



## REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

CONSENT  
May 5, 2009

Honorable Mayor and  
Members of the City Council

**Title: Lease Agreement: Johnston Community Center**

**Location/Council District:** 231 Eleanor Avenue / Council District 2

**Recommendation:** Adopt a **Resolution:** 1) finding that it is in the best interest of the City, pursuant to Sacramento City Code section 3.68.110E, to lease the property located at 231 Eleanor Avenue, commonly known as the Johnston Community Center, excluding areas for City swimming pool operations, without bidding; 2) authorizing the City Manager or the City Manager's designee to execute a five-year lease agreement with the Mutual Assistance Network of Del Paso Heights (MAN) for the Johnston Community Center; 3) authorizing the City Manager or the City Manager's designee to establish revenue and expenditure budgets as required within the Parks and Recreation Department, Teen and Community Recreation Division General Fund budget; and 4) authorizing the City Manager or the City Manager's designee to execute such additional documents and to take such additional actions as necessary to implement the lease agreement for the property.

**Contacts:** Rhonda R. Lake, Facilities & Real Property Superintendent, 808-7902; Lori Harder, Support Services Manager, 808-5172

**Presenters:** Not applicable

**Department:** General Services, Parks and Recreation

**Division:** Facilities and Real Property Management

**Organization No:** 13001551

### **Description/Analysis**

**Issue:** With significant challenges to the General Fund, the Parks and Recreation Department analyzed the possibility of leasing out facilities to maximize their use by the public, and mitigate facility closures. The Mutual Assistance Network of Del Paso Heights (MAN) is interested in entering into a lease agreement with the City for the Johnston Community Center to provide



community services.

**Policy Considerations:** This recommendation is consistent with the provisions of Sacramento City Code section 3.68.110E, which provides if the City Council finds it in the best interests of the City it may lease City-owned property without bidding to a nonprofit tax-exempt community civic organization with a membership comprised predominately of persons residing in the City, so long as the lease term does not exceed ten (10) years.

**Committee/Commission Action:** Not applicable

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The leasing of existing public structures or facilities involving negligible or no expansion of use is exempt from CEQA under the Class 1 Categorical Exemption in Guidelines Section 15301.

**Sustainability Considerations:** Not applicable

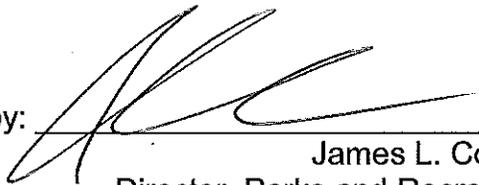
**Rationale for Recommendation:** This report recommends executing a lease agreement between the City and MAN for the Johnston Community Center for the following reasons:

- MAN is a nonprofit community development corporation with a membership comprised predominately of persons residing in the City thereby meeting the requirements of City Code Section 3.68.110E
- Through its successful operation of a teen program at the Robertson Recreation Center, MAN has demonstrated its capacity to fully operate and maintain a City facility
- MAN has a long term history of stable tenancy and property ownership
- Leasing the Johnston Community Center will generate General Fund revenue for the City and will prevent a potential facility closure due to budget constraints.

**Financial Considerations:** The term of recommended lease agreement between the City and MAN for the Johnston Community Center will run annually for five years from May through April at a cost of \$700 per month. Lease revenue for the first twelve months (May 2009 – April 2010) will be \$8,400. Revenue and expenditure budgets will be established for FY2009/10 in that amount. In subsequent fiscal years, budget will be based on the prior fiscal year budget plus nine percent escalation for rent increases. MAN will be responsible for the routine and regular maintenance and repair of the square footage that it occupies. The City will be responsible for maintenance and repair of the remaining square footage and facility amenities. Lease revenue for the five year term will be approximately \$50,271 and will be credited to the General Fund (Fund 1001) in the Parks and Recreation Department's Teen and Community Recreation Division to offset facility utilities costs.

**Emerging Small Business Development (ESBD):** Not applicable

Respectfully Submitted by:   
Cynthia Kranc  
Facilities Manager

Approved by:   
James L. Combs  
Director, Parks and Recreation

Approved by:   
Reina J. Schwartz  
Director, Department of General Services

Recommendation Approved:

*Ken*   
Ray Kerridge  
City Manager

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**Attachment 1**

**Background Information**

The Mutual Assistance Network of Del Paso Heights (MAN) is a nonprofit community development corporation that utilizes the skills and talents of residents to achieve the following:

- Expand commercial, financial, and employment opportunities for neighborhood residents
- Improve physical, public safety, and social conditions in the neighborhood
- Stimulate and build self-help and mutual assistance programs that enable residents to work together to achieve good health and successful lives
- Promote, conduct, and operate any programs, businesses or other activities necessary to achieve these purposes

MAN began in 1992 as a private, community-based adjunct partner to assist in the delivery of Sacramento County human service programs within a centralized neighborhood center, located at the County's Neighborhood Service Agency. In May 1994, MAN incorporated as a private, nonprofit Community Development Corporation. MAN opened its first office space, which it still occupies, in July 1997 at 811 Grand Avenue in Del Paso Heights. In January 2001, MAN became the operating agency for the Firehouse Community Center at 810 Grand Avenue in Del Paso Heights, and in January 2004, MAN took over the ownership of the Firehouse Community Center.

Overall, MAN's programs serve over 2,000 community residents every year.

**RESOLUTION NO. 2009-**

Adopted by the Sacramento City Council

**May 5, 2009**

**LEASE AGREEMENT: JOHNSTON COMMUNITY CENTER**

**BACKGROUND**

- A. City Code Section 3.68.110E allows the City to lease City property without bidding when the City proposes to lease the property to a nonprofit tax-exempt community civic organization with a membership comprised predominately of persons residing in the City and when the City Council finds that such action is in the best interest of the City.
- B. The Mutual Assistance Network of Del Paso Heights (MAN) is interested in entering into a lease agreement with the City for the Johnston Community Center located at 231 Eleanor Avenue, to provide community services.
- C. MAN is a nonprofit community development corporation with a membership comprised predominately of persons residing in the City, and the proposed lease term is five (5) years, thereby meeting the requirements of City Code Section 3.68.110E
- D. Through its successful operation of a teen program at the Robertson Recreation Center, MAN has demonstrated its capacity to fully operate and maintain a City facility.
- E. MAN has a long term history of stable tenancy and property ownership
- F. Leasing the Johnston Community Center will generate General Fund revenue for the City and will prevent a potential facility closure due to budget constraints.

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

- Section 1. Pursuant to Sacramento City Code 3.68.110E, it is in the best interest of the City to lease the property located at 231 Eleanor Avenue, commonly known as the Johnston Community Center, excluding areas for City swimming pool operations, without bidding.
- Section 2. The City Manager or the City Manager's designee is authorized to execute a five-year lease agreement with the Mutual Assistance Network of Del Paso Heights for the property located at 231 Eleanor Avenue, commonly known as the Johnston Community Center.

Section 3. The City Manager or the City Manager's designee is authorized to establish revenue and expenditure budgets as required within the Parks and Recreation Department, Teen and Community Recreation Division General Fund budget.

Section 4. The City Manager or the City Manager's designee is authorized to execute such additional documents and to take such additional actions as necessary to implement the lease agreement.

