REPORT TO COUNCIL
City of Sacramento

915 I Street, Sacramento, CA 95814-2671
www. CityofSacramento.org

Consent
March 28, 2006

Honorable Mayor and
Members of the City Council

Subject: Army Depot Master Lease – Parcel Assignment

Location/Council District: Former Army Depot Site (District 6)

Recommendation:

Adopt a Resolution approving the Sixth Amendment to the Army Depot "Industrial Development Lease and Option to Purchase" (Master Lease), City Agreement No. 94-194, between the City of Sacramento and US National Leasing, LLC.

Contact: Micah Runner, Senior Project Manager: 808-5448
Presenters: Not Applicable
Department: Economic Development
Division: Citywide
Organization No: 4453

Summary:

The proposed amendment to the Master Lease is to release four parcels included in the current lease to an affiliate organization of US National Leasing. The proposed amendment will allow the developer to obtain financing for the development of new projects on the four released parcels. (See attachment 1 for the released parcels). US National Leasing has made this amendment request in accordance with the terms and conditions contained in the Master Lease.

Committee/Commission Action: None

Background Information:

In 1994, the City Council approved the Master Lease with Packard Bell Electronics, Inc. and also entered into a loan agreement with Packard Bell in the amount of $36 million for site improvements and relocation expenses. In 1999, Packard Bell found itself in difficult financial times and was dissolving as a corporation. Packard Bell requested the

City consent to assignment of the Master Lease to US National Leasing. The City approved the transfer with some additional requirements and US National Leasing was successful in paying off $16 million in loans owed to the City by Packard Bell.

The sixth amendment removes four parcels from the Master Lease with US National Leasing, LLC and transfers them to US National Lands, LLC. The Master Lease gives US National Leasing the ability to assign the lease in part or whole to an affiliate company, including all rights and interests. Currently, the developer is unable to finance specific projects at the site because the Master Lease covers the property for the entire project. This amendment will give the developer the ability to finance specific projects, which will increase private investment in the former Army Depot. .

Financial Considerations:

There are no funding requirements related to this project.

Environmental Considerations:

This project is subject to the environmental review process as part of the approval of its development application.

Policy Considerations:

The action requested herein is consistent with the City's goal to expand economic development and assist in the reuse of the former Army Depot.

Emerging Small Business Development (ESBD): Not Applicable

Approved By: _____
Wendy S. Saunders
Economic Development Director

Recommendation Approved:

_____
for RAY KERRIDGE
City Manager

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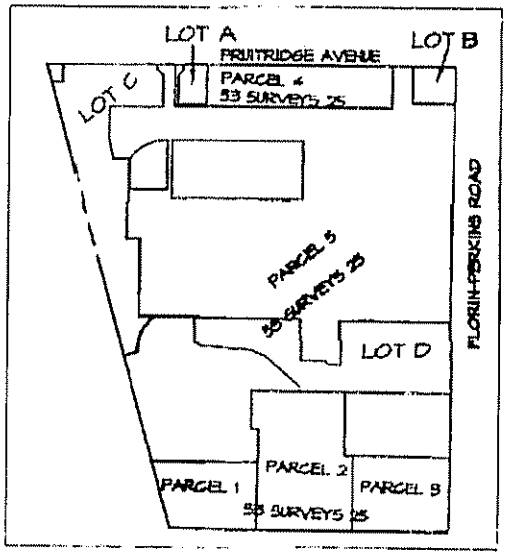

