



Agency Rpt  
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## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

June 30, 1981

Redevelopment Agency of the  
City of Sacramento  
Sacramento, California

APPROVED  
SACRAMENTO REDEVELOPMENT AGENCY

CITY MANAGER'S OFFICE  
**RECEIVED**  
JUL 8 1981

Honorable Members in Session:

Date 7/14/81

**SUBJECT:** Authorizing the Interim Executive Director to Execute  
a Listing Agreement to Lease the Retail Space at Garage G.

### SUMMARY

The Agency staff has not been able to secure tenants to lease the retail space at Garage G and it is recommended that the Agency use the services of a real estate broker and pay the standard listing commission.

### BACKGROUND

Garage G is located on the south side of the K Street Mall between 3rd and 4th Streets. The garage was completed in 1980 and consists of 1,340 spaces in six levels. There are four retail units with a combined area of 4,937 square feet fronting the mall.

The Agency advertised the availability of these retail units for lease during April 1980 in local newspapers. Four proposals were received and evaluated for conformance with approved criteria as shown on the attached exhibit. The Sacramento Housing and Redevelopment Commission tentatively selected three of these proposals, but directed the staff to readvertise for an additional two-week period. For this readvertisement, the San Francisco Examiner and local newspapers were utilized. No new proposals were received as a result of this additional advertisement.

On July 1, 1980 by Resolution No. 2918, the Agency authorized the Executive Director to execute leases with Jennifer Farr and Michael C. Schnyder, dba "Sachet Beautiful Lingerie" (Unit A), Mr. & Mrs. Abricki and Mr. and Mrs. Johnson, dba "Wee Petite" (Unit B), and S. A. Laraja and Sons, Inc., Terry Matalone and Kenneth Miller, dba "The Filmworks" ("West Unit"). Subsequently, "The Filmworks" failed to execute its lease for economic reasons not related to the lease.

There was little interest received during the fall and winter months due to retailers missing the pre-Christmas activity. The need to revise the criteria for the retail leasing of Garage "G" became apparent in January 1981. The leasing criteria were amended on March 10, 1981 by Resolution No. 81-013A. Agency staff is currently in the process of advertising these retail units. Advertisements have been placed in local and Bay Area papers with proposals due no later than 5:00 p.m., May 21, 1981. To date no interest has been stimulated as a result of this advertising effort.

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The Sachet firm has fallen behind on their rental payments and the proprietors have vacated the premises. At this time there is one tenant and three vacant units. As a result of a request of the Commission's Planning, Development/Old Sacramento Committee, the staff has investigated the use of a leasing agent to secure tenants for the space. Four real estate companies have been requested to submit proposals to secure an exclusive listing agreement. Only two, thus far have submitted proposals and these are tabulated as follows:

## FIRM

## PROPOSAL

Ashwill-Burke

Develop a sales and leasing brochure; contact all local tenants that they know are presently located within the central city and inform them; provide sales aids to all qualified brokerage firms with Ashwill-Burke available to make personal presentations; disseminate the material to their ten offices throughout California; provide market data research; aid in developing and monitoring a rent schedule; review the lease form; and negotiate with the tenants.

Bishop-Hawk

Provide up to date analysis of current lease rates of properties near the subject property; afford expertise in lessor-lessee negotiations; prepare printed brochures and mail them to target users; and use the Sacramento Bee for advertising.

Both firms expect a 5% commission for their services and this rate is apparently the standard rate in the industry. The commission is paid at the time that the lease is signed and is calculated on the entire five-year lease amount.

The Ashwill-Burke proposal appears to be better in that they will contact potential users and will promote our space to their branch offices. The staff recommends that a listing agreement be signed with Ashwill-Burke for a 60 day period and if they are unsuccessful, the Agency should switch to Bishop-Hawk or to another firm for a 60-day listing.

## FINANCIAL DATA

The fair rent is believed to be approximately a dollar a square foot; however it is anticipated that a reliable broker could help develop a more exact amount. The dollar figure would convert to an income of \$3,850 per month for the vacant units. Upon accepting a tenant for five years, a 5% commission on the entire five years projected income must be paid.

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This amount, using the above figures, would be \$11,550. The 5% commission would be recaptured in three months.

## VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of July 6, 1981, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES: Coleman, Fisher, Knepprath, Luevano, A. Miller,  
Serna, Teramoto, Walton, B. Miller


NOES: None

ABSENT: None

## RECOMMENDATION


The staff recommends adoption of the attached resolution authorizing the Interim Executive Director to execute a listing agreement to lease retail space at Garage G, 3rd-4th, K Street Mall.

