



**Sacramento
Housing &
Redevelopment
Agency**

REPORT TO HOUSING AUTHORITY
City of Sacramento
 915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Consent
February 17, 2009

Honorable Chair and Members of the Board

Title: Riverview Plaza Commercial Property Lease Amendment

Location/Council District: 600 I Street, Council District 1

Recommendation: Adopt a **Housing Authority Resolution** authorizing the Executive Director or her designee to execute an amendment to extend the lease with Phoenix Schools Inc. for an additional seven years, four months for the Riverview Plaza commercial property.

Contact: Nick Chhotu, Assistant Director of Public Housing, 916-440-1334

Presenters: N/A

Department: Sacramento Housing and Redevelopment Agency (SHRA)

Description/Analysis

Issue: The Housing Authority of the City of Sacramento began leasing commercial space at Riverview Plaza in September 1993 to Lil' People's School (later assigned to Phoenix Schools, Inc.). The lease included 5,300 square feet of commercial space and 7,500 square feet of outdoor deck (playground area). The lease was approved by the Housing Authority of City of Sacramento in 1993 for a term of five years with two extension options of five years each. Phoenix Schools is a child care and early childhood education program for infants (six weeks old) through kindergarten (six years old).

Phoenix Schools recently requested a lease extension through March 31, 2016. Staff conducted a commercial rent survey and has determined that the proposed rents were comparable to other rents in the area. Staff recommends continuing to lease the property to Phoenix Schools as they provide a valuable service to downtown workers including employees of SHRA. In addition, Phoenix Schools Inc. has been a stable tenant at Riverview Plaza for over 15 years.

Riverview Plaza Commercial Lease Amendment

Policy Considerations: Public Housing Authorities are required to comply with applicable federal laws and regulations, including the Quality Housing and Work Responsibility Act of 1998 (QHWRA). No new policies are recommended in this report.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed action to amend the lease to continue an existing use in an existing facility is exempt from environmental review under California Environmental Quality Act (CEQA) Guidelines Section 15301.

National Environmental Policy Act (NEPA): The proposed action is exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Part 58.34 (a)(1) and (3), which exempts the development of plans, strategies, administrative, and management activities.

Sustainability Considerations: N/A

Other: None

Committee/Commission Action: *Sacramento Housing and Redevelopment Commission:* It is anticipated that, at its meeting on February 4, 2009, the Sacramento Housing and Redevelopment Commission will approve this item. In the event this does not occur, staff will notify the Council on February 17, 2009.

Rationale for Recommendation: The attached resolution will enable the Housing Authority to extend the lease period with the Phoenix Schools Inc. for an additional seven years four months and allow them to continue to offer a needed service to the community at Riverview Plaza.

Financial Considerations: The monthly rent for the commercial lease at Riverview Plaza located at 600 I Street was calculated after considering market conditions (vacancies, free rent, etc.), reviewing a rent survey, and taking into consideration the previous length of tenancy. The monthly rent that has been agreed to is as follows:

Time Period	Monthly Base Rent	Increase Compared to Previous Year
12/2008	\$7,559	
1/2009 – 11/2009	\$7,559	0%
12/2009 – 11/2010	\$7,710	2.0%
12/2010 – 11/2011	\$7,922 (12/2010 free)*	2.75%
12/2011 – 11/2013	\$8,199 (12/2011 free)*	3.5%
12/2013 – 3/2016	\$8,568	4.5%

*In consideration of Tenant's executing this Lease extension in a timely manner, Landlord agrees to give Tenant two months free rent in December 2010 and December 2011.

February 17, 2009

Authorize Lease Amendment with Phoenix Schools Inc.

M/WBE Considerations: The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully Submitted by: 
LASHELLE DOZIER
Executive Director

Recommendation Approved:


RAY KERRIDGE
City Manager

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Authorize Lease Amendment with Phoenix Schools Inc.

RESOLUTION NO. 2009 -

Adopted by the Housing Authority of the City of Sacramento

on date of

**AUTHORIZATION OF THE LEASE AMENDMENTS FOR THE COMMERCIAL
PROPERTY LOCATED AT 600 I STREET**

BACKGROUND

- A. Phoenix Schools requested a lease extension through March 31, 2016. Staff conducted a commercial rent survey and has determined that the proposed rents were comparable to other rents in the area. Staff recommends continuing to lease the property to Phoenix Schools as they provide a valuable service to downtown workers including employees of SHRA. In addition Phoenix Schools Inc. has been a stable tenant at Riverview Plaza for over 15 years.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING
AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:**

- Section 1. After due consideration of the facts presented, the environmental finding that the subject of this resolution is exempt from further CEQA review pursuant to CEQA Guideline Section 15301 and other findings regarding this action are approved.
- Section 2. The Executive Director, or her designee, is authorized to execute Lease Amendment #4 to the Commercial Lease dated September 15, 1993 by and between the Housing Authority of the City of Sacramento and Dennis W. Vicars, Michele Ann Winger, Jacqueline C. Colbert dba Lil People's School (later assigned to Phoenix Schools, Inc.), as amended from time to time, extending the term of the commercial lease for the property located at 600 I Street, Suite 102 to March 31, 2016.

