

Folsom City Council Staff Report

MEETING DATE:	6/22/2021
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10654 – A Resolution Rejecting all Bids for Short or Long Term Lease at 405 Natoma Station Drive
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

Move to approve Resolution No. 10654 - A Resolution Rejecting all Bids for Short or Long Term Lease at 405 Natoma Station Drive.

BACKGROUND / ISSUE

At the March 23, 2021 City Council meeting, staff made a presentation entitled, “Further Direction to Staff on Future Use Options for City-Owned Property at 405 Natoma Station Drive.” Staff received direction to prepare a Request for Proposal to solicit tenants for short-term or long-term lease options.

POLICY / RULE

Pursuant to Section 2.36.180 of the Folsom Municipal Code, the City Council has authority to reject any or all bids or proposals received in response to a Request for Proposals.

ANALYSIS

Staff prepared a Request for Proposal (RFP) for two lease options (short-term lease of 1-5 years and long-term lease of 6+years) and it was made available on April 23, 2021 to the public. (Attachment 2). It was posted on the City’s website (under the RFP section); included on the CIP list; individually mailed or emailed to 28 daycare centers in the City of Folsom, and made available upon request from interested parties. Responses were due back to the City Clerk’s office by 3 p.m. on Tuesday, June 1.

A tour of the facility was offered on May 12 from 9 a.m. to 10 a.m. and one interested party attended and another interested party requested a separate meeting on another day, which was accommodated.

The RFP requested twelve (12) items to be provided in connection with the proponent's Business Plan (pages 4 and 5) along with an indication of what type of lease they prefer (short or long) and what they propose to pay for monthly rent for the lease (page 7).

On June 1 by 3 p.m., one proposal was received from Action Day Learning Center (Attachment 3).

The proposal included information about their lease term preference, proposed monthly rental rate, tenant improvement expectations, options to renew, parking requests, tenant's right to sublease, building signage, and broker commission proposal. In reviewing the proposal, there were several required Business Plan items that were not included, such as, for example, Names of associates and key personnel (#3), proposed standards for enduring a quality operation (#6), proposer's work plan for proposed operation (#7), time schedule indicating start and completion dates for each step of the work plan (#8), business plan demonstrating financial feasibility (#9), references (#10), and current financial or bank statement to demonstrate financial capability (#12).

Since many important aspects of the required information was not included, the proposal is being recommended for rejection so that the RFP may be re-issued and re-advertised for wide dissemination. After the close of the proposal period, staff received a call from an interested party who stated they thought the proposal due date was June 9 and would have liked to submit a proposal.

FINANCIAL IMPACT

There is no financial impact of this resolution

ATTACHMENTS

1. Resolution No. 10654 – A Resolution Rejecting all Bids for Short or Long Term Lease at 405 Natoma Station Drive
2. Request for Proposal - Short or Long Term Lease at 405 Natoma Station Drive, Folsom, California
3. Response to City of Folsom Request for Proposal -Short or Long Term Lease at 405 Natoma Station Drive, Folsom California

Submitted,

Lorraine Poggione, Parks and Recreation Director

ATTACHMENT 1

Resolution No. 10654

RESOLUTION NO. 10654

**A RESOLUTION REJECTING ALL BIDS FOR SHORT OR LONG TERM LEASE AT
405 NATOMA STATION DRIVE**

WHEREAS, the City of Folsom currently owns the property at 405 Natoma Station Drive; and

WHEREAS, the building is currently vacant; and

WHEREAS, bids were solicited in accordance with Folsom Municipal Code Section 2.36.100 and advertised on April 23, 2021; and

WHEREAS, one proposal was received on June 1, 2021; and

WHEREAS, the one proposal received was non-responsive to the Request for Proposal; and

WHEREAS, in accordance with Folsom Municipal Code Section 2.36.180, the City Council may reject any or all bids or proposals when it is for good cause and in the best interest of the City; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom rejects the one proposal received for 405 Natoma Station Drive.

PASSED AND ADOPTED this 22nd day of June 2021, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

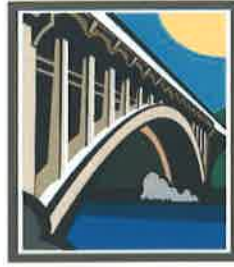
Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2

Request for Proposal -Short or Long Term Lease at 405 Natoma Station Drive, Folsom,
California (April 23, 2021)



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

City of Folsom
50 Natoma Street
Folsom, CA 95630
www.folsom.ca.us

REQUEST FOR PROPOSALS

Short or Long Term Lease at
405 Natoma Station Drive, Folsom, California

April 23, 2021

Tenant Improvements May Be Required

Deadline: June 1, 2021 at 3 p.m. (Pacific Time)

Submit to: Christa Freemantle, City Clerk, Folsom, CA 95630

Table of Contents

General Information.....	1
Background	1
The City of Folsom	1
The Site at Ernie Sheldon Youth Sports Complex.....	1
Concept.....	3
Proposal.....	3
Section 1: Format and Requirements	3
Section 2: Business Proposal.....	4
Section 3: Space Details	5
Lease Terms and Conditions.....	7
Submission Instructions	8
Submission Deadline and Timeline.....	9
Contact Information	9
Evaluation Criteria	9
General Conditions	10
Exhibits	11
Exhibit 1 - Project Site and Location	12
Exhibit 2 - Project Site and Location - Close View	13
Exhibit 3 - Project Site Layout.....	14
Exhibit 4 - Project Site and Parking	15
Exhibit 5 - Interior Floor Plan	16
Exhibit 6 - Exterior/Interior Photographs.....	17

General Information

NOTICE IS HEREBY GIVEN that the City of Folsom is soliciting proposals from interested parties ("Tenant") to lease City facility located at **405 Natoma Station Drive, Folsom, CA 95630**. Permitted uses in R-1-M zone and uses compatible with adjacent residential neighborhoods such as education, school, and daycare facility will be considered.

