

Meeting Date: 10/27/2015

Report Type: Consent

Report ID: 2015-00932

Title: Lease Agreement: Third Amendment to Lease with Gateway Community Charters for a Portion of George Sim Community Center

Location: 6207 Logan Street, District 6

Recommendation: Pass a Resolution: 1) determining that, pursuant to City Code Section 3.268.110, the leasing of portions of George Sim Community Center without bidding is in the best interest of the City; 2) authorizing the City Manager or the City Manager's designee to execute a third amendment with Gateway Community Charter School, part of the Twin Rivers School District, to an existing lease to extend the term from July 1, 2015 to June 30, 2017; and 3) authorizing the City Manager or the City Manager's designee to execute such additional documents and to take such additional actions necessary to implement the lease agreement for the property.

Contact: Sylvia Fort, Recreation Manager, (916) 808-8381; Lori Harder, Support Services Manager, (916) 808-5172, Department of Parks and Recreation

Presenter: None

Department: Parks & Recreation Department

Division: Community Centers

Dept ID: 19001641

Attachments:

1-Description/Analysis

2-Background

3-Resolution

4-3rd Amendment to Lease for Sim Community Center 2 years 6-5-15

City Attorney Review

Approved as to Form

Sheryl Patterson

10/14/2015 8:46:24 AM

Approvals/Acknowledgements

Department Director or Designee: Pamela Sloan - 10/7/2015 4:16:15 PM

Description/Analysis

Issue: Gateway Community Charters has leased rooms within the George Sim Community Center since November 1, 2011. This school benefits youth in the community. Staff recommends Council approve the proposed Third Amendment extending the lease term through June 30, 2017. The Department of Parks and Recreation will continue to provide other available space in the center for City operated programs, services, events, private rentals and community meetings.

The lease terms and insurance requirements were finalized with Gateway Charter School, which is administered through the Twin Rivers School District, at the beginning of the fall school semester. The lease continued on a month-to-month holdover basis and this amendment will extend the term for two years from July 1, 2015.

Policy Considerations: This recommendation is consistent with the provisions of the Sacramento City Code section 3.638.110E, 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 organization with a membership comprised predominately of persons residing in the City limits, so long as the lease term does not exceed ten (10) years.

Economic Impact: None

Environmental Considerations:

California Environmental Quality Act (CEQA): This project is exempt from the California Environment Equality Act (CEQA) under Section 15301, "Operation of existing public structures or facilities involving no expansion of use."

Sustainability Considerations: There are no sustainability considerations applicable to this action.

Other: None

Commission/Committee Action: None

Rationale for Recommendation: This action maximizes service delivery to the community through both City services provided at Sim Community Center together with those of Gateway Charter Schools. Lease revenues reduce operating expenses for the General Fund as well.

Financial Considerations: Lease revenue will be \$5,800 per month or \$69,600 annually, plus an option to use an additional room at a per day charge of \$121.00. Revenue and expenses associated with this lease have been included in the FY2016 approved budget for the Department.

Local Business Enterprise (LBE): Not applicable.

Background

Over the past several years, the Parks and Recreation Department leased community centers and clubhouses in an effort to keep the centers utilized and offer programs and services to the surrounding communities.

Gateway Community Charters, Inc. is an independent non-profit agency that supports students, parents and the community through the conception, development, administration and governance of innovative, high quality, standards-based educational school choice options within the greater Sacramento region.

Gateway Community Charter has leased space within George Sim Community Center since November 1, 2011. The lease payments cover City utility and building service costs. Gateway Community Charters will be responsible for building repairs and maintenance in consideration of the waiver of building rent payments.

