



REPORT TO COUNCIL

City of Sacramento

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915 I Street, Sacramento, CA 95814-2604

www.CityofSacramento.org

Consent

February 16, 2010

**Honorable Mayor and
Members of the City Council**

Title: Agreement: Lease for Hangar and Office Space for Air Support Unit

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** 1) authorizing the City Manager or designee to execute an amendment to lease agreement (City Agreement No. 2006-1088) with McClellan Business Park, LLC for hangar and office space for the Sacramento Police Air Support Unit to extend the lease term for two years, plus three one-year renewal options for an amount not to exceed \$375,000; and 2) authorizing the City Manager or designee to enter into such extension(s) provided that sufficient funds are available in the budget adopted for the applicable Fiscal Year(s).

Contact: Gina Haynes, Lieutenant, 808-0700

Department: Police

Division: Metro

Department ID: 11001141

Description/Analysis:

Issue: The Air Support Unit seeks to amend the City's lease agreement (City Agreement No. 2006-1088) with McClellan Business Park, LLC at McClellan Air Field for hangar and office space. The amendment includes a two-year term with three, one-year renewal options. Therefore, the total term of the amendment is five years.

Policy Considerations: The Sacramento City Code, Title 3, Chapter 3.64.20 states "The City Council shall authorize the execution of agreements for services where the amount to be expended under each such agreement equals or exceeds one hundred thousand dollars (\$100,000.00).

Commission/Committee Action: None

Environmental Considerations:

California Environmental Quality Act (CEQA): This recommendation does not constitute a "project" and therefore is exempt from the California Environmental Quality Act (CEQA) according to section 15061(b)(1) and 15378 (b)(3) of the CEQA guidelines.

Sustainability: Not applicable

Rationale for Recommendation: McClellan Air Field is the most practical choice for the following reasons:

1. Its boundaries border the city limits, making for a faster response time for the Air Support Unit.
2. McClellan Air Field is a large geographical area and located in area that is not densely populated which makes it an ideal location as far as noise issues are concerned.
3. The location of McClellan Air Field being north of the American River gives the region another staging location for air assets in the event of a terrorist event or natural disaster.
4. The Sacramento Police Department's Homeland Security Division and Training Academy are both housed at McClellan which makes for a more centralized location for SPD personnel.

Alternative locations include Mather Field, where the Sheriff's Department's Air Support Unit was located, and Executive Airport. Although there are available facilities at Mather Field, those facilities are three times the necessary size and cost three times more than the facilities at McClellan. Mather Field, which is south of the American River, is also more susceptible to flooding in the event of a terrorist attack or natural disaster. Also, Executive Airport was ruled out due to noise consideration since it is located in a much more densely populated area.

Financial Considerations: For the first 12 months of the new, two-year term, the base rent for the office area and hangar space per month will be \$ 3,853.51. Building 732 A-1 (hangar) is approximately 4,020 square feet, and Building 632 (office area) is approximately 1,754 square feet. Thereafter, the base rent for the office space and hangar will be increased by three percent each year. Airfield use fees will be \$ 577.40 per month. Utilities fees are, on average \$1,300 per month. If all three options to renew the lease agreement are exercised, the total not to exceed amount for the amendment would be \$375,000 for the duration of the lease. There is sufficient funding in the Police Departments FY2009/10 operating budget for the first year of the lease agreement. The Police Department will enter into agreement extensions provided that sufficient funds are available in the budget adopted for the applicable Fiscal Year(s).

Emerging Small Business Development (ESBD): No goods or services are being purchased as a result of this agreement.

Respectfully Submitted by: Gina Haynes Lt.
Gina Haynes, Lieutenant

Approved by: Brian Louie for
Rick Braziel, Chief of Police

Recommendation Approved:

Ray Kerridge
Ray Kerridge
City Manager

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Attachment 1

Background

The Sacramento Police Department Air Support Unit has leased hangar and office space at McClellan Park for the past three years under lease agreement (City Agreement No. 2006-1088). This location is central within the City and allows for a quick response time if the helicopter is not already flying. The facilities at McClellan are both secure and sufficient for the needs of the Air Support Unit.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

FEBRUARY 16, 2010

LEASE: AIR SUPPORT UNIT HANGAR AND OFFICE SPACE

BACKGROUND

- A.** The Sacramento Police Department Air Support Unit seeks to amend the City's existing lease agreement (City Agreement No. 2006-1088) with McClellan Business Park, LLC at McClellan Air Field for hangar and office space. The amendment includes a two-year term with three one-year renewal options. Therefore, the total term of the amendment is five years.

- B.** The lease for hangar and office space at McClellan Air Field for the Air Support Unit provides a suitable base of operations and will allow the Air Support Unit to continue to provide airborne law enforcement services to the citizens of Sacramento.

