

**Meeting Date:** 12/2/2014

**Report Type:** Consent

**Report ID:** 2014-00877

**Title: Supplemental Agreement: McClellan Warehouse for California Task Force Seven (CA-TF7), Urban Search and Rescue (US&R) Team**

**Location:** McClellan Park

**Recommendation:** Pass a Resolution authorizing the City Manager, or his designee, 1) to execute Supplemental No. 2 (Second Amendment) to City Agreement No. 2004-0094 to McClellan Park Standard Form Net Lease Agreement with MP Holdings, LLC for one-year with the option of four one-year extensions, for a total amount not to exceed \$615,470; 2) to execute any additional documents and to take any additional non-monetary actions to implement the lease agreement.

**Contact:** Chris Costamagna, Battalion Chief, (916) 808-1691, Fire Department

**Presenter:** None

**Department:** Fire

**Division:** Special Operations

**Dept ID:** 12001431

**Attachments:**

1-Description/Analysis

2-Resolution

3-Second Amendment to McClellan Park Standard Form Net Lease Agreement with MP Holdings, LLC

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### **City Attorney Review**

Approved as to Form

Lan Wang

11/20/2014 11:46:43 AM

### **Approvals/Acknowledgements**

Department Director or Designee: Lloyd Ogan - 11/14/2014 9:42:38 AM

## Description/Analysis

**Issue Detail:** This report recommends the City Council authorize the City Manager, or his designee, to execute Supplemental No. 2 to City Agreement No. 2004-0094 to McClellan Park Standard Form Net Lease Agreement with MP Holdings, LLC in order to continue the lease of warehouse space necessary to house the equipment and vehicles for the California Task Force Seven (CA TF-7), Urban Search & Rescue (US&R) Team. This supplemental to the current lease agreement continues a relationship with MP Holdings, LLC for space leased at McClellan Park since 2004.

**Policy Considerations:** Authorizing the acceptance of this supplemental to the lease agreement is consistent with prior council decisions supporting participation in local, state and national disaster assistance programs.

**Economic Impacts:** None.

**Environmental Considerations:** Ongoing administrative activities, such as purchases of supplies, equipment or materials which are not made for purposes of a public construction project, do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Section 15061(b)(1), 15378(b)(3).

**Sustainability:** There are no sustainability considerations applicable to the approval of this supplemental to the lease agreement.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** The City of Sacramento Fire Department is the sponsoring agency of CA TF-7. CA TF-7 is responsible for organizing, equipping and maintaining the specialized equipment cache; training task force personnel; and mobilizing the team upon activation by the Department of Homeland Security/Federal Emergency Management Agency (DHS/FEMA). CA TF-7 has occupied the current warehouse location since 2004, after the Task Force outgrew storage available at City owned locations.

The supplemental to the lease agreement will allow:

- CA TF-7 to continue its mission within available funding,
- secure storage of all grant owned equipment and vehicles, and
- long-term parking for approximately 100+ Task Force member vehicles in the event of a deployment.

**Financial Considerations:** The recommended supplemental to the lease agreement between the City, as the sponsoring agency for CA TF-7, and MP Holdings, LLC for the lease of building 310 at 3300 Howard Street, will be for a one-year period with a monthly cost of \$9,660.53. In addition, there is the option to extend for four one year periods with a 3% annual

increase to base rent in effect immediately prior to each extension, if any. The total cost for the first 12-month lease period is \$115,926.36. Total potential cost of this supplemental to lease agreement, if all extensions were exercised, would be \$615,470.

The lease of this warehouse is covered by annual operating grants awarded by DHS/FEMA. If funding were to cease, additional extensions would not be exercised.

**Local Business Enterprise (LBE):** This agreement does not include the procurement of goods or services.

## **RESOLUTION NO.**

Adopted by the Sacramento City Council

### **SUPPLEMENTAL AGREEMENT: MCCLELLAN WAREHOUSE FOR CALIFORNIA TASK FORCE SEVEN (CA TF-7), URBAN SEARCH & RESCUE (US&R) TEAM**

#### **BACKGROUND**

- A. The City of Sacramento Fire Department has been the sponsoring agency for CA TF-7, US&R team since the inception of the Federal US&R program in the early 1990's. CA TF-7 has provided emergency assistance to many major incidents including the mudslide in Oso, Washington; the bombing of the Federal Murrah building in Oklahoma City; the terrorist attack of the World Trade Center in New York; the Gulf Coast in the aftermath of Hurricane Katrina; and various other events.
- B. CA TF-7 is responsible for ongoing administration, training, equipment maintenance and/or purchases in order to ensure Task Force readiness. CA TF-7 has occupied the current warehouse location since 2004, after the Task Force outgrew storage available at City owned locations.
- C. Continuing occupancy at this location allows CA TF-7 to securely store all grant owned equipment and vehicles, as well as allow for the long term parking for approximately 100+ Task Force member vehicles in the event of a deployment.
- D. The lease of this warehouse is covered by annual operating grants awarded by DHS/FEMA. If funding were to cease, additional extensions would not be exercised.