Respectfully submitted,



WILLIAM H. EDGAR  
Interim Executive Director

TRANSMITTAL TO COUNCIL:

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WALTER J. SLIPE  
City Manager

Contact Person: Leo T. Goto

RESOLUTION NO. RA- 81-053

Adopted by the Redevelopment Agency of the City of Sacramento

July 14, 1981

AUTHORIZING EXECUTION OF LISTING AGREEMENTS  
TO LEASE RETAIL SPACE AT GARAGE G

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY  
OF SACRAMENTO:

Section 1. The Interim Executive Director is author-  
ized to execute a Listing Agreement to lease retail space at  
Garage G, located in the block bounded by 3rd and 4th Streets and  
K Street Mall, with Ashwill-Burke for a term of sixty (60) days.  
Further, if said Ashwill-Burke is unsuccessful in leasing said  
space, the Interim Executive Director is authorized to execute  
an additional Listing Agreement for a like period with Bishop-  
Hawk or other qualified firm.

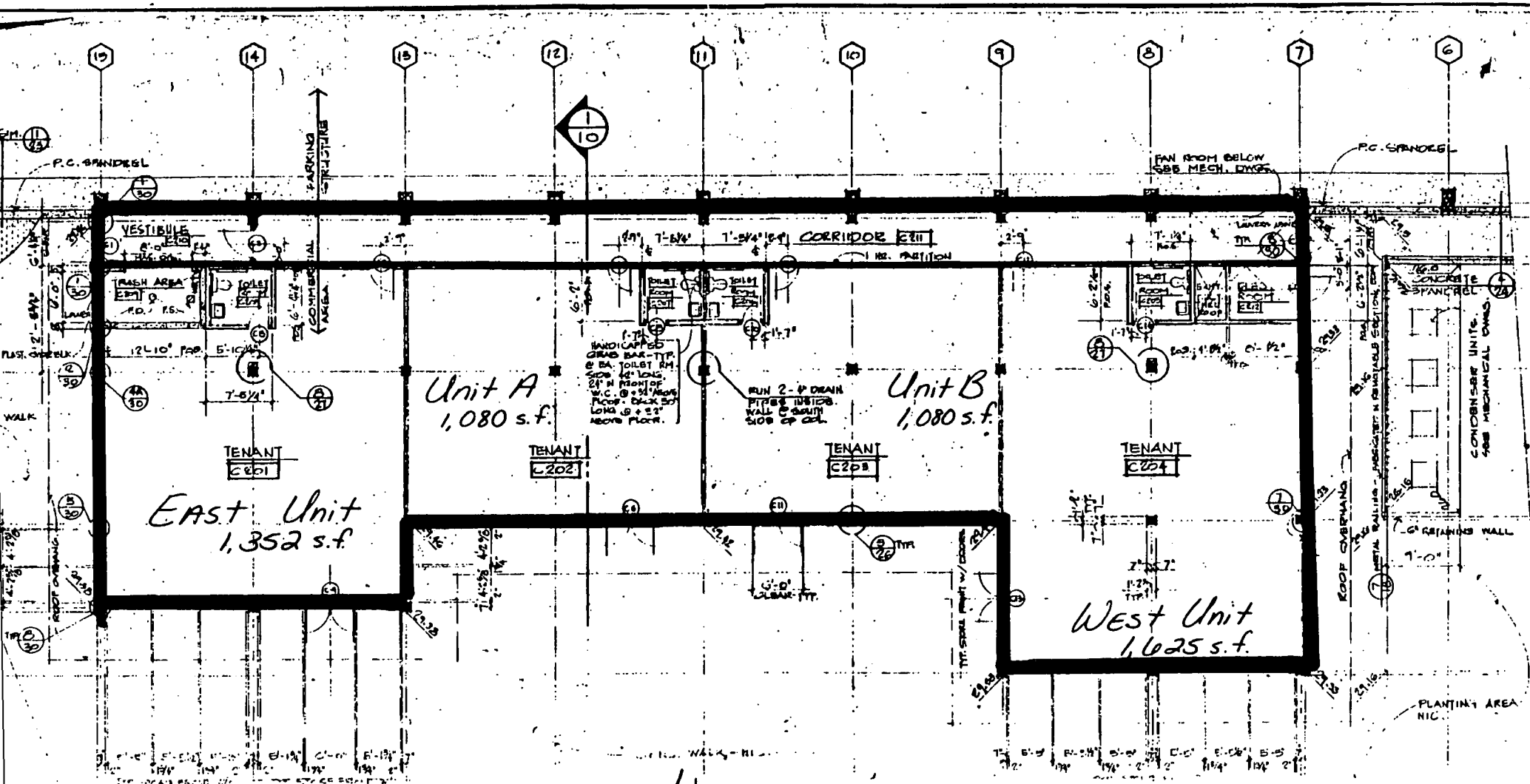
\_\_\_\_\_  
CHAIRMAN

ATTEST:

