



Folsom City Council Staff Report

MEETING DATE:	5/28/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11206 – A Resolution Authorizing the City Manager to Execute a Lease Agreement Between the City of Folsom and Folsom Post No. 6604 Veterans of Foreign Wars of the United States, a California Nonprofit Corporation for the Lease of City Property Located at 1300 Forrest Street
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

The Parks and Recreation Department recommends that the City Council pass and adopt Resolution No. 11206- A Resolution Authorizing the City Manager to Execute a Lease Agreement Between the City of Folsom and Folsom Post No. 6604 Veterans of Foreign Wars of the United States, a California Non-Profit Corporation for the Lease of City Property Located at 1300 Forrest Street.

BACKGROUND / ISSUE

The City of Folsom and Folsom VFW Post No. 6604 have been under a lease agreement for the use of the city-owned property at 1300 Forrest Street since 1996. The most recent lease agreement was executed on May 1, 2009, and the subsequent amendment to the lease was executed on January 1, 2014. Throughout this period, Folsom Post No. 6604 has consistently paid their monthly lease rate and done their part to care for and maintain the property.

On January 19, 2024, the City of Folsom and representatives from Folsom VFW Post No. 6604 met to discuss the lease agreement. Folsom Post No. 6604 indicated their desire to renew the lease agreement and continue operations and service to military service men and women in the community.

POLICY / RULE

A city may lease property owned, held, or controlled by it for a period not to exceed 55 years. Government Code Section 37380.

ANALYSIS

On March 19, 2024, the city received a letter from Folsom VFW Post No. 6604 with a formal request to continue the lease of the city-owned property, with requested terms.

On April 9, 2024, staff presented to the Folsom City Council during closed session and was given direction on acceptable terms and rates for a lease agreement between the City of Folsom and Folsom VFW Post No. 6604.

On April 23, 2024, staff met with representatives from Folsom Post No. 6604 to discuss the terms of the lease agreement and Folsom VFW Post No. 6604 verbally agreed to the agreement included.

Below are the major terms of the proposed lease:

- 5-year lease with option to renew the lease for three additional terms of 5 years each, for a potential total term of 20 years
- Lease term would begin June 1, 2024, and end April 30, 2029 (initial 5 years)
- Lessee shall pay \$500.00 in rent each month

FINANCIAL IMPACT

Each year the Folsom VFW Post No. 6604 will provide the City of Folsom with monthly payments of \$500.00 for an annual lease rent of \$6,000.00. This will continue annually for the terms of the agreement and with each renewal of the lease agreement.

ENVIRONMENTAL REVIEW

The proposed lease of an existing public facility is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to Section 15301 of the CEQA Guidelines.

ATTACHMENTS

1. Resolution No. 11206 – A Resolution Authorizing the City Manager to Execute a Lease Agreement Between the City of Folsom and Folsom Post No. 6604 Veterans of Foreign Wars of the United States, a California Nonprofit Corporation for the Lease of City Property Located at 1300 Forrest Street.

Submitted,

Kelly Gonzalez, Director of Parks and Recreation

RESOLUTION NO. 11206

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE AGREEMENT BETWEEN THE CITY OF FOLSOM AND FOLSOM POST NO. 6604 VETERANS OF FOREIGN WARS OF THE UNITED STATES, A CALIFORNIA NONPROFIT CORPORATION FOR LEASE OF CITY PROPERTY LOCATED AT 1300 FORREST STREET

WHEREAS, the City Council desires to lease the City-owned building at 1300 Forrest Street; and

WHEREAS, Folsom VFW Post No. 6604 has been under a lease agreement with the City of Folsom which expired on April 30, 2024; and

WHEREAS, City Council directed staff to negotiate terms of a lease agreement with Folsom VFW Post No. 6604; and

WHEREAS, the City desires to enter into a lease agreement with Folsom Post No. 6604 Veterans of Foreign Wars of the United States, a California nonprofit corporation for the lease of the city-owned building at 1300 Forrest Street; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Folsom that the City Manager is hereby authorized to execute a lease agreement, in a form to be approved by the City Attorney, between the City of Folsom and Folsom Post No. 6604 Veterans of Foreign Wars of the United States, a California nonprofit corporation for the lease of City-owned building at 1300 Forrest Street.

PASSED AND ADOPTED on this 28th day of May 2024, 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