market to the State of California since the use permit with the State has expired. This item will come before the Council in late February. This management agreement provides a monthly compensation to the property manager of \$2,500 as long as both buildings are managed, and \$1,000 to manage the south building when the north building has been turned over to the State. The term of the agreement is for up to 5 years, with a 60 day cancellation clause by either party.

FINANCIAL CONSIDERATIONS:

Revenue from the Public Market funds the operations of the Public Market, including property management services. The annual cost will be between \$12,000 and \$20,000 depending on when the north building units are turned back to the State. Funding for this agreement is contained in the Approved 2001/02 Operating Budget.

ENVIRONMENTAL CONSIDERATIONS:

The Planning and Building Department, Office of Environmental Affairs has reviewed the proposed action and has determined that this action of approving a management agreement to provide consulting services for property management and accounting for the Public Market in Old Sacramento is not considered a "project" as defined under the California Environmental Quality Act (CEQA) Section Number 15378, and therefore does not require environmental evaluation. The approval of a management agreement is an organizational activity which does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect change in the environment.

City Council
Old Sacramento Public Market Management
February 5, 2002

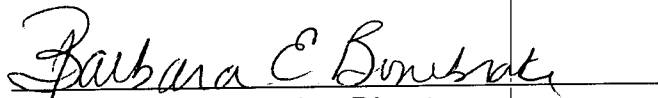
POLICY CONSIDERATIONS:

This recommendation will continue professional property management for one of the City's assets.

ESBD CONSIDERATIONS:

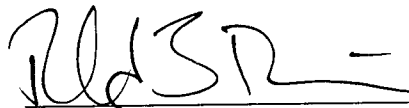
The recommended consultant is not currently an ESB, but staff will research the possibility of certification.

Respectfully submitted,



Barbara E. Bonebrake, Director
Convention, Culture and Leisure Department

APPROVED:



Richard Ramirez
Deputy City Manager

RECOMMENDATION APPROVED:



Robert P. Thomas, City Manager

RESOLUTION NO. 2002-069

ADOPTED BY THE SACRAMENTO CITY COUNCIL
ON DATE OF _____

**AUTHORIZATION OF AGREEMENT TO PROVIDE PROPERTY
MANAGEMENT SERVICES FOR PUBLIC MARKET IN OLD
SACRAMENTO**

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

- 1) Authorize City Manager to execute management agreement with Bill George to provide consulting services for property management and accounting for the Public Market in Old Sacramento.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO: _____

DATE ADOPTED: _____

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