



**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**



10

January 5, 1988

Budget & Finance Committee of  
the City Council  
Sacramento, CA

Honorable Members in Session:

**SUBJECT:** Modifications to Sublease and Agreement with Catholic  
Community Services (Camellia City Center)

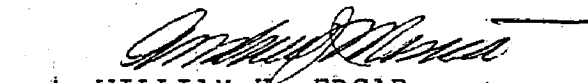
SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the Redevelopment Agency of the City of Sacramento.

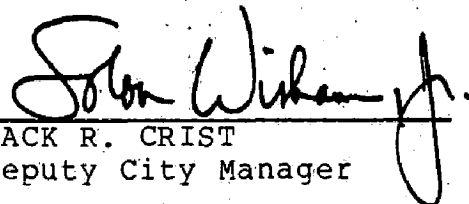
RECOMMENDATION

The staff recommends approval of the attached resolution approving the lease/agreement modifications.

Respectfully submitted,

  
WILLIAM H. EDGAR  
Executive Director

TRANSMITTAL TO COMMITTEE:

*for:*   
JACK R. CRIST  
Deputy City Manager

Attachment



**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**



January 4, 1988

Redevelopment Agency of the  
City of Sacramento

Honorable Members in Session:

**SUBJECT:** Modifications to Sublease and Agreement with Catholic  
Community Services (Camellia City Center)

SUMMARY

This report recommends allowing utilization of excess funds remaining in the agreement between the Redevelopment Agency and Camellia City Center for renovation of their community center facility in the Capitol Park Hotel for increased costs related to rents and utility charges.

BACKGROUND

On March 16, 1987, the Agency entered into a modification to our sublease agreement with Catholic Community Services (CCS) under which they were to make improvements to their facility using grant funds from the Redevelopment Agency. A total of \$160,000 was budgeted for this purpose, of which \$132,897 was used to complete the improvements as shown on Exhibit A.

Under the lease agreement, CCS pays the Agency \$2,600 per month to lease the facility which we, in turn, pass through to Mr. Ron Henry, the owner.

Due to a variety of budgetary problems (see Exhibit B), CCS is having difficulty meeting their lease payments. Mr. Frank Buck, their director, indicates that the problem may persist through 1989 and has petitioned us for rent relief.

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This report recommends use of the remaining construction funds to reduce the rent payment from CCS through 1989. If approved, we will reduce their rent payment to us by \$1,000 a month from January 1988 through December 1989, utilizing \$24,000 from the construction account to offset the payment.

CCS has been put on notice that this is a one-time only allocation based on their effective performance under the construction contract.

## ENVIRONMENTAL REVIEW

A Negative Declaration was approved for the original renovations. No further review is required for this action.

## FINANCIAL DATA

A total of \$24,000 in Downtown Tax Increment funds originally budgeted for capital improvements at the CCC will be used on this program. The balance of \$3,103 will be returned to the Downtown Developer Assistance Fund.

## POLICY IMPLICATIONS

The origin of our relationship with CCC was somewhat unique to begin with in that we, upon learning of their plans to relocate from their location in the Capitol Park Hotel to a site on J Street, essentially intervened to keep their facility at its current location. In that light, it is not unreasonable to extend them some assistance through their initial occupancy period under the new lease arrangement. Nevertheless, the Agency cannot be viewed as a permanent source of rental subsidy for this program.

## VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of January 4, 1988, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES:

NOES:

ABSENT:


# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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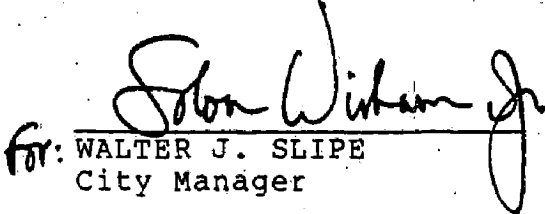
## RECOMMENDATION

Staff recommends that you adopt the attached resolution which authorizes a modification to our agreement with CCS reducing their rent level for 24 months from \$2,600 per month to \$1,600 per month and authorizes the Executive Director to utilize \$24,000 in Downtown Tax Increment funds to make partial lease payments on their behalf.