LOCATION MAP
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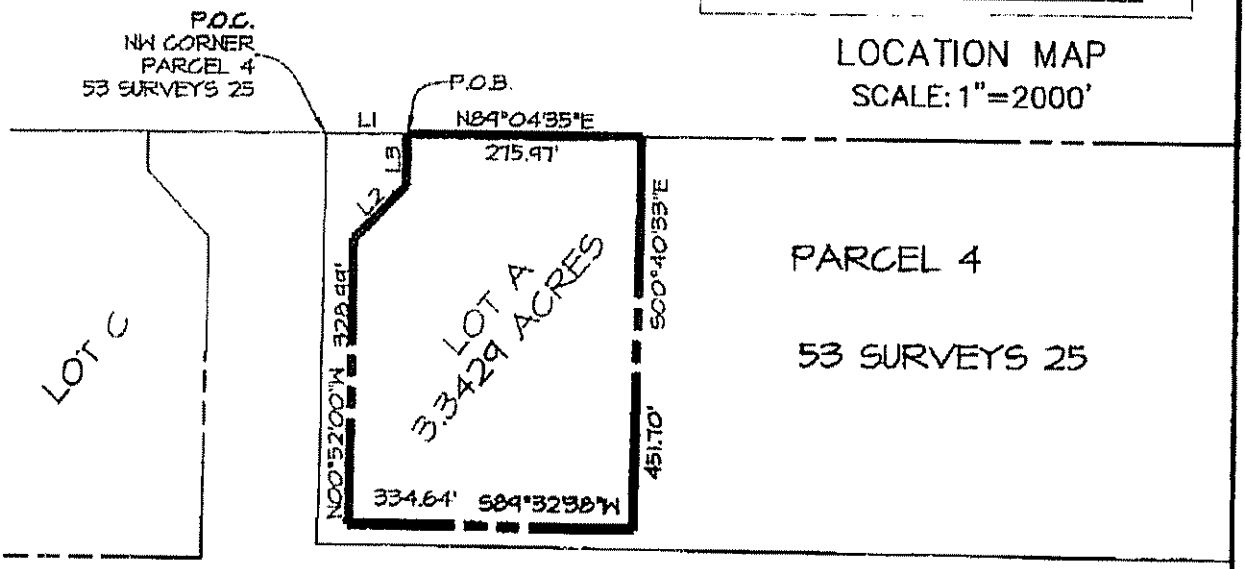

LINE TABLE		
LINE	LENGTH	BEARING
L1	94.94	N89°04'35"E
L2	85.08	N44°11'36"E
L3	59.94	N00°55'25"W

LICENSED LAND SURVEYOR
DIRK CORNELIS SLOOTEN
No. L.S. 5342
Exp. Dec. 31, 2006
STATE OF CALIFORNIA

LOT A EXHIBIT

DEPOT PARK
SACRAMENTO SACRAMENTO COUNTY CALIFORNIA

DATE 11-23-05
SCALE: 1/200
DRAWN BY HL
JOB NO. 6794-07
REVISIONS:
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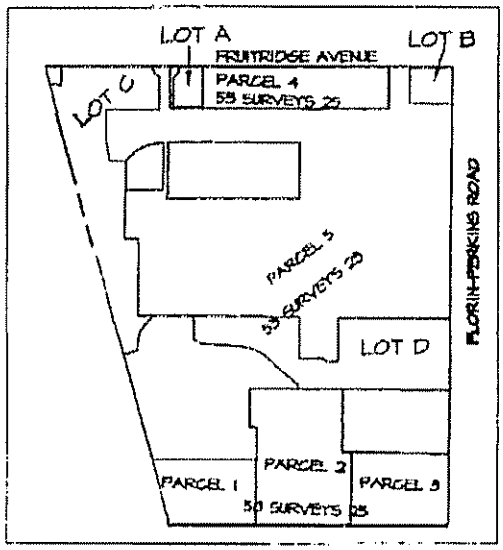
SLOOTEN CONSULTING INC.
SURVEYING & ENGINEERING
4740 NORTHGATE BLVD., SUITE 125
SACRAMENTO, CA 95834
(916)641-7570
(FAX)641-7572



