



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

CONSENT

October 30, 2007

Honorable Mayor and
Members of the City Council

Title: Agreement: Addendum #1 to City Agreement #2002-200 with Sacramento Community Cable Foundation

Location/Council District: 4623 T Street, Council District 6

Recommendation: Adopt a **Resolution:** authorizing the City Manager to execute Addendum #1 to City Agreement #2002-200 with the Sacramento Community Cable Foundation, Inc. (Access Sacramento) for rental of office space at the Coloma Community Center.

Contact: Lori Harder, Support Services Manager, 808-5172

Presenters: Not Applicable

Department: Parks and Recreation

Division: Department Administration

Organization No: 4511

Description/Analysis

Issue: On November 7, 2002, the City Council approved an agreement with Access Sacramento for the lease of 3,382 square feet of office space at the Coloma Community Center. The lease provided Access Sacramento with the option to extend the lease for up to two additional five-year terms. Access Sacramento wishes to exercise its option to extend the lease for the first five-year extended term.

Pursuant to the terms of the lease, Access Sacramento was required to provide the City with written notice that it was exercising its option to extend the lease no later than August 31, 2007. However, Access Sacramento inadvertently failed to provide written notice within the time specified in the lease, therefore, City Council approval is required in order for the City Manager to execute Addendum #1 which extends the lease for the first five-year extended term.

Policy Considerations: The City Council adopted Resolution #2002-734 which authorized the City Manager to execute a five-year lease with Access Sacramento with the option for up to two additional five-year terms.

Staff's recommendation is consistent with policies in the City Council adopted *2005-2010 Parks and Recreation Master Plan* including

Policy 12.1: Actively pursue and formalize partnership agreements with a broad range of public and private entities,

Staff's recommendation is consistent with the City's strategic plan to achieve sustainability and livability throughout the City.

Committee/Commission Action: None with this item.

Environmental Considerations: Staff's recommendation concerns administrative activities that will not have any significant effect on the environment and that do not constitute a "project," as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines Sections 15061(b)(3); 15378(b)(2)].

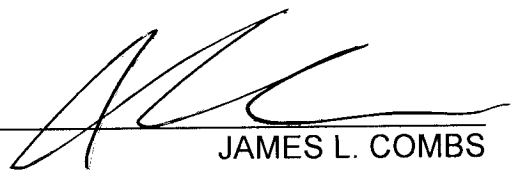
Rationale for Recommendation: The lease grants Access Sacramento the option to extend the lease for up to two additional five-year terms. The City Manager is authorized to execute the lease extensions, as long as Access Sacramento provides the City with written notice that it is exercising its option not less than 60 days before the end of the then current lease term. In this case, however, Access Sacramento inadvertently failed to provide written notice within the time period specified in the lease, therefore City Council approval is required in order for the City Manager to execute Addendum #1 which extends the lease for the first five-year extended term.

Financial Considerations: Under the terms of the lease, Access Sacramento may extend the lease on the same terms and conditions, except that rent for the extended terms shall be determined at the date of the extension at the fair market rental rate, but no less than \$3,212 per month.

Staff has worked with Access Sacramento to determine the new rental rate, which will be increased five cents (.05) per square foot for the first three years. The result will be a maximum rent of \$1.10 per square foot or \$3,720 per month or \$44,642 per year. The total amount of revenue resulting from the rental of the facility will be \$217,123 for the five-year extended term through October 31, 2012. Revenue received from the rental of the facility goes to the Special Recreation Fund.

Emerging Small Business Development (ESBD): There are no ESBD considerations with this report.

Respectfully Submitted by:


JAMES L. COMBS
Director of Parks and Recreation

Recommendation Approved:

for 
RAY KERRIDGE
City Manager

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ATTACHMENT 1

Background:

The Sacramento Community Cable Foundation, Inc. (Access Sacramento) is a non-commercial, non-profit organization that provides community television, radio and internet programming that reflect the unique diversity that is Sacramento.

Access Sacramento currently is headquartered at the Coloma Community Center at 4623 T Street. The organization leases approximately 3,382 square feet of the center for its daily operations. The City Council on November 7, 2002, approved a five-year lease agreement with Access Sacramento that granted Access Sacramento with the option to extend the lease for up to two additional five-year terms.

Access Sacramento would like to exercise its option to renew the lease for the first of the two five-year extended terms. Pursuant to the terms of the lease, Access Sacramento needed to provide the City with written notice to exercise its option to extend the lease by August 31, 2007. As no written notice was provided within the time specified within the lease, City Council approval of Addendum #1 to the lease is required in order to extend the lease for the first five-year extended term.

Staff is recommending that the City Council approve Addendum #1 to City Agreement 2002-200, which will extend Access Sacramento's lease for a five-year term ending October 31, 2012. Under the terms of the lease, Access Sacramento has the option of extending the lease on the same terms and conditions, except that the rent for the renewed terms shall be determined at the date of the extension at the fair market rental rate, but no less than \$3,212 per month.

Addendum #1 will increase the monthly rental rate over the extended period as follows:

<u>Period</u>	<u>Cost Per Square Foot</u>	<u>Monthly Rate</u>	<u>Annual Rate</u>
Year 1	\$1.00	\$3,382	\$40,584
Year 2	\$1.05	\$3,551	\$42,612
Years 3 – 5	\$1.10	\$3,720	\$44,642

The total amount of revenue resulting from the rental of the facility will be \$217,123. Revenue received from the rental of the facility goes to the Special Recreation Fund.

RESOLUTION NO. 2007-

Adopted by the Sacramento City Council

October 30, 2007

ACCESS SACRAMENTO LEASE EXTENSION

BACKGROUND

- A. The Sacramento Community Cable Foundation, Inc. is a non-commercial, non-profit organization that provides community television, radio and internet programming that reflect the unique diversity that is Sacramento.
- B. On November 7, 2002, the City Council approved a lease (City Agreement # 2002-200) with an initial term of five years with the Sacramento Community Cable Foundation, Inc. (Access Sacramento) for the lease of 3,382 square feet of office space at the Coloma Community Center.
- C. The lease provided Access Sacramento with the option to extend the lease for up to two additional five-year terms.
- D. Pursuant to the terms of the lease, Access Sacramento was required to provide the City with written notice to exercise its option to extend the lease no later than August 31, 2007. However, no written notice was provided within the time specified within the lease, therefore, City Council approval is required in order for the City Manager to execute Addendum #1 to City Agreement #2002-200 which extends the lease for the first of the five-year extended terms.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager is authorized to execute Addendum #1 to City Agreement #2002-200 with the Sacramento Community Cable Foundation, Inc. (Access Sacramento) for rental of office space at the Coloma Community Center.