\_\_\_\_\_  
SECRETARY

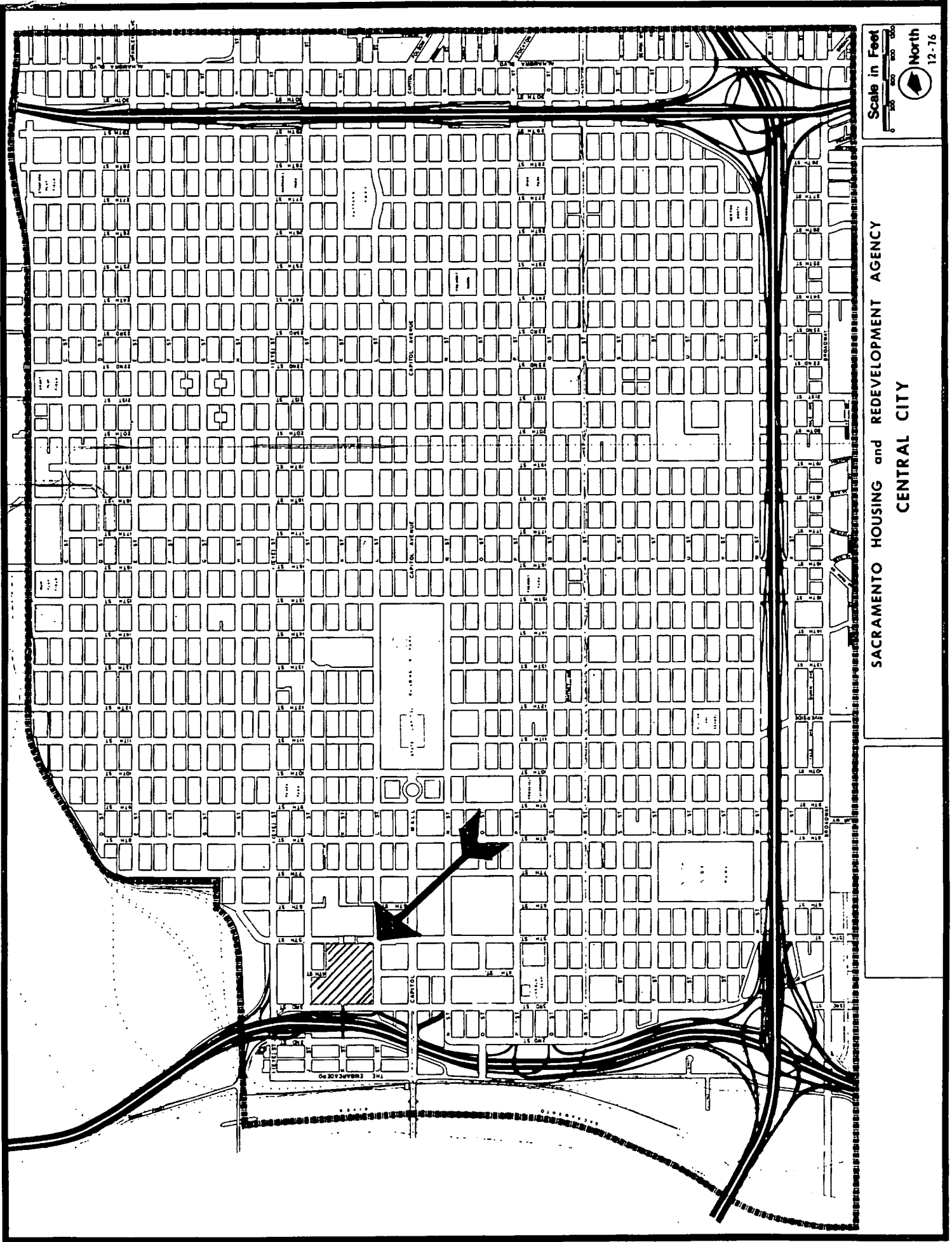
APPROVED  
SACRAMENTO REDEVELOPMENT AGENCY

Date 7/14/81



K-MALL  
 Garage 'G'  
 — Retail —





Scale in Feet  
0 250 500 750 1000  
North  
12-76

SACRAMENTO HOUSING and REDEVELOPMENT AGENCY  
CENTRAL CITY