Respectfully submitted,

  
WILLIAM H. EDGAR  
Executive Director

TRANSMITTAL TO COUNCIL:

  
for: WALTER J. SLIPE  
City Manager

Contact Person: John Molloy  
440-1360

2410WPP2(145)

# RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

## MODIFICATION OF SUBLEASE AGREEMENT WITH CATHOLIC COMMUNITY SERVICES

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

Section 1. The Executive Director is hereby authorized to amend the sublease agreement with Catholic Community Services for the Camellia City Center to reduce the monthly lease payment by \$1,000, from \$2,600 to \$1,600, for the 24-month period commencing January 1, 1988 through December 31, 1989.

Section 2. The Executive Director is authorized to allocate and use \$24,000 in Downtown Tax Increment funds (of the \$27,103 remaining from the \$160,000 allocation of funds for renovation of the Camellia City Center) to pay the difference between the Agency's lease payments for the premises and the aforesaid sublease payments.

Section 3. The Agency budget is hereby adjusted to reflect the above changes. The \$3,103 remaining from said renovation allocation shall be returned to the Downtown Developer Assistance fund.

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
SECRETARY

1100WPP2(16)

## LIST OF IMPROVEMENTS

	<u>Proposed</u>	<u>Actual</u>
Heat and air estimate, including required electrical, ducting and installation.	\$ 30,000	\$ 34,302.24
Electrical upgrade of main floor and mezzanine.	20,000	6,634.45
Upgrade existing downstairs bath to men's handicap facility and create a new women's handicap bath on the same level. Includes plumbing, fixtures and walls.	27,000	16,605.57
Rearrange the non-efficient, existing office space and create new offices on first floor. (Includes floor covering.)	15,000	23,015.27
Upgrade bath and replace fixtures on the upper level.	2,500	
Upgrade and remodel kitchen area.	9,000	15,767.94
Additional floor covering, all areas except offices.	10,000	4,575.56
Paint complete interior.	11,000	3,735.00
Repair all windows for operational use.	1,500	2,705.80
Window coverings.	2,000	
Demolition and debris removal.	3,000	945.23
Furniture and miscellaneous	10,000	2,017.51
Contractor profit and overhead @ 17%	<u>19,000</u>	<u>22,572.49</u>
Totals	\$160,000	\$132,897.06

2410WPP2(145)

EXHIBIT B

10-Dec-87

CAMELLIA CITY CENTER  
BUDGETS

EXPENSES	86/87	87/88	88/89	3yr change	percent change
Staff	143,637	165,402	179,589	35,932	25.0%
Professional fees	6,042	6,560	6,567	525	8.7%
Audit	1,600	1,600	1,600	0	0.0%
Office supplies	1,450	1,250	1,450	0	0.0%
Phone/postage	7,500	4,160	5,300	(2,200)	-29.3%
Equipment rental;	2,700	1,400	1,400	(1,300)	-48.1%
Printing	525	500	550	25	4.8%
Travel/conferences	2,241	2,328	2,500	259	11.6%
Recreation/misc	2,935	1,050	150	(2,785)	-94.9%
Rent/utilities	31,400	33,600	36,600	5,200	16.6%
Food supplies	31,462	31,840	39,640	8,178	26.0%
<b>TOTAL</b>	<b>231,512</b>	<b>249,690</b>	<b>275,346</b>	<b>43,834</b>	<b>18.9%</b>

INCOME

Food sales	50,000	55,835	75,129	25,129	50.3%
City/County	128,055	128,055	134,458	6,403	5.0%
AAAA	32,230	32,230	32,230	0	0.0%
United Way	5,500	12,000	12,000	6,500	118.2%
Donations	2,927	5,500	6,500	3,573	122.1%
Bingo	2,500	0	0	(2,500)	-100.0%
Interest	500	354	500	0	0.0%
Catholic Charities	9,800	0	0	(9,800)	-100.0%
Administration	0	3,889	0	0	0.0%
<b>TOTAL</b>	<b>231,512</b>	<b>237,863</b>	<b>260,817</b>	<b>29,305</b>	<b>12.7%</b>

BALANCE

Current anticipated	0	(11,827)	(14,529)	(14,529)
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