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

- Section 1** The City Manager or designee is authorized to execute an amendment to the lease agreement with McClellan Business Park, LLC for hangar and office space for the Sacramento Police Air Support Unit for an amount not to exceed \$375,000.

- Section 2** The term of the amendment is two years, with three one-year renewal options. The City Manager or designee may authorize such extension(s) provided that sufficient funds are available in the budget adopted for the applicable Fiscal Year(s).

**FIRST AMENDMENT TO
McCLELLAN PARK STANDARD FORM
NET LEASE AGREEMENT**

*DUPLICATE
ORIGINAL*

This First Amendment to McClellan Park Standard Form Net Lease Agreement ("**First Amendment**"), dated for reference purposes as January 29, 2010, is entered into between **McCLELLAN BUSINESS PARK LLC**, a Delaware limited liability company ("**Landlord**") and **SACRAMENTO POLICE DEPARTMENT** on behalf of the City of Sacramento ("**Tenant**"). In the event of any inconsistencies between the terms of this First Amendment and the terms of the Lease (as defined below), the terms and conditions of this First Amendment shall govern and control.

Recitals

A. Landlord and Tenant have entered into that certain McClellan Park Standard Form Net Lease Agreement, dated September 26, 2006 ("**Lease**"), for the lease of that certain real property ("**Premises**"), located at 4835 Forcum Avenue, Building 623, within McClellan Park, which is more particularly described in the Lease.

D. Landlord and Tenant now desire to amend the Lease in accordance with the terms and conditions of this First Amendment.

NOW, THEREFORE, in consideration of the foregoing Recitals, and the mutual covenants contained herein, the parties agree as follows:

Agreement

1. **Definitions**. Unless otherwise defined herein, all capitalized terms used in this First Amendment shall have the same meaning as defined in the Lease.

2. **Effective Date**. This First Amendment shall be effective as of the date upon which the last party hereto executes this First Amendment ("**Effective Date**").

3. **Extended Term**.

4.1 **Extension of Term**. The Term, as defined in Section 2.1 of the Lease, is hereby extended for two (2) years and zero (Ø) months commencing on February 21, 2010 ("**Extended Term Commencement Date**") and expiring on February 20, 2012.

4.2 Base Rent for Extended Term.

(i) For the first twelve (12) months following the Extended Term Commencement Date, Base Rent shall be (1) One Thousand Four Hundred Thirty-Seven and Forty-Nine/100ths Dollars (\$1,437.49) per month for Building 632, and (2) Two Thousand Four Hundred Sixteen and Two/100ths Dollars (2,416.02) per month for Building 732, A-1.

(ii) On the first day of the thirteenth (13th) month following the Extended Term Commencement Date, and each annual anniversary thereafter, Base Rent shall be increased by three percent (3.00%) of Base Rent then in effect.

4. Option to Extend. At the expiration of the Term, as extended in Section 3.1 above, Tenant shall have the option to extend the Lease for three (3) consecutive extended terms of one (1) year each (collectively, the “**Extension Terms**” and individually, an “**Extension Term**”) by giving Landlord written notice of its intention to do so at least six (6) months prior to the expiration of the then-current term; provided, however, that Tenant is not in material default beyond any applicable cure period under the Lease on the date of giving such notice or on the date of commencement of the applicable Extension Term. Each Extension Term shall be upon all of the terms and conditions of this Lease, except that the following rights of Tenant shall not apply during any Extension Term: (a) any right to rent-free possession, (b) any right to further extension of the term of the Lease beyond the options set forth herein, and (c) any right to continue to pay the same Base Rent set forth herein during the Extension Terms. Base Rent during each Extension Term shall be increased by three percent (3.00%) of Base Rent in effect immediately prior to the subject Extension Term.

5. Ratification. Except as modified by this First Amendment, the Lease is ratified, affirmed, remains in full force and effect, and is incorporated herein by this reference.

6. Authority. The undersigned hereby represent and warrant, each to the other, that (i) they have the legal right, power and authority to enter into this First Amendment on behalf of the party for whom they are a signatory, (ii) the execution, delivery and performance of this First Amendment has been duly authorized, and (iii) no other action is requisite to the valid and binding execution, delivery and performance of the Lease as modified by this First Amendment.

[Remainder of Page Intentionally Left Blank]

7. Counterparts. This First Amendment may be executed in multiple counterparts, each of which counterpart shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date set forth above.

LANDLORD:

MCCLELLAN BUSINESS PARK LLC, a
Delaware limited liability company

By: _____
Larry D. Kelley, President

Date: _____

TENANT:

SACRAMENTO POLICE DEPARTMENT
on behalf of the City of Sacramento

By: _____

Title: _____

Date: _____