

RESOLUTION NO. 2010-533

Adopted by the Sacramento City Council

September 7, 2010

APPROVING THIRD AMENDMENT TO GROUND LEASE WITH RAPTON INVESTMENT GROUP LLC

BACKGROUND

- A. Under City Agreement No. 2007-0555 (a ground lease dated June 5, 2007), the City leases approximately 17.48 acres of City-owned property to Raption Investment Group LLC ("Raption"). The north half of the property (3630 Fulton Avenue) is the site of Raption's Honda dealership. The south half is currently vacant.
- B. The City and Raption have amended City Agreement No. 2007-0555 twice. The first amendment, City Agreement No. 2007-0555-1, clarified various provisions in the ground lease. The second amendment, City Agreement No. 2007-0555-2, granted Raption a temporary, one-year reduction in rent so that Raption could cope with the steep decline in revenues caused by the severe financial and economic crisis that has beset the nation since late 2008.
- C. On May 8, 2010, the City Council approved a lease with Clear Channel Outdoor, Inc. ("CCO"). Under this lease, the City leases to CCO a portion of the City property currently leased to Raption, which CCO will use to construct and operate a digital billboard. CCO also agrees in the lease to make the digital billboard available to Raption, at no cost, for the display of Raption's advertising messages.
- D. To facilitate the City's lease to CCO, Raption desires to relinquish its leasehold on the 0.14-acre site where CCO will construct and operate the digital billboard. The City, in return, will reduce Raption's rent in proportion to the acreage relinquished.

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

- Section 1. The facts set forth in the Background are correct.
- Section 2. In accordance with section 3.68.120 of the Sacramento City Code, the City Manager (or his designee) is hereby authorized to negotiate and sign, on the City's behalf, a third amendment to City Agreement No. 2007-0555, as amended, under which—
 - (a) Raption will relinquish its leasehold on a site consisting of approximately 0.14 of an acre along the southern border of the leased property, at the location generally depicted in **Exhibit A** to this resolution; and

(b) the City will decrease Rapton's rent under City Agreement No. 2007-055 by \$450 a month, resulting in monthly rent of \$53,863.83.

Section 3. This resolution supersedes Resolution No. 2010-351, adopted on June 22, 2010, which the City Council hereby rescinds.

Adopted by the City of Sacramento City Council on September 7, 2010 by the following vote:

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

Noes: None.

Abstain: None.

Absent: Councilmembers Fong, Sheedy, and Waters.



Mayor Kevin Johnson

Attest:



Shirley Concolino, City Clerk

Exhibit A

Location of Digital Billboard on North Side of Business 80, East of Fulton Avenue
(APN 254-310-002-002)

Exhibit A consists of the attached one-page document that has the following title:

SITE PLAN - BUSINESS 80 LOCATION

CLEARCHANNEL®
OUTDOOR

Digital Billboards - Multiple Sites

RFP No. P10EDD101