RESOLUTION NO. 2015-

Adopted by the Sacramento City Council

APPROVING THE THIRD AMENDMENT TO THE LEASE FOR PORTION OF GEORGE SIM COMMUNITY CENTER WITH GATEWAY COMMUNITY CHARTERS

BACKGROUND

- A. Sacramento City Code section 3.638.110E allows for the lease of City property without bidding when the lease is with a nonprofit tax-exempt community organization with a membership comprised predominately of persons residing in the City limits, so long as the lease term does not exceed ten (10) years.
- B. On November 1, 2011, the City Council approved a Lease with Gateway Community Charters for rooms (the "Premises") within George Sim Community Center located at 6207 Logan Street for operation of a charter public school.
- C. On August 14, 2012, the First Amendment to the Lease to add an additional room was executed.
- D. On July 1, 2013, the Second Amendment to the Lease to extend the term by two years, to allow for Gateway Community Charters to use the Premises on certain Fridays, and to adjust the utilities and service costs accordingly.
- E. Continued leasing of a portion of the George Sim Community Center to Gateway Community Charters will generate General Fund revenue to offset the City's utility and maintenance costs, and maximize use of the facility for the public's benefit.

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

- Section 1. That it is in the best interest of the City, pursuant to Sacramento City Code section 3.268.110E, to lease a portion of the property located at 6207 Logan Street, commonly known as George Sim Community Center, to Gateway Community Charters, a non-profit community organization, without bidding.
- Section 2. The City Manager or the City Manager's designee is authorized to execute the Third Amendment to the Lease with Gateway Community Charter School to extend the term by two years, from July 1, 2015 to June 30, 2017.

Section 3. The City Manager or the City Manager's designee is authorized to execute such additional documents and to take such additional actions necessary to implement the Lease.

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Exhibit A - Third Amendment to a Lease at the George Sim Community Center

**THIRD AMENDMENT TO LEASE
GEORGE SIM COMMUNITY CENTER**

THIS THIRD AMENDMENT (the "Amendment") is made as of _____, 2015, by and between the **CITY OF SACRAMENTO**, a municipal corporation, ("CITY") and **GATEWAY COMMUNITY CHARTERS**, a California nonprofit public benefit corporation and public charter school ("ORGANIZATION").

RECITALS

- A. The above-named parties entered into a Memorandum of Understanding and Lease Agreement (the "Principal Agreement") dated November 1, 2011 (City Agreement No. 2011-1484) for use of Rooms 400 and 900 within the building commonly known as the George Sim Community Center (the "Premises") for operation of a charter public school.
- B. The First Amendment to the Principal Agreement added Room 300 as part of the "Premises" effective August 14, 2012, based on the date CITY permitted ORGANIZATION to exclusively occupy that room. ORGANIZATION made improvements to Room 300 to install a "smart board."
- C. ORGANIZATION's rights under the Principal Agreement to Rooms 300, 400 and 900 are only Monday through Thursday. The Second Amendment to the Principal Agreement dated July 1, 2013 allowed ORGANIZATION to use one or more of these rooms on Fridays if CITY had not programmed an activity in that room on that date.
- D. The Parties now desire to extend the Term of the Lease by two years.

NOW THEREFORE, it is mutually agreed between the Parties as follows:

- 1. **Lease Term**. Section 1, Term, of the Principal Agreement is amended to extend the term through June 30, 2017. All other terms and provisions in Section 1 shall remain unchanged.
- 2. **Entire Agreement**. This Amendment constitutes the entire agreement, and supercedes any prior written or oral agreements, between the Parties with respect to the matters contained herein. All other terms and conditions of the Principal Agreement not modified by this Amendment shall remain in full force and effect.
- 3. **Authorization**. Each individual executing this Amendment on behalf of any entity represents and warrants that he or she has been duly authorized to do so by the entity on whose behalf he or she executes this Amendment and said entity will thereby be obligated to perform the terms of this Amendment.

[signature page follows]

IN WITNESS WHEREOF, this Third Amendment has been executed by CITY and ORGANIZATION as of the day and year first stated above.

CITY OF SACRAMENTO,
a municipal corporation

By: _____
Pamela Sloan, Interim Director
Department of Parks and Recreation
For: John F. Shirey, City Manager

Approved as to form:

By: _____
Senior Deputy City Attorney

Attest:

By: _____
City Clerk

GATEWAY COMMUNITY CHARTERS,
a California non-profit public benefit corporation
and public charter school

By: 

Dr. Cindy Petersen
GCC Superintendent/CEO