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

- Section 1. The City Manager, or his designee, is authorized to execute Supplemental No. 2 to City Agreement No. 2004-0094 to McClellan Park Standard Form Net Lease Agreement with MP Holdings, LLC for one-year, with the option of four one-year extensions for a total amount not to exceed \$615,470.
- Section 2. The City Manager, or his designee, is authorized to execute any additional documents and to take any additional actions as necessary to implement the lease agreement.

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

This Second Amendment to McClellan Park Standard Form Net Lease Agreement ("**Second Amendment**"), dated for reference purposes as \_\_\_\_\_, 2014, is entered into between **MP HOLDINGS, LLC**, a California limited liability company ("**Landlord**") and **CITY OF SACRAMENTO, on behalf of SACRAMENTO FIRE DEPARTMENT, SPECIAL OPERATIONS DIVISION**, a municipal corporation ("**Tenant**"). In the event of any inconsistencies between the terms of this Second Amendment and the terms of the Lease (as defined below), the terms and conditions of this Second Amendment shall govern and control.

**Recitals**

A. Landlord and Tenant have entered into that certain McClellan Park Standard Form Net Lease Agreement, dated April 20, 2004, as amended by the First Amendment to McClellan Park Standard Form Net Lease Agreement, dated September 8, 2009 (collectively, "**Lease**"), for the lease of that certain real property ("**Premises**") at McClellan Park, which is more particularly described in the Lease.

B. The current Extension Term of the Lease is from December 1, 2013 to November 30, 2014. For the purpose of the legal relationship between the parties, the Lease is deemed to have continued uninterrupted. Therefore, pursuant to Section 25 of that certain McClellan Park Standard Form Net Lease Agreement, dated April 20, 2004, Landlord agrees that no holdover rent shall be charged to Tenant.

C. Landlord and Tenant now desire to amend the Lease in accordance with the terms and conditions of this Second 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 Second Amendment shall have the same meaning as defined in the Lease.

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

3. **Extended Term**.

3.1 **Extension of Term**. The Term, as defined in Section 2.1 of the Lease, is hereby extended for one (1) year commencing on December 1, 2014, and expiring on November 30, 2015 ("**Extended Term**").

3.2 **Base Rent for Extended Term**. Base Rent during the Extended Term shall be \$9,660.53 per month.

3.2 Option to Extend. Tenant shall have the option to extend the Extended Term for four (4) one (1) year options (“**Extension Term**”) by giving Landlord written notice (“**Extension Notice**”) of its intention to do so at least one hundred twenty (120) days prior to the expiration of the Extended Term or Extension Term, as applicable; provided, however, that Tenant is not in material default beyond any applicable cure period under the Lease on the date of giving such notice. Base Rent during each Extension Term shall increase by three percent (3.00%) of the Base Rent in effect immediately prior to such extension.

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

4. 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 Second Amendment on behalf of the party for whom they are a signatory, (ii) the execution, delivery and performance of this Second 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 Second Amendment.

5. Counterparts. This Second 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 Second Amendment as of the date set forth above.

**LANDLORD:**

**MP Holdings, LLC**, a California limited liability company

By: McClellan Business Park LLC, a Delaware limited liability company, its member

By:  \_\_\_\_\_  
Jay Heckenlively, Executive Vice President & General Counsel

By:  \_\_\_\_\_  
Frank Myers, Chief Financial Officer

Date: 11/20/14 \_\_\_\_\_

**TENANT:**

**CITY OF SACRAMENTO, on behalf of SACRAMENTO FIRE DEPARTMENT, SPECIAL OPERATIONS DIVISION**, a municipal corporation

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Senior Deputy City Attorney

**ATTEST:**

By: \_\_\_\_\_

City Clerk

Dated: \_\_\_\_\_