

RESOLUTION NO. 2008-451

Adopted by the Sacramento City Council

June 24, 2008

LEASE AGREEMENT: 1003 L STREET

BACKGROUND

- A. Grebitus & Sons has been selling fine jewelry and gifts to the Sacramento area since 1926.
- B. Their lease at the Downtown Plaza recently expired and, in an effort to remain downtown, they submitted an offer to lease the City's property located at 1003 L Street in Capitol Garage.
- C. Pursuant to City Code Section 3.68.110 Grebitus & Sons submitted a firm and complete written offer to lease the 1003 L Street space wherein the rent specified is at or above the fair market rate for comparable property as determined by the City's real property supervisor.
- D. 1003 L Street is located at the corner of L and 10th Streets in the City's Capitol Garage. The site is approximately 1,887 square feet in size. Capitol Garage has over 21, 000 square feet of commercial retail/office space.
- E. The term of the lease is three years with three 6-year extended term options. Based on a market rate of \$1.90 per square foot, monthly rent payments will begin at \$3,585.30 and increase 2.25% annually. Total rent collected during the initial 3-year term will be \$131,996. All rental income will be deposited in the Parking Fund (Fund 412/6004).
- F. Grebitus & Sons plan to complete upgrades to the premises, and the City will contribute a one-time tenant improvement allowance of \$\$28,305 (\$15 per square foot) to be applied towards facility upgrades that will remain as property of the City on the date the tenant moves from the premises.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. Pursuant to City Code Section 3.68.110, it is in the best interests of the City to lease 1003 L Street without bidding.
- Section 2. The City Manager is authorized to execute a lease agreement with Grebitus & Sons for retail space located at 1003 L Street for a term of three years with three 6-year extended term options.

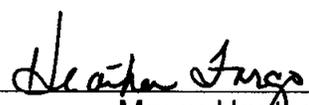
Adopted by the City of Sacramento City Council on June 24, 2008 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: Councilmember Tretheway.



Mayor Heather Fargo

Attest:



Shirley Concolino, City Clerk