Questions regarding this RFP may be addressed to:

Lorraine Poggione, Parks and Recreation Director
City of Folsom
50 Natoma Street
Folsom, CA
(916) 461-6635
lpoggione@folsom.ca.us

Background

The City of Folsom

The City of Folsom (population 78,159) was founded in 1856 and incorporated in 1946. The City lies in Sacramento County approximately 22 miles northeast of downtown Sacramento along the Highway 50 corridor and covers approximately 25 square miles. The City is bordered by Folsom Lake, Lake Natoma, and Highway 50, and is bisected by the American River.

The City of Folsom is steeped in a rich and colorful history dating back to California's gold rush. Folsom was also home to the first passenger rail system west of the Rockies and the first long-distance transmission of electricity. The Folsom Powerhouse is now a national historical landmark.

The Site at Ernie Sheldon Youth Sports Complex

The property available for lease is located at 405 Natoma Station Drive. **Exhibit 1**. It was built in 1989 and is owned by the City of Folsom. The building and associated parking and outdoor area are located within the Ernie Sheldon Youth Sports Complex. This sports park offers tennis courts, basketball courts, soccer fields, baseball/softball diamond, and hockey rink, as well as a shaded picnic pavilion with picnic tables, a play structure and restroom building. The park is home to many practices, games and tournaments throughout the year for soccer and baseball/softball.

The building and outdoor area are located on a parcel that is within the larger parcel of the Ernie Sheldon Park. **Exhibit 2**. Tenant improvements may be required and would require submittal of tenant improvement package in accordance with City of Folsom Standard Specifications.

The site is zoned R-1-M (Chapter 17.13 of the Folsom Municipal Code) which allows for: a single-family dwelling, underground/above ground utility installations; public parks, schools, playgrounds, libraries, firehouses, and other public buildings and uses; real estate tract sales offices; group homes of six or fewer persons; small family day care homes and large family day care homes with administrative permit, and has a general plan designation of Park. Uses requiring Use Permits (FMC 17.13.030) are private and religious schools, nursery schools, and

day care centers; churches; golf and country clubs; tract construction offices and equipment yards.

The APN of the site is 072-0850-029. The occupancy group is A3. The occupancy load is 199. The single-story building has a height of 19'1" and comprises 10,314 square feet. **Exhibit 3.**

There are 84 parking stalls within the Ernie Sheldon Youth Sports Complex and 4 ADA stalls. **Exhibit 4.** The primary use of these parking spaces must remain for recreational activities at the Ernie Sheldon Youth Sports Complex; any proposed use of the parking spaces associated with the use of the leased facility will be evaluated as part of the proposal.

The building is approximately 10,000 SF and includes 7 rooms ranging in size from approximately 1,200 square feet to 2,000 square feet, office space, reception area, restrooms (adult and children's), storage, and a kitchen. There is approximately 17,675 square feet of outdoor space that is fenced in. **Exhibit 5.**

Concept

Operate a facility/use that is compatible with the adjacent residential neighborhood and existing park uses.

Proposals may be submitted for either short-term lease (1-5 years) or long-term lease (6+ years) of the City-owned building.

Proposal

Section 1: Format and Requirements

Proposals must be typed on “8½ x 11” white paper with sequentially numbered pages. Drawings should be landscape or z-folded as appropriate.

To facilitate evaluation, each proposal is required to include a table of contents and responses to each request for information listed in the order shown. If a proposal is not in the following format or does not include all of the listed items and requirements, it may be deemed non-responsive.

Section 2: Business Proposal

At a minimum, the business proposal section should include:

1. A one-page letter stating the name of the individual or company submitting the proposal. Provide contact information for the designated contact person, including address, phone, fax, mobile, and e-mail information. Describe how the company is organized (e.g., sole proprietor, for-profit or non-profit corporation, limited liability company or partnership). The proposal letter must be signed (in ink) by a responsible person or employee of the company that is authorized to make the proposal for the company.
2. Information describing the proposer and its primary business and market focus. Length of time in business and general business history.
3. Names of the principals, associates, and key personnel, if any, specifically highlighting personnel proposed to run and operate the leased facility, their responsibilities, and their professional qualifications and resumes.
4. Copies of current or proposed promotional material (if any).
5. The concept for the design and operation of the activities in the leased facility that conforms to the terms, conditions, and requirements stated in this RFP. The project narrative should include:
 - a. Business type/name;
 - b. Preferred Lease Term Option (Option 1: 1-5 years or Option 2: 6+ years);
 - c. Proposed staffing;
 - d. Proposed parking stalls needed for operation;
 - e. Planned days and hours of operation;
 - f. Proposed clients, guests, users of the facility;
 - g. Proposed programs and services;
 - h. Proposed use of kitchen-for commercial use (meal prep) or employee use only;
 - i. Proposed uses for inside and outside the facility (within the fenced area);
 - j. Proposed use of any adjacent park amenities (including play equipment, fields, turf areas);
 - k. Proposed improvements to the interior of the facility;
 - l. Proposed improvements to the exterior of the facility;
 - m. Proposed signage on the building

NOTE: Final interior and exterior design and improvement plans must be approved by City, and the proposer must receive written approval of the interior and exterior design plans from the City prior to constructing any improvements.

6. Proposed standards for ensuring a quality operation, including:
 - a. Management philosophy;
 - b. Employee recruiting, hiring and training policies;
 - c. Safety protocols;
 - d. Quality Control/Process Improvement Plans

7. The proposer's work plan for the proposed operation in the leased facility, including the proposed steps to accomplish each element.
8. A time schedule indicating start and completion dates for each step of the work plan.
9. A business plan demonstrating the financial feasibility of the proposed operation in the leased facility including all costs and expenses such as, without limitation, construction costs, tenant improvement costs, financing costs, startup costs (fixtures, furniture, equipment, etc.), fees and permits, taxes and assessments, projected operating costs, and cash flow projections.
10. References. Provide a list of references for the proposer.
11. Provide a list of similar operations or projects similar in scope completed in the last five years, including the proposer's role and specific responsibilities as either the principle or contractor, including successes and lessons learned from the previous operations. Include contact information for prior projects.
12. Provide current financial or bank statement to demonstrate financial capability to lease the facility and to operate business from the leased facility.

