

CITY OF SACRAMENTO

March 29th, 1983

DEPARTMENT OF ENGINEERING

915 I STREET CITY HALL ROOM 207 SACRAMENTO, CALIFORNIA 95814 TELEPHONE (916) 449-5281



J.F. VAROZZA
CITY ENGINEER
M.H. JOHNSON
ASSISTANT CITY ENGINEER

City Council Sacramento, California

Honorable Members In Session:

SUBJECT: Lease for Museum and History Division

(20th and J Streets)

SUMMARY

Attached is a Resolution authorizing the execution of a lease with Mayflower Associates to lease the premises located at 1930 J Street for a period of 2 1/2 years. Adoption of the Resolution is recommended.

BACKGROUND INFORMATION

The City's existing lease for the premises located at 1931 K Street, which houses the Museum and History Division, has expired. The owner of the Mayflower Building is providing new quarters in said building which are acceptable to the Museum and History Division. Said new quarters consist of newly remodeled office and warehouse space fronting on J Street.

The lease that expired was from November 1, 1977 to October 31, 1982 and had 13,000 square feet of office and warehouse space with a rental rate of \$2,600.00 per month. The new quarters have approximately 9,000 square feet of floor space with a storage system to be installed known as Space Saver which provides storage space equivalent to 12,820 square feet while occupying only 5,600 square feet of floor area. With the Space Savers installed, this will give the Museum and History Division the equivalent of 16,220 square feet of office and storage space. This is an increase of 3,220 square feet of storage space above the existing space now being used and should provide the necessary expansion of storage space they are estimating they will need over the next 2 to 5 years.

Staff has been working with the owners of the Mayflower Building to establish what both sides consider is an equitable rental rate for the new premises with the Space Savers installed V Fto has been agreed that because of the type of storage space council

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OFFICE OF THE CITY CLERK required, a controlled environment, newly remodeled offices and Space Savers that are to be installed, 48.9 cents per square foot on the total usable space (16,220 square feet) is the rate that should be charged. The 48.9 cents per square foot is comparable to what like office and storage space is going for in the area. This amounts to \$7,940.00 per month.

The proposed lease is for 2 1/2 years with an option to renew for an additional 2 1/2 years. The owner is proposing that rather than the lease payment being spread over the entire 30 month period of the lease that the City would receive the first 6 months rent free with the remaining 24 month rental rate being adjusted to \$9,925.00 per month for a total of \$238,200.00 for the 30 months of the lease period. This amounts to the same total that would b paid over the 30 months of the lease at the rate of \$7,940.00 per month.

The Space Savers are the type of storage device which the Museum and History Division can continue to use in other facilities leased or owned by the City. As these Space Savers are to be installed for our use, the owner is offering to sell said Space Savers to the City for \$93,000.00 which is 1/2 of their value.

If the Space Savers are not installed, the area of 9,000 square feet will not meet the needs of the Museum and History Division and we would be forced to look for new quarters and move. It is estimated that to move from the Mayflower Building would cost \$25,000.00 to \$30,000.00, whereas if we stay in the Mayflower Building, the owner will move the artifacts at no cost to the City.

FINANCIAL DATA

The new lease will amount to \$79,400.00 for the 83-84 fiscal year. The owner of the Mayflower Building has agreed to allow the \$93,300.00 for the purchase of the Space Savers to be made in installments - \$52,000.00 by May 1st, 1983 and \$41,300.00 by November 1, 1983. In the current Museum & History 1982-83 Budget, there are suficient funds available to make the first installment of \$52,000.00. The \$41,300.00 is to be allocated as a Capitol Expenditure in the 1983-84 Budget.

RECOMMENDATION

It is recommended that the attached Resolution be adopted which authorizes the execution of a new lease for the Museum and History Division for 2 1/2 years and further authorizes the purchase of the Space Savers.

Respectfully submitted,

John F. Varozza City Engineer

Robert Thomas

Director of Community Services

Recommendation Approved

Walter J. Slipe City Manager

JFV: IEM: bb

March 29th, 1983 DISTRICT NO. 1 RESOLUTION NO. 83-224

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

MARCH 29, 1983

AUTHORIZING CITY MANAGER AND CITY CLERK TO ENTER INTO A LEASE OF THE PREMISES LOCATED AT 1930 J STREET WITH MAYFLOWER ASSOCIATES

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

That the City Manager and the City Clerk are hereby authorized and directed to execute a lease for the premises located at 1930 J Street, between the City of Sacramento and Mayflower Associates.

BE IT FURTHER RESOLVED by this Council that the City of Sacramento purchase from Mayflower Associates storage devices known as Space Savers for the amuont of \$93,300.00. Said \$93,300.00 to be paid in two installments, one in the amount of \$52,000.00 and the second in the amount of \$41,300.00.

That the Director of Finance is hereby authorized and directed to transfer \$52,000.00 from the Museum and History Division Operating Budget 1-01-2291-0000-4231 (Rental of Real Property) to 1-01-2291-0000-4630 (Equipment) for payment of the first installment and is further authorized and directed to pay said \$52,000.00 to Mayflower Associates.

APPROVED
BY THE CITY COUNCIL

MAXO^R2 9 1983

OFFICE OF THE CITY CLERK

ATTEST:

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CITY OF SACRAMENTO

OFFICE OF THE CITY CLERI

915 I STREET CITY HALL ROOM 203 SACRAMENTO, CALIFORNIA 95814 TELEPHONE (916) 449-5426

April 5, 1988

MAYFLOWER ASSOCIATES c/o Duke Development Company 555 Capitol Mall, Suite 645 Eacrameato, CA 95814

HR: AGREEMENT NO. 32105

Gentlepersons:

On March 29, 1983, the Sacramento City Council adopted a resolution (83-224) authorizing the execution of a lease of the premises located at 1930 "J" Street with Mayflower Associates.

Enclosed for your records are two fully certified copies of said agreement and certified resolution authorizing same.

Sincerely,

Lorraine Magana City Clerk

LM: am1:27-1

Enclosures

cc: Risk Management Real Estate LORRAINE MAGANA CITY CLERK