LOCATION MAP
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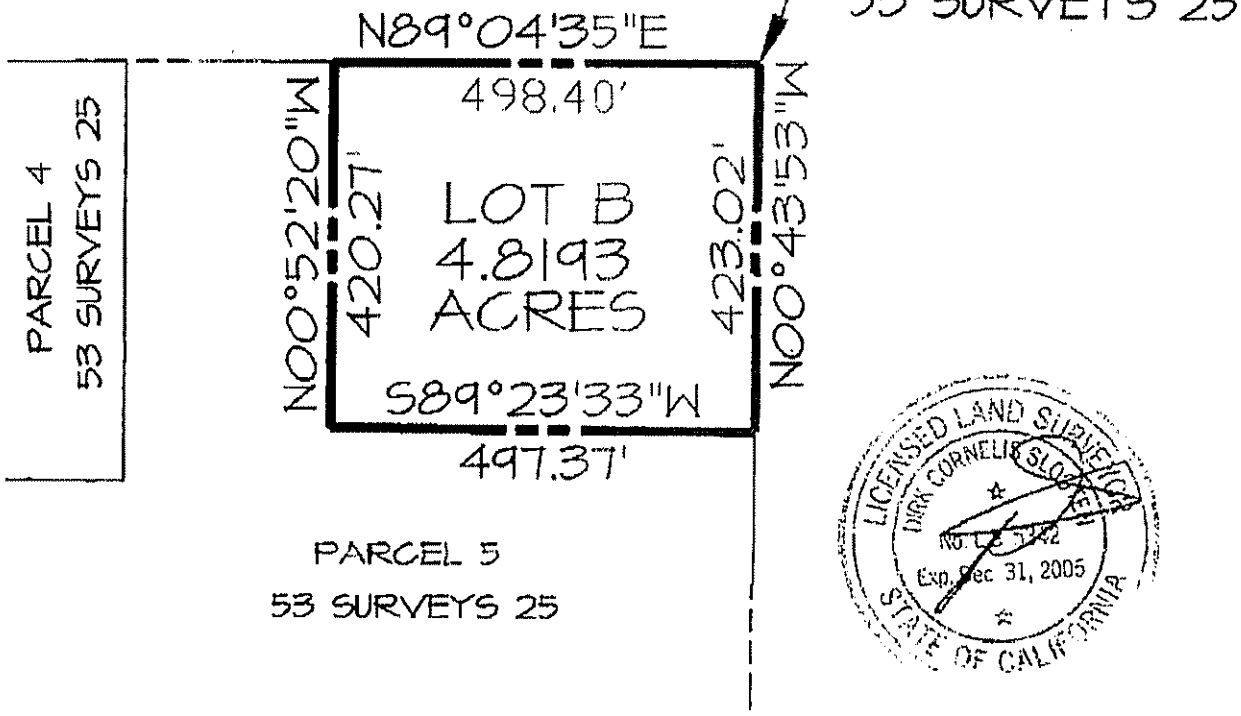

