

APPROVED
MAY 7 2002
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CITY CLERK

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DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

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DEVELOPMENT SERVICES DIVISION

April 19, 2002

City Council
Honorable Members in Session:

**SUBJECT: THIRD ADDENDUM TO HAGGINWOOD/NORTH SACRAMENTO
LIBRARY LEASE FOR 2109 DEL PASO BOULEVARD**

LOCATION/COUNCIL DISTRICT:

2109 Del Paso Boulevard, Council District 2

RECOMMENDATION:

This report recommends that City Council, by resolution, authorize the execution of the lease addendum titled THIRD ADDENDUM TO CITY AGREEMENT NO. 86097, HAGGINWOOD/NORTH SACRAMENTO LIBRARY, 2109 DEL PASO BOULEVARD, SACRAMENTO, CALIFORNIA with Dale B. Cook and Sophia L. Cook.

CONTACT PERSONS: Rick Hiseley, Library Fiscal Officer, 264-2717
Rhonda R. Lake, Real Property Agent, 264-7902

FOR THE COUNCIL MEETING OF: May 7, 2002

SUMMARY:

A two (2) year extension of the lease has been negotiated for the Hagginwood/North Sacramento Library subject to City Council approval. The space consists of approximately 4,000 square feet. The lease term is March 19, 2002 through March 18, 2004 at a monthly rental rate of Four Thousand Two Hundred Dollars (\$4,200.00), commencing April 1, 2002. The lease is a full service agreement, which includes utilities, janitorial service, repairs, maintenance and all other costs of operation and management. In addition, the lease includes the use of an adjacent parking area.

City Council
Hagginwood/North Sacramento Library Lease
April 19, 2002

BACKGROUND INFORMATION:

The Hagginwood/North Sacramento Library lease was originated in 1986 as City Manager Agreement No. 86-097. Interior improvements constructed to meet library specifications were completed at no cost to the City. An ADDENDUM TO CITY AGREEMENT NO. 86097, executed in 1992 under City Manager Agreement No. 86-097-1, extended the term and established a new rental rate of Three Thousand Six Hundred Ten Dollars (\$3,610.00). The Lessor provided certain refurbishments such as interior paint and the replacement of carpet and floor coverings in 1997 under the SECOND ADDENDUM TO CITY AGREEMENT NO. 86097 pursuant to City Agreement No. 86-097-2. The SECOND ADDENDUM also provided an option to renew the lease for five years through March 18, 2007; however, the City is considering an expansion of the North Sacramento Library and the scope of community services offered therein. For that reason, the Lessor has agreed to change the option period from five (5) years to two (2) years through March 18, 2004.

The rental rate negotiated under this THIRD ADDENDUM TO CITY AGREEMENT NO. 86097 is the first increase in rent since 1997. All other terms and conditions of the lease will remain the same.

FINANCIAL CONSIDERATIONS:

The two (2) year lease extension reflects a base monthly rent rate of \$1.05 per square foot. The rent increase is due to increased costs, largely for utilities, repairs and maintenance; however, staff has determined that the new rate falls at the lower range of market rents for a full service agreement of comparable terms. The monthly rent for the extended term will total One Hundred Thousand Eight Hundred Dollars (\$100,800.00) and will be paid from Account #942-820-8258-4231.

ENVIRONMENTAL CONSIDERATIONS:

City's Environmental Affairs has determined that extension of an existing lease has no potential for causing an environmental impact and is exempt under CEQA Guidelines, Section 15061(3).

POLICY CONSIDERATIONS:

Execution of the lease extension conforms to the Library Master Plan.

City Council
Hagginwood/North Sacramento Library Lease
April 19, 2002

ESBD:

None. No goods or services are being purchased.

Respectfully submitted,



Gary Alm, Manager
Development Services

RECOMMENDATION APPROVED:

Approved:

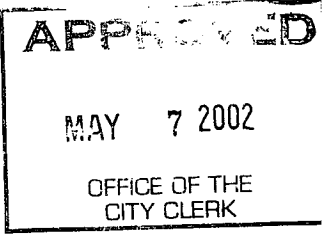


ROBERT P. THOMAS
City Manager



Michael Kashiwagi
Director of Public Works

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RESOLUTION NO. 2002-242

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION AUTHORIZING EXECUTION OF THE
THIRD ADDENDUM TO CITY AGREEMENT NO. 86097 WITH
DALE B. COOK AND SOPHIA L. COOK FOR THE HAGGINWOOD/
NORTH SACRAMENTO LIBRARY
2109 DEL PASO BOULEVARD**

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

1. That the City Manager is hereby authorized and directed to execute the THIRD ADDENDUM TO CITY AGREEMENT NO. 86097 with Dale B. Cook and Sophia L. Cook to extend the occupancy of the Hagginwood/North Sacramento Library, 2109 Del Paso Boulevard, Sacramento, California, from March 19, 2002 through March 18, 2004.
2. That the City Manager is hereby authorized to execute such other documents as necessary to carry out the purpose and intent of this Resolution.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____