Section 3: Space Details

1. Size -- The building is approximately 10,000 square feet with 7 rooms ranging in size from approximately 1,200 to 2,000 square feet; office spaces; reception area; 4 clusters of restrooms, storage and a kitchen. The gated/fenced outside area is about 17,675 square feet.
2. Type – This building was constructed to accommodate a school for children ages K-6, and the rooms and improvements reflect that use.
3. Parking – The building is on a parcel that does not include the 88-space parking lot. As part of the proposal, the proposer will specify the number of parking spaces it needs in connection with its use of the leased facility, subject to City approval. No parking will be for the exclusive use of the tenant, and all parking spaces authorized by the City for use in connection with the leased facility will be limited to normal business hours.
4. Existing Amenities.
 - Fire Sprinklers and Alarm-there is an active fire alarm system for the building (monthly bill to be paid by tenant)
 - Intrusion Alarm System-there is an active intrusion alarm system for the building (monthly bill to be paid by tenant)
 - Ceiling lighting in all rooms
 - Partition Wall-there is a retractable wall between two of the main rooms that will remain.

5. Tenant Improvements -- At its own cost and expense, the selected tenant shall furnish and install the following improvements:
 - Equipment -- All equipment it needs to operate the business in the leased facility;
 - Fixtures -- All required fixtures necessary to complete the tenant-desired interior design and improvement plans, subject to City approval;
 - Kitchen -- Depending on intended use of kitchen. Tenant must comply with City codes and Sacramento County Health Department regulations, as well as all applicable federal, state, or local laws, statutes, ordinances, and regulations;
 - Outdoor Area -- Any outdoor furniture, trash containers, heating units, or lighting must be approved by the City;
 - Signage -- Signage will need to be approved by the City.

6. Utilities -- Tenant shall be solely responsible for payment of charges and fees for utilities and services provided to the leased premises. The following utilities and services are connected to the premises:
 - Water -- tenant to pay all water use in the leased facility;
 - Water -- for irrigation (to be proportionally shared based on use. Irrigation meter is shared with site landscaping and park);
 - Sewer;
 - Garbage;
 - Electricity -- Account is in City name and some electricity is used for park uses, so tenant will share proportionally and be responsible for electricity use in the leased premises and exterior lighting connected to the leased building.
 - Gas (for HVAC)
 - Telephone/Wifi (wired for Wifi);
 - Intrusion Alarm System (City has ATP and bill will be transferred to tenant);
 - Fire Alarm System (City has ATP and bill will be transferred to tenant)

7. Irrigation and Landscape Maintenance of the leased facility -- will be the responsibility of the tenant. There is a single irrigation controller that controls landscaping within the gated area, as well as some of the frontage and side areas of landscaping outside of the gated area. Maintenance of all landscaping controlled by irrigation controller will be the responsibility of the tenant.

8. Maintenance -- Tenant will provide routine maintenance and repair to the leased facility (both interior and exterior) and also be responsible for the routine maintenance and repair to all existing equipment in and on the leased premises such as, for example, HVAC and alarm units.

Lease Terms and Conditions

The City invites proposals for the lease terms outlined below.

1. Lease Term – Two Options.
 - a. Short-Term Lease: The City will entertain a lease term of 1-5 years with up to two 5-year extensions. The lease term shall commence upon execution of the lease agreement.
 - b. Long-Term Lease: The City will entertain a lease term of 6 or more years with up to two 5-year extensions.
2. Proposers are to submit the monthly amount of rent that it proposes to pay for each year of the initial lease term. The rent will not include, and will be in addition to, tenant's other costs and expenses such as, for example, applicable real property taxes (including all property taxes that will be imposed on the City), hazard insurance on structure, maintenance, water, sewer, trash, natural gas, and electricity. Tenant pays all typical and customary utility expenses such as, for example, water, sewer, refuse pickup, natural gas, electricity, janitorial service, etc. The City specifically calls to reader's attention that the proposed lease may create a possessory interest subject to property taxation, and the tenant may be subject to property taxes levied on such interest.
3. A limited number and size of signs on the building and on the grounds may be permitted. All signs must comply with the City's sign ordinance in Chapter 17.59 of the Folsom Municipal Code and be approved by the City.
4. At its sole cost and expense, tenant will be required to comply with the City's insurance requirements including, without limitation, at least \$2 million in general liability insurance with endorsements naming the City and its officers, agents and employees as additional insured, as well as providing evidence of workers compensation insurance coverage.
5. At its sole cost and expense, tenant will obtain insurance on the contents in the leased facility. The City will not be responsible for any theft, damage or loss of property.
6. At its sole cost and expense, tenant will be responsible for keeping the interior of the leased facility and exterior grounds within the fenced area neat, clean and in good repair.
7. The City will not pay any third-party brokerage fees.

Submission Instructions

Interested persons and entities must provide one (1) original and three (3) bound copies, and one (1) electronic or loose leaf copy of the proposal. Electronic version shall be in PDF format on ZIP drive to read on a Microsoft Windows™ compatible computer. Each proposal package must be submitted in a sealed box or envelope clearly labeled “405 Natoma Station Drive Lease Proposal.” with the closing date and time on the outside. Complete proposals must be submitted prior to the submission deadline to:

Christa Freemantle, City Clerk
City of Folsom
50 Natoma Street
Folsom, CA 95630

Proposals must be complete and in compliance with the terms, conditions, provisions, and specifications of the Request for Proposal. The information requested, format, and the manner of submission are essential for the prompt evaluation of all proposals. The City reserves the right to declare as non-responsive and reject any bid proposal in which material information requested is not furnished or where indirect or incomplete answers or information is provided. Proposals or any modifications or corrections to proposals received after the closing submission deadline will not be considered. No electronic mail, telephone, or facsimile of proposals will be accepted. The City reserves the right to waive any informality or irregularity and to reject any or all proposals.

