



CITY OF SACRAMENTO
CALIFORNIA

OFFICE OF THE
CITY MANAGER

CITY HALL
915 I STREET - 95814
(916) 449-5704

October 11, 1983

FILED
By the City Council
Office of the City Clerk
Cont 40
10-25-83

City Council
Sacramento, California

OCT 18 1983

APPROVED
BY THE CITY COUNCIL

OCT 25 1983

OFFICE OF THE
CITY CLERK

Honorable Members in Session:

**SUBJECT: PHASE-OUT AGREEMENT BETWEEN THE SACRAMENTO MEDICAL
FOUNDATION, INC. AND THE CITY**

SUMMARY

This report describes the City's relationship with the Sacramento Medical Foundation, Inc. (Blood Bank) and recommends that the City Council approve a phase-out agreement between the City and the Foundation. This agreement sets the terms and conditions for the exchange of certain real property and the transfer of certain Foundation assets to the City for the mutual benefit of both parties.

BACKGROUND

In October of 1947, the City leased a portion of the space beneath the Water Tower at 33rd and J Streets to the Sacramento Medical Foundation for the purpose of establishing and operating the Sacramento Blood Bank. The Foundation constructed 10,000 square feet in offices and laboratory space under the Water Tower and continues to utilize that space.

In 1974, the Foundation purchased an adjacent office building located at 3142 J Street in order to expand their operations and principally to serve as a reception center for donors. In March of 1975, the City Council approved a new five year lease with Foundation which included a new parcel of land measuring 27' by 127' for the purpose of constructing a clean, secure storage building for supplies utilized by the Blood Bank. That lease expired on February 28, 1980 and continues on a month-to-month basis.

The Foundation Board of Directors approved an expansion plan to accommodate the existing and future operations of the Blood Bank. A new facility is now under construction on Stockton Boulevard near 32nd Street consisting of 43,000 square feet. This facility will be ready for Foundation occupancy in early June of

38

1984. This planned move necessitated discussion by representatives of the City and the Foundation to determine the terms and conditions of the transfer and exchange of certain assets. A summary of the elements of a proposed phase-out agreement between the City and the Foundation is provided in the following section.

ELEMENTS OF THE PHASE-OUT AGREEMENT

The Sacramento Medical Foundation Blood Bank has made several major improvements on City owned property since the initial agreement in October, 1947. Technically, the Foundation has the right to remove most of the improvements made beneath the Water Tower and the new storage building constructed in 1975. As a practical matter, the Foundation desires to exchange certain real property and deed certain improvements to the City. The Foundation will remove furnishings and trade fixtures from the structural improvements on City property. Major elements of the phase-out agreement are as follows:

1. Real Property Exchange. The Foundation acquired a standard residential lot measuring 40' by 120' (1108 33rd Street, Parcel #007-123-1800) for the purpose of providing donor access to 33rd Street and to provide ten staff parking spaces. The City owns the access to the Foundation's donor reception center located at 3142 J Street. The City and Foundation jointly propose to exchange real property described as follows:
 - A. The Foundation will deed the lot located at 1108 33rd Street to the City with no reservations.
 - B. The City will deed a rectangular parcel which measures approximately 47' by 180' to the Foundation for access and parking. This parcel will be merged with Foundation property located at 3142 J Street. The City will retain a 15' roadway easement for access to the Water Tower and the necessary utility easements which traverse the subject parcel.
2. Transfer of Building. The Foundation will transfer all ownership rights to the 3,000 square foot structure located on City property. The structure is a steel-reinforced, fully insulated, metal building that is air conditioned and heated. The structure is valued in excess of \$75,000 and will be used by the Water & Sewer Division for secured storage purposes.
3. Transfer of Structural Addition. The Foundation will relinquish and transfer structural improvements under the Water Tower consisting of 10,000 square feet of air conditioned and heated space. The Foundation will remove laboratory equipment, furniture, and other trade fixtures. All structural systems will remain intact. No estimate of the value of the structural improvements has been made, although it is safe to project \$30-\$40

38

a square foot value.

Space under the Water Tower will be utilized by the Fire Department for training and other departments on a needs basis.

Note: The Foundation has an outstanding debt of approximately \$25,000 on a recently installed 30 ton air conditioning system. This debt will be retired by the Foundation prior to transfer of these improvements to the City.

4. Transfer of Two Trailers. The Foundation owns and utilizes, by special permit, two trailers mounted on permanent foundations on Foundation owned property at 3142 J Street. The Foundation will transfer title to these trailers, measuring 12' by 57' and 12' by 60' with connecting hallways and separate heat and air conditioning systems, to the City. These trailers will be utilized by the Crocker Art Museum Division of the Department of Community Services. The Crocker Art Museum Association will benefit from the use of these facilities and has agreed to pay the removal and relocation expenses associated with this transfer.
5. Painted Turn Lane. The City agrees to provide a left-turn lane on Stockton Boulevard at the driveway of the new Foundation facility to assist donor access to the Foundation parking lot.
6. Cash Payment. The City agrees to pay the Sacramento Medical Foundation \$25,000 in cash to enable the Foundation to retire the debt on the Water Tower air conditioning system or to install a new fire hydrant to serve the new Stockton Boulevard facility.
7. Future Traffic Control. The City agrees to install, at City expense, a traffic control signal at the 32nd St. and Stockton Blvd. intersection at such time that the City Traffic Engineer determines that a need exists for this signal and, further, at such time that the intersection meets all of the City's requirements for priority funding.

FINANCIAL DATA

The immediate cost of this agreement to the City is \$25,000. A long term potential cost to the City is an additional \$50,000 for a traffic signal at the intersection of Stockton Boulevard and 32nd Street, if and when signalization is required. The value of the Foundation assets to be transferred to the City far exceeds the potential short term and long term costs to the City.

RECOMMENDATION

It is recommended that the City Council, by resolution, authorize the Mayor to execute the attached phase-out agreement on behalf of the City. It is further

38

recommended that the City Council, by resolution, appropriate \$25,000 from the unappropriated balance of the Water Fund to be expended for the purposes described in the aforementioned agreement.

Respectfully submitted,

Solon Wisham Jr.
SOLON WISHAM, JR.
Assistant City Manager

RECOMMENDATION APPROVED:

Walter J. Slipe

WALTER J. SLIPE, City Manager

Attachments

October 18, 1983
District 3

38

RESOLUTION NO. 83-8 30

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

**RESOLUTION APPROPRIATING \$25,000 FROM THE WATER FUND
TO SACRAMENTO MEDICAL FOUNDATION, INC. IN EXCHANGE FOR
CERTAIN REAL PROPERTY AND TRANSFER OF ASSETS**

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

That \$25,000 is hereby appropriated from the Water Fund contingency reserve (413-7012-xxxx-4399) for payment to the Sacramento Medical Foundation, Inc. in exchange for approval by the Foundation of the "phase-out agreement" attached to the accompanying report.

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

OCT 25 1983

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 83-829

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION AUTHORIZING EXECUTION OF AGREEMENT WITH SACRAMENTO MEDICAL FOUNDATION FOR EXCHANGE OF PROPERTY

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

The Mayor and City Clerk are hereby authorized to execute and attest respectively that certain Agreement between the City of Sacramento and the Sacramento Medical Foundation, Inc. for the exchange of real and personal property.

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL
OCT 25 1983
OFFICE OF THE
CITY CLERK