LICENSED LAND SURVEYOR
DIRK CORNELIS SLOOTEN
No. LS 5742
Exp. Dec 31, 2005
STATE OF CALIFORNIA

LOT B EXHIBIT

DEPOT PARK
SACRAMENTO COUNTY

SACRAMENTO CALIFORNIA

DATE: 11-23-05
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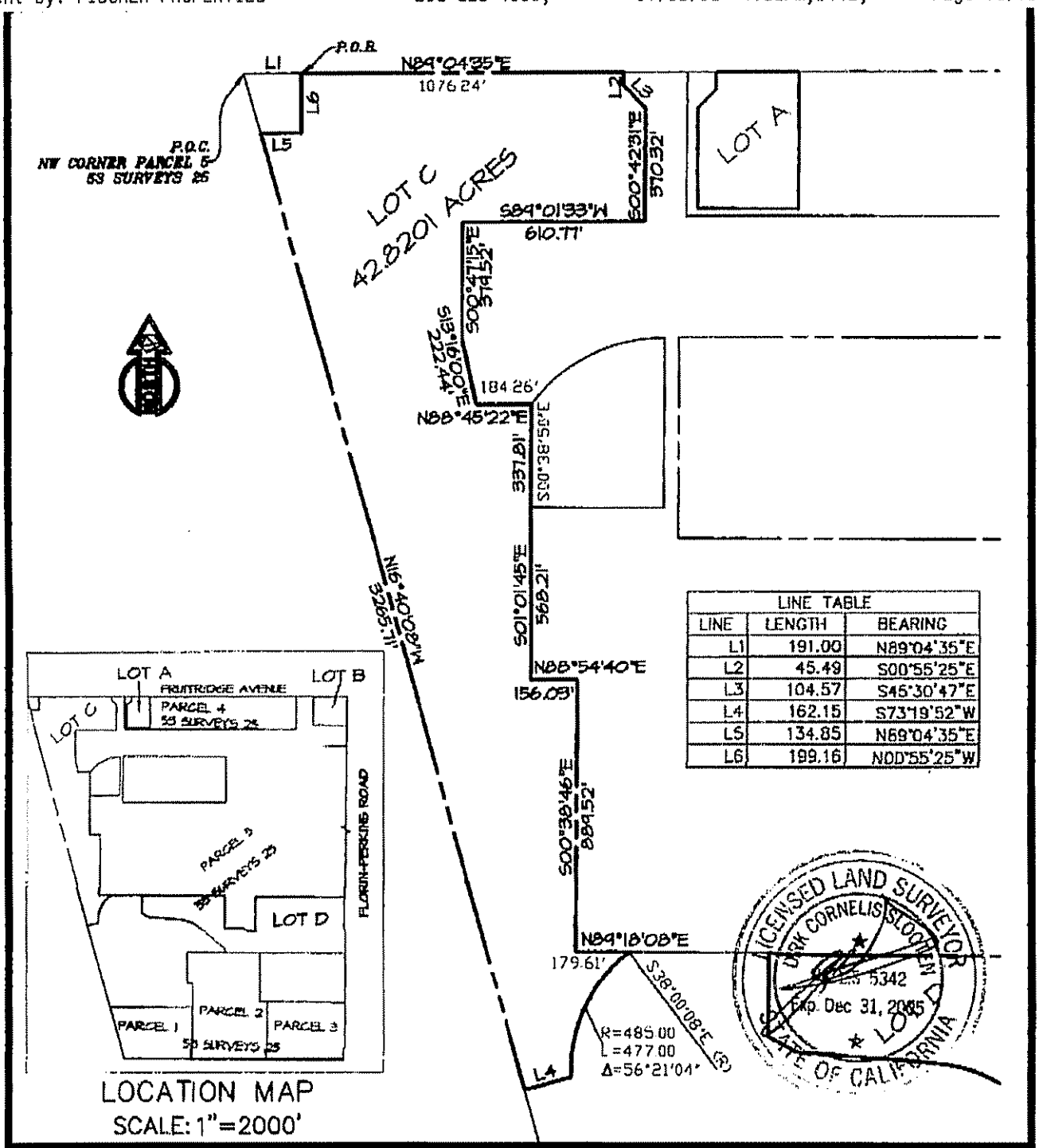

LINE TABLE		
LINE	LENGTH	BEARING
L1	191.00	N89°04'35"E
L2	45.49	S00°55'25"E
L3	104.57	S45°30'47"E
L4	162.15	S73°19'52"W
L5	134.85	N89°04'35"E
L6	199.16	N00°55'25"W

LOT C EXHIBIT

DEPOT PARK

SACRAMENTO SACRAMENTO COUNTY CALIFORNIA

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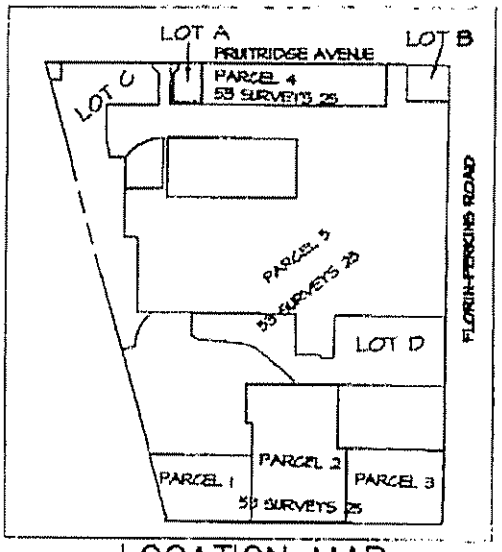
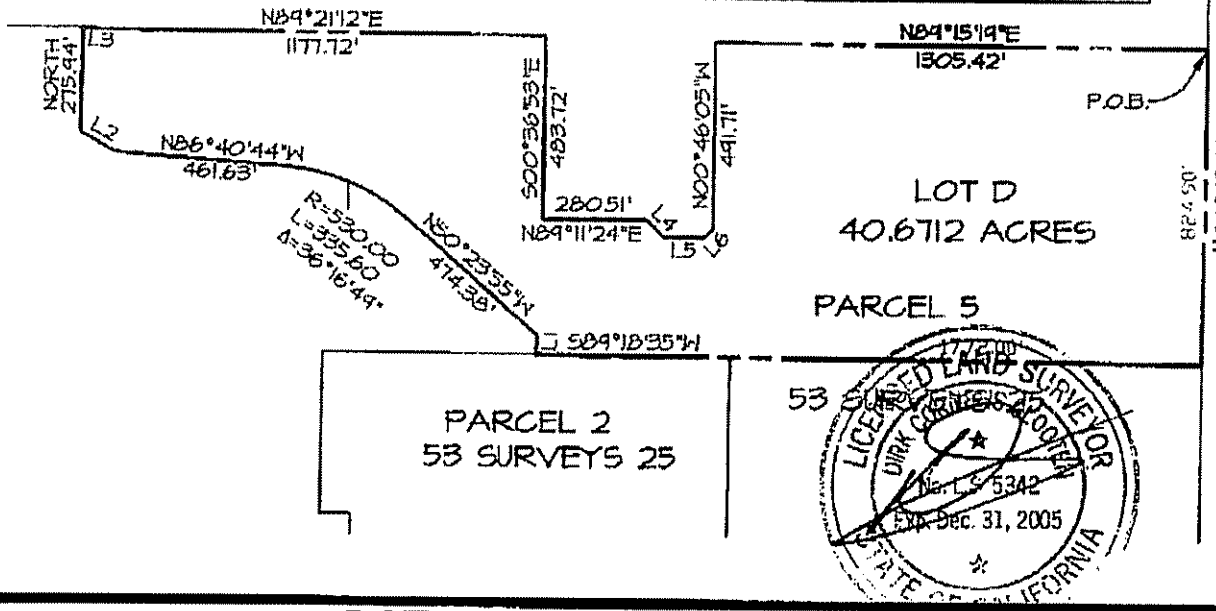


LOCATION MAP
SCALE: 1"=2000'

PARCEL 5
53 SURVEYS 25



LINE TABLE		
LINE	LENGTH	BEARING
L1	49.04	N00°41'25"W
L2	106.86	N61°17'18"W
L3	50.00	S84°27'39"E
L4	62.28	S45°50'38"E
L5	109.00	N89°09'22"E
L6	34.00	N44°09'22"E

LOT D EXHIBIT

DEPOT PARK

SACRAMENTO *SACRAMENTO COUNTY* *CALIFORNIA*

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RESOLUTION

ADOPTED BY CITY COUNCIL

APPROVING THE SIXTH AMENDMENT TO THE ARMY DEPOT INDUSTRIAL DEVELOPMENT LEASE AND OPTION TO PURCHASE

BACKGROUND

A. In 1994, the City Council approved an Industrial Lease and Option to purchase with Packard Bell Electronics, Inc. (City Agreement Number 94-194)

B. In 1999, at the request of Packard Bell, the City approved the transfer and assignment of the Lease to US National Leasing, LLC.

C. US National Leasing has made this amendment request in accordance with the terms and conditions contained in the Master Lease.

D. US National Lands, LLC is an affiliate company of US National Leasing, LLC.

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

Section 1: Approve the Sixth Amendment to the Army Depot Industrial Development Lease and Option to Purchase to release and transfer four parcels within the lease to U.S. National Lands, LLC.