Submission Deadline and Timeline

Proposals are due no later than 3 PM Pacific Time on June 1, 2021

Release date:	April 23, 2021
Tour of Site:	May 12, 2021 from 9 a.m. to 10 a.m.(RSVP required)
Responses due:	June 1, 2021 3 p.m.
Proposal selection and City Council award:	June 22, 2021

Contact Information

The City employee authorized to provide information or to answer questions regarding this RFP is:

Lorraine Poggione
City of Folsom, Parks and Recreation Director
50 Natoma Street
Folsom, CA 95630
(916) 461-6635
lpoggione@folsom.ca.us

All questions or requests for interpretations or clarifications must be in writing and addressed as indicated above. Any City response to a question or a request for an interpretation will be in writing and copies provided to all persons and entities who have submitted a proposal.

Evaluation Criteria

Evaluation of the proposals will be performed by a Selection and Evaluation Committee which will be composed of members of City staff. This Committee will review all information submitted and select the highest ranked proposers for further evaluation through interviews and/or site visits to the City-owned facility at 405 Natoma Station Drive. The City Council will select, in the Council's sole and absolute discretion, the proposal that best fulfills the objectives of this RFP. The selection process will consider, at minimum:

1. Completeness and clarity of the proposal.
2. The proposer's qualifications, professional reputation, financial stability, and industry experience.
3. Financial capability to lease the premises and to operate the business from the leased premises successfully.
4. The proposer's completion and successful operation of similar businesses as verified by references.

5. The proposer's work plan and types of programs and services offered such that they are not in direct competition to other City services and programs.
6. Highest potential lease revenue to the City.

General Conditions

Before the award of any lease, the proposer shall be required to show to the complete satisfaction of the City that it has the necessary licenses, facilities, ability, experience, and financial resources to operate in the leased facility specified in this RFP. The City may make reasonable investigations deemed necessary and proper to determine the ability of the proposer to operate and/or perform the work, and the proposer shall furnish the City all information requested for this purpose.

The City reserves the right to obtain clarification of any point in any proposal or to obtain additional information necessary to properly evaluate a particular proposal. Failure of a proposer to respond to such a request for clarification or additional information could result in rejection of that proposal.

The City reserves the right to revise or amend this RFP up to the proposal submission deadline. The City will provide amendments to all prospective respondents listed on the City's potential list or who have obtained this document subsequent to the advertisement. If amended, the City may postpone the date set for opening proposals by a number of days, as determined by the City in its sole discretion, to enable proposers to revise their proposals.

This RFP is only an invitation to submit proposals and does not commit the City in any way to negotiate with any party, to enter into a contract or lease with any party, or to pay any costs incurred by any proposer in connection with this RFP or the preparation of any response to the RFP or any amendments or supplements thereto. The City reserves the right to accept or reject any or all RFP responses received as a result of this request, or to cancel this RFP at any time, in its sole discretion. The City further reserves the right to reissue a request for proposals, procure responses by any other means, negotiate with any, all or none of the respondents to the RFP, or to modify the terms of the proposed lease. The proposer assumes the sole risk and responsibility for all expenses connected with the preparation of its proposal.

All submittals become property of the City and subject to disclosure under the California Public Records Act, including all trademark, service mark, or copyrighted materials included with the proposal. Please include copyrighted materials in your proposal only after permission has been obtained from the copyright holder.

The proposer certifies, by signing and submitting a proposal, that no officer, agent or employee of the City has a pecuniary interest in the proposal; that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other proposer; that the proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; and that all statements contained in the proposal are true.

Exhibits

1. Exhibit 1-Project Site and Location
2. Exhibit 2-Project Site-Close View
3. Exhibit 3-Project Site Layout
4. Exhibit 4-Project Site and Parking
5. Exhibit 5-Interior Floor Plan
6. Exhibit 6-Interior Building Photos

EXHIBIT 1 - PROJECT SITE AND LOCATION



EXHIBIT 2 - PROJECT SITE-CLOSE VIEW

Available for Lease:
405 Natoma Station Drive
Folsom, CA 95630



EXHIBIT 3 - PROJECT SITE LAYOUT

Available for Lease:
405 Natoma Station Drive
Folsom, CA 95630

Site Data

Zoning	R1-M
APN	072-0850-029-0000
type of Construction	V-NH, Fire Sprinklered
Occupancy Group	A3
Occupancy Load	199
Building Height	19'-1", 1 Story
Gross Floor Area	10,314 SF

