

# REPORT TO COUNCIL

## City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
www. CityofSacramento.org



CONSENT  
May 1, 2007

Honorable Mayor and  
Members of the City Council

**Title:** Agreement—19<sup>th</sup> & W Parking Lot

**Location/Council District:** 19<sup>th</sup> & W Streets/Council District 4

**Recommendation:** Adopt a **Resolution** authorizing the City Manager to execute a ten-year lease agreement with two 5-year options, with the State of California, Department of Transportation, for the State's property located at 19<sup>th</sup> & W Streets with a starting rental fee of \$2,700 per month.

**Contact:** Howard Chan

**Presenters:** None

**Department:** Transportation

**Division:** Parking Services

**Organization No:** 3461

### Description/Analysis

**Issue:** The State of California is owner of property located beneath Highway 50 near the corners of 19<sup>th</sup> & W Streets. The City would like to enter into a lease agreement with the State to develop a surface parking lot that would support the local emerging business district.

**Policy Considerations:** This lease agreement supports the City of Sacramento Strategic Plan goal to expand economic development throughout the City.

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

**Rationale for Recommendation:** The area surrounding the State's property at 19<sup>th</sup> & W Streets has limited parking resources to support new businesses being

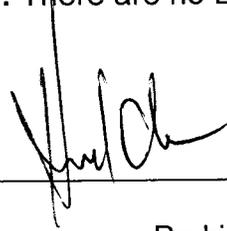


developed. By entering into a lease agreement with the State, the City will be able to develop a surface parking lot that will provide long-term parking solutions for the emerging business district.

**Financial Considerations:** Rent will start at \$2,700 per month (\$324,000 for 10 years) and be adjusted annually after year 5 by a rate equal to the Consumer Price Index. After the fifth year of the lease term, the City will also pay the State 50% of revenue collected in excess of the monthly rent obligation.

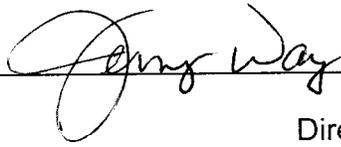
**Emerging Small Business Development (ESBD):** There are no ESBD considerations contemplated with the requested action.

Respectfully Submitted by: \_\_\_\_\_



Howard Chan  
Parking Services Manager

Approved by: \_\_\_\_\_



Jerry Way  
Director of Transportation

Recommendation Approved:

*for*  \_\_\_\_\_  
RAY KERRIDGE  
City Manager

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**RESOLUTION NO.**

Adopted by the Sacramento City Council

**EXECUTE A LEASE AGREEMENT WITH THE STATE OF CALIFORNIA: 19<sup>TH</sup> & W  
PARKING LOT**

**BACKGROUND**

- A. The State of California is owner of property located beneath Highway 50 near the corners of 19<sup>th</sup> & W Streets. The City would like to enter into a lease agreement with the State to develop a surface parking lot that would support the local emerging business district.
- B. Rent will start at \$2,700 per month (\$324,000 for 10 years) and be adjusted annually after year 5 by a rate equal to the Consumer Price Index. After the fifth year of the lease term, the City will also pay the State 50% of revenue collected in excess of the monthly rent obligation.

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

Section 1. The City Manager is authorized to execute a lease agreement with the State of California, Department of Transportation for the State's property located at 19<sup>th</sup> & W Streets. Rent will start at \$2,700 per month. After year 5, the City will also pay 50% of revenue collected in excess of the monthly rent obligation. The term of the agreement will be 10 years with two, 5-year options.

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Exhibit A: Location Map -19<sup>th</sup> & W Streets

Exhibit A

Location Map - 19<sup>th</sup> and W Streets

