

RESOLUTION NO. 2007-600

Adopted by the Sacramento City Council

August 21, 2007

LEASE AGREEMENT: NAVIN'S INCORPORATED

BACKGROUND

- A. Navin's Incorporated has been a valued tenant at 324 K Street since 1982. Its business, Navin's Custom Clothier, is a full-service, customer tailor and clothier, selling fine men's and women's suits.
- B. Navin's prior lease agreement with the City, City Agreement No. 97-047, expired at the end of March 2007. Navin's has been renting the space on a month-to-month basis and wishes to remain on a long-term basis.
- C. Pursuant to City Code 3.68.110 Navin's Incorporated submitted a firm and complete written offer to lease wherein the rent specified is at or above the fair market rate for comparable property as determined by the City's real property supervisor.
- D. The term of the new lease is for 5 years with a 5-year option. Based on a market rate of \$1.90 per square foot, monthly rent payments will begin at \$2,568.80 per month and increase at an average rate of 3.6% annually.
- E. Navin's Incorporated is planning to complete some upgrades to the premises and the City will contribute a tenant improvement allowance of \$6,670 (approximately \$5 per square foot).

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

- Section 1. Pursuant to City Code 3.68.110 it is in the best interests of the City to lease 324 K Street without bidding.
- Section 2. The City Manager is authorized to execute a lease agreement with Navin's Incorporated for retail space located at 324 K Street for a term of 5 years with one 5-year extended term option.

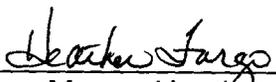
Adopted by the City of Sacramento City Council on August 21, 2007 by the following vote:

Ayes: Councilmembers Fong, McCarty, Pannell, Sheedy, Waters, and Mayor Fargo.

Noes: None.

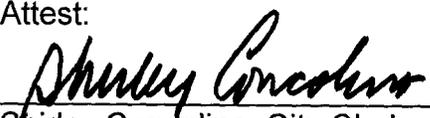
Abstain: None.

Absent: Councilmembers Cohn, Hammond, and Tretheway.



Mayor, Heather Fargo

Attest:



Shirley Concolino, City Clerk