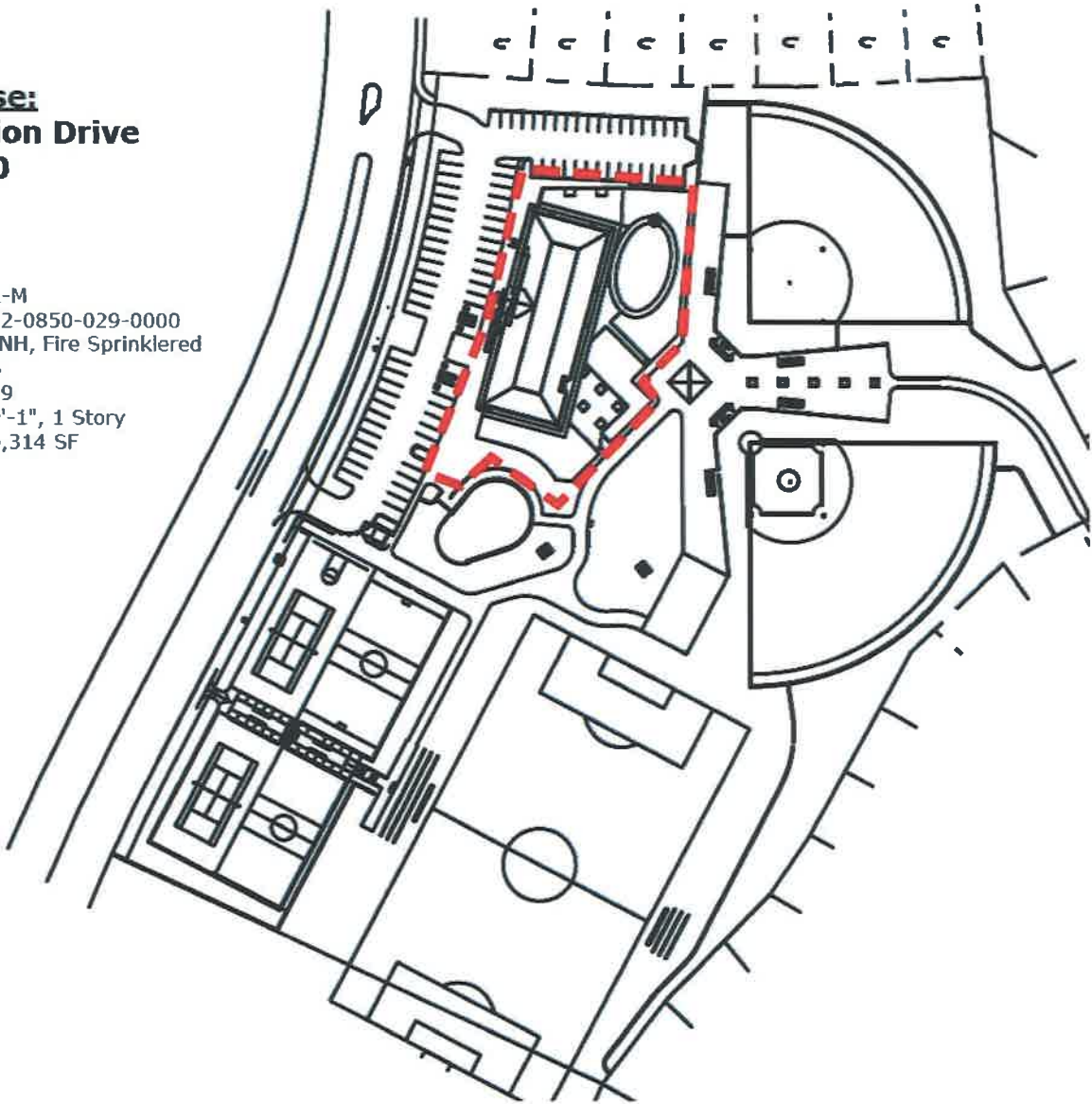


EXHIBIT 4 - PROJECT SITE AND PARKING

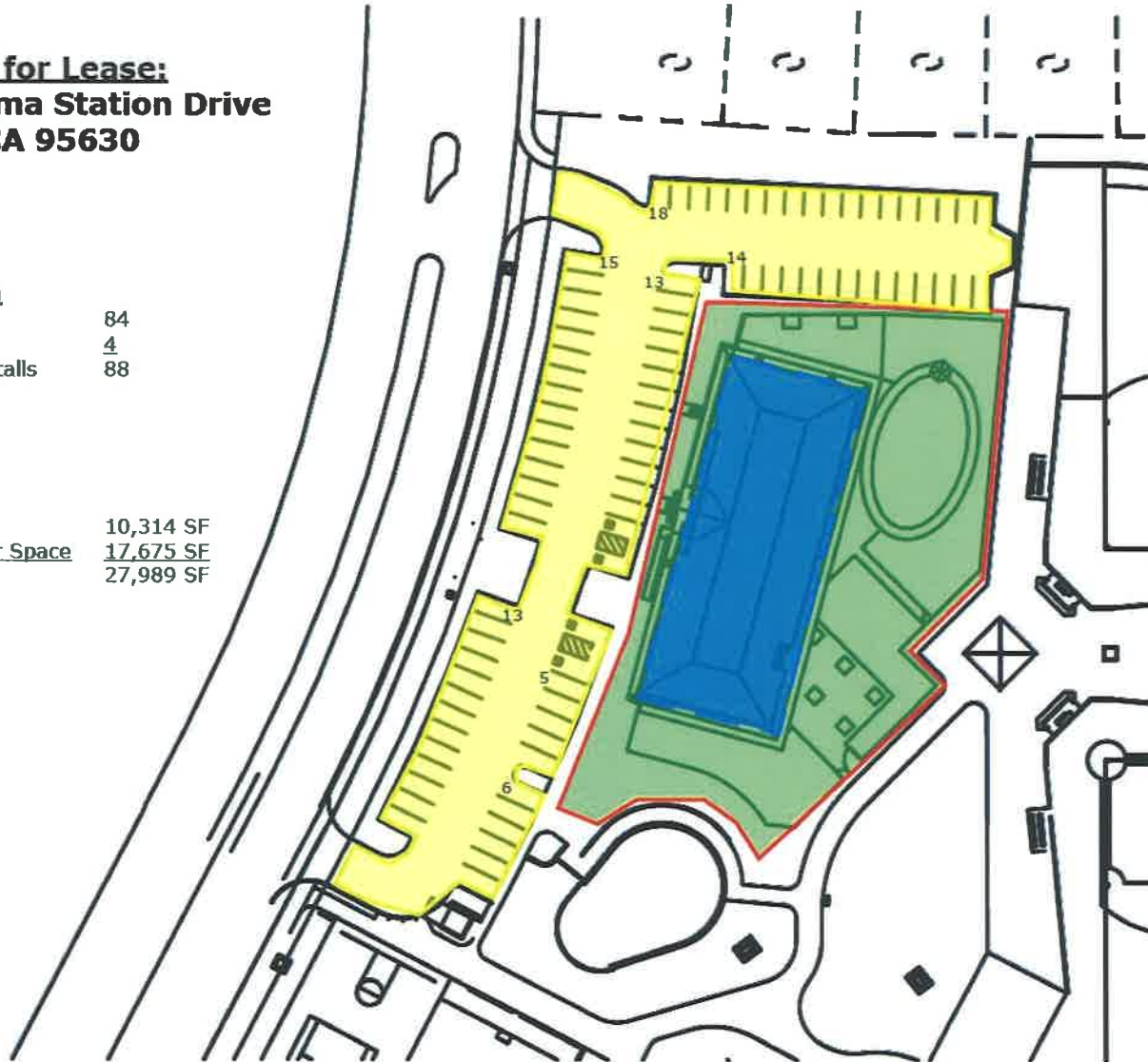
Available for Lease:
405 Natoma Station Drive
Folsom, CA 95630

