



STAFF REPORT

DATE: June 13, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Jamie Adelman, Acting VP, Finance/CFO
SUBJ: APPROVING THE THIRD AMENDMENT TO GROUND LEASE FOR PARKING PURPOSES WITH R11 PROPERTIES, LLC AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO AMEND THE EASEMENT AGREEMENT PEDESTRIAN ACCESS WITH R11 PROPERTIES, LLC

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approval of the Third Amendment will allow an extension to the ground lease for parking purposes with R11 Properties, LLC through July 31, 2022, with an option to extend through August 31, 2022 unless construction on adjacent pedestrian easement improvements is completed sooner. Additionally, the Easement Agreement Pedestrian Access (Easement) will be modified to authorize R11 Properties, LLC to place their dumpsters anywhere within the Easement area, so long as the location does not interfere with SacRT operations.

FISCAL IMPACT

Period	Revenue Amount
07/01/2022 - 07/31/2022	\$1,690.27
08/01/2022 - 08/31/2022	\$1,690.27

DISCUSSION

On April 6, 2017, Sacramento Regional Transit District (SacRT) entered into a short-term lease with R11 Properties, LLC (Lessee) where SacRT (Lessor) leased a portion of the SacRT 13th Street Railyard property (APN 006-0274-010-0000), adjacent to 10th Street for parking at the buildings south of the parcel. The lease was to expire on May 23, 2022 but was extended through June 30, 2022, under General Manager authority while Lessee performs construction of improvements within the Easement area on the same parcel to provide safe parking for Lessee’s employees. The construction may take more than a

month to complete. R11 Properties, LLC is also requesting an amendment to their Easement on the same parcel to allow placement of dumpsters anywhere within their existing Easement area, so long as the location does not interfere with SacRT operations. The current Easement specifies a location for placement of the dumpsters which does not reflect the actual location of the dumpsters. To give R11 Properties flexibility in the placement of their dumpsters, staff recommends amending the Easement so that a location is not specified.

Staff recommends that the Lease be amended to extend the term for one additional month through July 31, 2022 and that an option to extend for the month of August be added to the Lease that could be granted by the General Manager/CEO in his sole discretion, if extending the lease does not interfere in SacRT's operations and R11's construction within the Easement area is not completed by July 31, 2022 and construction activities need to extend into August. If granted, the 31-day Lease extension will automatically terminate on August 31, 2022, or upon completion of construction activities by R11, whichever first occurs. Any rent paid by R11 for August 2022 will be prorated and the unused portion will be returned to R11 if the lease is terminated early due to the end of construction activities.

Staff recommends extending the lease one additional month through July 31, 2022 with an option to extend through August 31, 2022, as needed for the Lessee to complete the work, so long as the extension does not interfere with SacRT operations, and amending the Easement Agreement Pedestrian Access, as described above. All other terms of the lease and the Easement will continue to remain in effect.

RESOLUTION NO. 2022-06-065

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

June 13, 2022

APPROVING THE THIRD AMENDMENT TO GROUND LEASE FOR PARKING PURPOSES WITH R11 PROPERTIES, LLC AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO AMEND THE EASEMENT AGREEMENT PEDESTRIAN ACCESS WITH R11 PROPERTIES, LLC

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Third Amendment to Ground Lease for Parking Purposes by and between Sacramento Regional Transit District (therein "SacRT") and R11 Properties, LLC (therein "Lessee"), whereby the term is extended until July 31, 2022, with an option to extend for an additional month if needed to complete construction within the Pedestrian Easement Area, so long as the extension does not interfere with SacRT's operations, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute the Third Amendment.

THAT, the Board hereby delegates authority to the General Manager/CEO to execute an amendment extending the Lease for one additional month if it is necessary to complete Lessee's construction project within the adjacent Pedestrian Easement area, if the General Manager/CEO determines in his sole discretion that the lease extension will not interfere with SacRT's operations.

THAT, the Board hereby delegates authority to the General Manager/CEO to enter into an amendment to the Easement Agreement Pedestrian Access (Easement) agreement allowing the placement of R11's dumpsters anywhere within the easement area, so long as the location does not interfere with SacRT operations and execute all documents necessary to amend and record the amended Easement Agreement.

STEVE MILLER, Chair

A T T E S T:
HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary