

## RESOLUTION NO. 2010-047

Adopted by the Sacramento City Council

February 2, 2010

### FIRST AMENDMENT AND SUBLEASE OF THE 19<sup>TH</sup> & W PARKING AGREEMENT

#### BACKGROUND

- A. On May 1, 2007 the City entered into City Agreement No. 2007-0404 (hereinafter "Master Lease") with the State of California, Department of Transportation to lease the State's property located at the corner of 19<sup>th</sup> & W streets for the purpose of developing a surface parking lot that would support neighboring businesses. Currently, the property contains an old surface parking lot that is in need of certain repairs and improvements to become operational again. The term of the lease is for 10 years with two 5-year options. Rent starts at \$2,700 per month for the first five years then increases annually based on the Consumer Price Index.
- B. Millennium Real Estate Services, Inc., ("Millennium") as managing member for 1901 Broadway MRES, LLC., is developing the Broadway Lofts, located on 19<sup>th</sup> Street, between X street and Broadway, directly across from the 19<sup>th</sup> & W parking lot. The Broadway Lofts will include a mix of retail, residential and office uses, with some on-site parking. To provide adequate parking for the project, Millennium would like to sublease the 19<sup>th</sup> & W parking lot from the City.
- C. Millennium will be solely responsible for the costs and construction of all improvements to the parking lot and will assume all obligations of the Master Lease, including rent payments which will be paid to the City. The City, as Lessee, will continue to pay rent directly to the State.
- D. To meet construction funding requirements for the Broadway Lofts project, Millennium has requested the term of the original lease be extended to 35 years plus two 10-year options. On December 22, 2008, the California Transportation Commission approved the term extension of the master lease.

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

- Section 1. The City Manager is authorized to execute the first amendment to City Agreement No. 2007-0404 with the State of California, extending the term of the lease from 10 years with two 5-year options to 35 years with two 10-year options.
- Section 2. The City Manager is authorized to execute a sublease of City Agreement No. 2007-0404 with 1901 Broadway MRES, LLC., with Millennium Real Estate Services, Inc., serving as it managing member. The term of the sublease will be the same as City Agreement No. 2007-0404.

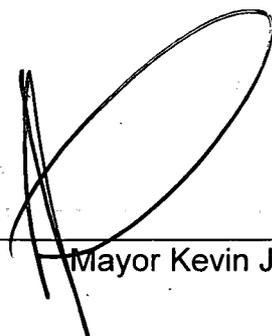
Adopted by the City of Sacramento City Council on February 2, 2010 by the following vote:

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

Noes: None.

Abstain: None.

Absent: None.



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Mayor Kevin Johnson

Attest:

  
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Shirley Concolino, City Clerk