Parking Data

Parking Stalls	84
ADA Stalls	4
Total Parking Stalls	88

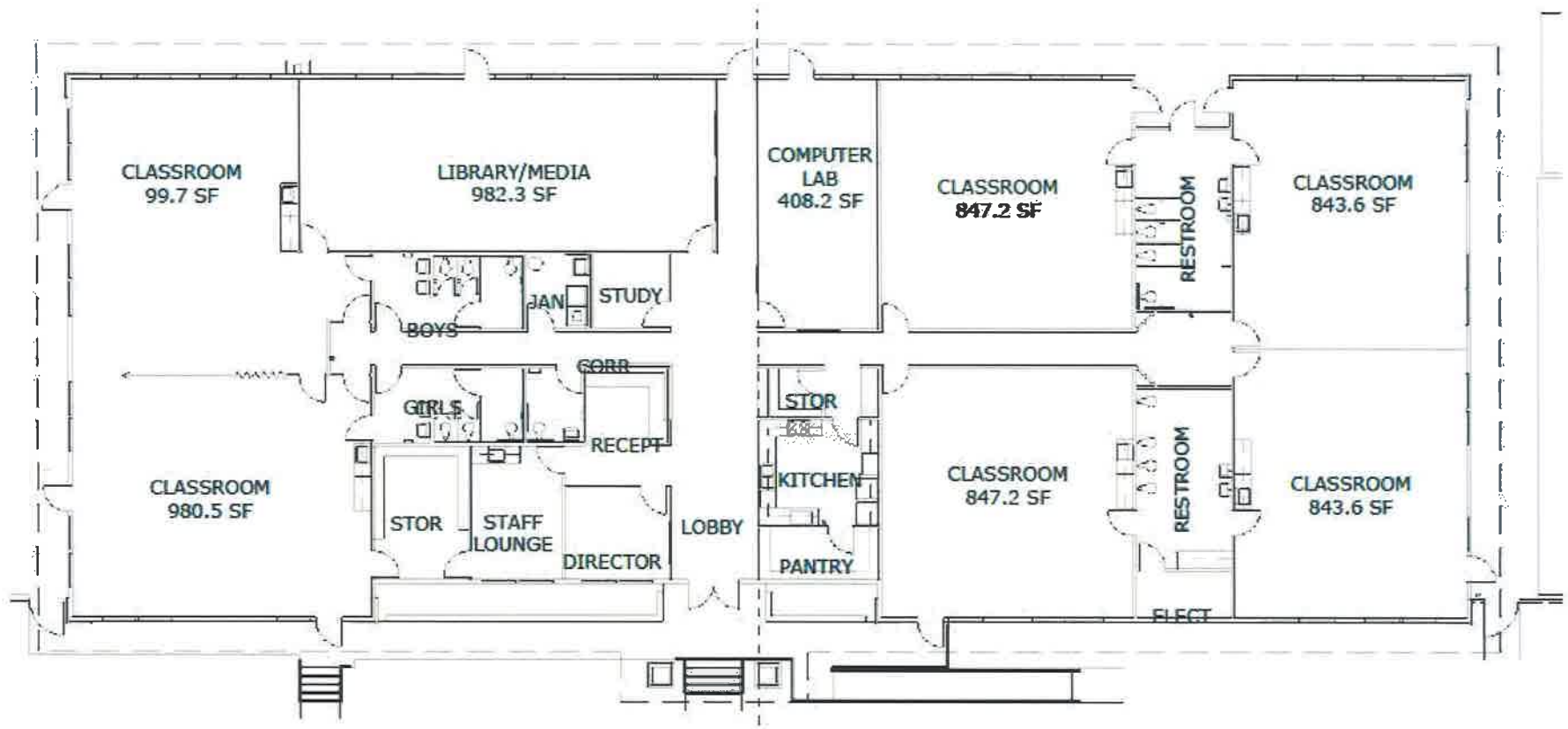
Lease Data

Building	10,314 SF
Fenced Outdoor Space	17,675 SF
Total Lease	27,989 SF



EX

Available for Lease:
405 Natoma Station Drive
Folsom, CA 95630



FLOOR PLAN

EXHIBIT 6 – EXTERIOR/INTERIOR PHOTOS



HALLWAY OFF LOBBY



FRONT DESK / RECEPTION AREA

HALLWAY CORRIDOR



LOBBY

KITCHEN



PREP AREA



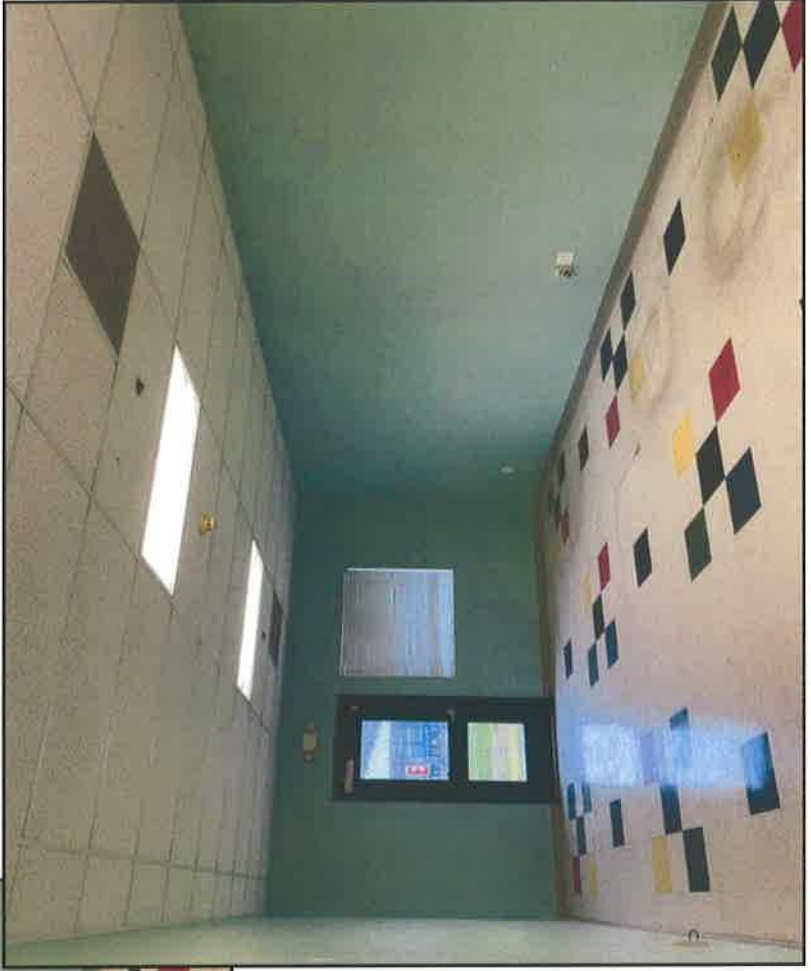
STORAGE



STORAGE



OFFICES





CLASSROOMS





CLASSROOMS



ATTACHMENT 3

Response to City of Folsom Request for Proposal -Short or Long Term Lease at 405 Natoma
Station Drive, Folsom California



Response to City of Folsom Request for Proposal

Short or Long Term Lease at 405 Natoma Station Drive, Folsom, California



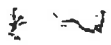


Table of Contents

- 1.) Authorization of designated contact person.
- 2.) About Action Day Learning Center
- 3.) Letter Of Intent for property at 405 Natoma Station Drive

May 28, 2021

To Whom it May Concern,

This letter authorizes Mr. Chris Lemmon of Cornish & Carey Commercial, a California corporation doing business as Newmark Knight Frank ("Newmark"), to be the designated contact person and to negotiate on behalf of Action Day Learning Center. His contact information is as follows:

Chris Lemmon
Newmark
3005 Douglas Blvd, #130
Roseville, CA 95661
(916) 367-6349
cell: (916) 832-5640
Chris.Lemmon@nmrk.com

Sincerely,



Joyce Campbell
Action Day Learning Center

About Action Day Learning Center

Action Day Learning Center (ADLS) is a family owned and operated business founded in 1980 by Joyce Campbell and her mother, Jeanette Cole. At that time, Joyce was a working mother of a preschool child and was unable to find childcare. Joyce and Jeanette recognized this need and they wanted to provide a solution not just for their family, but other families in need. Together they went back to college and got their Early Childcare Certificate as well as continued with Early Childhood Education. As noted above, they started their first school in 1980. They opened their second school in 1983 and opened their Folsom school in 1986. The address of each school is noted below. Now 41 years later, they are proud to say that ADLS has served our communities families, their children's families, and even many of the grandchildren. ADLS was able to keep our children safe and families working during the Covid-19 pandemic, without one day of closure.

From Joyce Campbell- Founder Action Day Learning Center-

"We have lived in Folsom most of our lives and love this community. We find great joy and satisfaction in being able to serve our families and support our community. We believe now more than ever there is a great need for quality and affordable childcare for children, so parents can go to work with the peace of mind that their child are safe and in an enriching and creative environment. Our plan is to serve children ages 6 weeks to 12 years. We will be providing nutritional meals and snacks."



Philosophy	Mission	Parent/School Partnership
<p>We are committed to providing a fun-filled, rewarding program that balances each child's intellectual, physical, social, creative and emotional needs. Action Day Learning Center provides childcare of the highest quality, stressing a safe, secure environment; a nurturing, professional team of staff; and the finest educational experiences. Please join us for a learning adventure that will be invaluable to you and your child.</p>	<p>To provide child care in the most nurturing, creative and educationally innovative environment within a secure and immaculate facility and to empower our team of employees to experience professional and personal growth.</p>	<p>Choosing a preschool comes down to one thing and that is doing what is best for your child. You want more than just a preschool that meets minimum requirements. You want a partner in your child's growth and happiness, and to be involved every step of the way. That's why we encourage you to visit anytime and join us for fun field trips or special family events at the center. To keep you up to date with daily happenings and special events, there are monthly newsletters and an online secure area for parents with currently enrolled students.</p>

ADLS Operates 3 locations:

Folsom
400 Stafford St
Folsom, CA 95630

Central Orangevale
6822 Kenneth Ave
Orangevale, CA 95662

Rural Orangevale
9371 Elm Ave
Orangevale, CA 95662

May 28, 2021

Lorraine Poggione
Parks and Recreation Director
City of Folsom
50 Natoma Street
Folsom, CA 95630

**Re: Response to Request for Proposal – Action Day Learning Center
405 Natoma Station Drive, Folsom**

Dear Ms. Poggione,

On behalf of my client, Action Day Learning Center (hereinafter referred to as "Tenant"), I am pleased to present the following proposal:

1. Premises:

The premises consists of approximately 10,000 rentable square feet. Tenant reserves the right to determine exact square footage which shall be subject to verification per BOMA standards (ANSI/BOMA Z65.1-1996).

2. Lease Term:

Sixty-nine (69) months.

3. Occupancy / Lease Commencement Date:

Tenant shall occupy the space and the term shall commence January 1, 2022. Tenant shall require access to the premises four (4) weeks prior to occupancy for installation of systems furniture and data and phone equipment.

4. Rental Rate:

<u>Months</u>	<u>Rate/RSF/Month</u>
01-09	Free
10-21	\$1.00, NNN
22-33	\$1.025, NNN
34-45	\$1.05, NNN
46-57	\$1.075, NNN
58-69	\$1.10, NNN

5. Operating Expenses:

Tenant proposes a triple net (NNN) lease structure. Property taxes shall not be a part of NNN pass throughs to Tenant. Tenant shall pay all utility, janitorial, and general maintenance expenses for the property directly.

6. **Tenant Improvements:**

Tenant shall accept the premises in its as-is condition. Please note that the requested free rent, noted in section 4 above, is intended to offset Tenant's costs to update, fix, and make the property occupiable for their use. Tenant is not asking for a TI allowance or funds from the City.

7. **Option to Renew:**

Landlord shall grant Tenant an option to renew the then existing lease for one (1) additional five (5) year term. The lease rate for said option shall be at a \$.025 annual increase from the previous year and shall continue to increase in the same manner annually at the anniversary for the renewal term. Tenant shall provide Landlord with written notification of Tenant's intent to exercise said option no later than four (4) months prior to the expiration of the then current lease term.

8. **Right of First Refusal**

Tenant shall have the continuing Right of Refusal during the Initial Term, the Renewal Option period, and/or any other extensions thereafter, to purchase the building in the event that the City of Folsom decides to sell the property.

9. **Parking:**

Tenant requests the use of up to 35 parking spaces which shall be broken down as follows:

- Fifteen (15) stalls for drop off and pickup which happens throughout the day. That being said, the majority (roughly 80%) of the use occurs from 6am-9am and again from 4pm-6pm PST.
- Twenty (20) stalls for employees and company vans, which will be parked throughout the day. Up to five (5) vans may be parked overnight/ 24 hours a day. Said vans shall be fully insured by Tenant.

10. **Tenant's Right to Sublease:**

Tenant shall have the right at any time to sublease any portion of its space to another tenant without the need to obtain Landlord's consent. Tenant may retain 100% of any revenues derived from the sublease.

11. **Building Signage:**

Landlord shall grant Tenant building signage option rights. Tenant shall be responsible for any and all costs associated with the fabrication and installation of said signage. Additionally, said signage shall comply with any and all City regulations and CC&Rs if applicable.

12. **First Month's Rent:**

Tenant shall pay the first month's rent upon lease execution to be applied to rent when first due.

13. **Security Deposit:**

Tenant shall pay a security deposit equal to one (1) month's rent.

14. **Disclosure by Broker:**

The parties hereby expressly acknowledge that Broker has not made independent determination or investigation regarding the following: present or future use or zoning of the property; environmental matters affecting the Property; the condition of the Property, including, but not limited to, structure, mechanical and soils conditions, as well as issues surrounding hazardous

wastes or substances as set out above; violations of the Occupational Safety and Health Act or any other federal, state, county or municipal laws, ordinances, or statutes; measurements of land and/or building. Landlord and Tenant agree to make their own investigation and determination regarding such items.

15. Americans With Disabilities Act (ADA):

Owners or tenants of real property may be subject to the Americans With Disabilities Act (ADA), a federal law codified at 42 USC Section 12101 et seq. Among other requirements of the ADA that could apply to the property, Title III of the Act requires owners and tenants of "public accommodations" to remove barriers to access by disabled persons, and provide auxiliary aids and services for hearing, vision or speech impaired persons. The regulations under Title III of the ADA are codified at 28 CFR Part 36. Landlord will warrant that the space occupied by Tenant will comply with all ADA requirements.

16. Hazardous Materials:

Comprehensive federal and state laws and regulations have been enacted in the past several years in an effort to control the use, storage, handling, clean up removal and disposal of hazardous wastes or substances. Some of these laws and regulations (such as, for example, the comprehensive Environmental Response Compensation and Liability Act (CERCLA)) provide for broad liability on the part of owners, tenants, or other users of property for cleanup costs and damages, regardless of fault. Other laws and regulation set standards for the handling of asbestos, and establish requirements for the use, modifications, abandonment, and closure of underground storage tanks. Landlord will warrant that the Building, the Premises and the grounds will be free of hazardous wastes or substances.

Broker has conducted no investigation regarding the subject matter hereof, except as may be contained in a separate written document signed by Broker. Broker makes no representations concerning the existence, or nonexistence, of hazardous wastes or substances, or underground storage tanks, in, on, or about the Property. Subtenant should contact a professional, such as a civil engineer, industrial hygienist or other persons with experience in these matters, to advise on these matters.

17. Brokerage Commission:

Cornish & Carey Commercial DBA Newmark Knight Frank is recognized as Tenant's exclusive broker. Newmark is not asking for a commission to be paid by Landlord in association with this transaction.

18. Proposal Expiration:

This proposal shall remain valid until 5:00 p.m., Friday, June 11, 2021

Landlord and Tenant acknowledge that this proposal is not a Lease Agreement and that this is intended as the basis for the preparation of a Lease Agreement by Landlord. The Lease Agreement shall be subject to Landlord and Tenant's approval and only a fully executed Lease Agreement shall constitute a Lease Agreement for the premises or any form of a binding agreement between the parties. Broker makes no warranty or representation to Landlord or Tenant that acceptance of this proposal will guarantee the execution of a Lease Agreement for the premises.

Lorraine, I am pleased to provide this proposal and look forward to your timely response. Please call if you have any questions

Sincerely,



Chris Lemmon

Chris Lemmon
Executive Managing Director
Market Leader

3005 Douglas Blvd., Suite 130
Roseville, CA 95681
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nmrk.com

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NEWMARK

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DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS
(As required by the California Civil Code)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.

To the Buyer and the Seller: (a) Diligent exercise of reasonable skill and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.

To the Buyer and the Seller: (a) Diligent exercise of reasonable skill and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations **to both the Seller and the Buyer:** (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer. (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the California Civil Code contained on the following page. Read it carefully.

I ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CALIFORNIA CIVIL CODE ON THE FOLLOWING PAGE.

Action Day Learning Center

BUYER SELLER

By: _____

_____ Date

Its: _____
Agent: **Cornish & Carey Commercial, a California corporation dba Newmark-Knight Frank**

BRE License Number 00832933

By: 
_____ **Chris Lemmon**
Salesperson or Broker-Associate

BRE License Number 01506816

_____ **5/26/2021**
Date

CALIFORNIA CIVIL CODE SECTIONS 2079.13 THROUGH 2079.24

(Section 2079.16 appears on pages 1 and 2)

2079.13. As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent which becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property which constitutes or is improved with one to four dwelling units, any Commercial Real Property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14. Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgment of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgment of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgment of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15. In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.17(a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller. (c) The confirmation required by subdivisions (a) and (b) shall be in the following form:

(Name of Listing Agent)

is the agent of (check one):
 the seller exclusively; or
 both the buyer and seller.

DO NOT SIGN OR COMPLETE THIS SECTION – EXAMPLE ONLY

Name of Selling Agent if not the same as the Listing Agent

is the agent of (check one):
 the buyer exclusively; or
 the seller exclusively; or
 both the buyer and seller.

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18. No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19. The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20. Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21. A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22. Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23. A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24. Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.