



FOLSOM
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Folsom City Council Meeting

Additional Information Transmittal

MEETING DATE:	4/22/2025
AGENDA SECTION:	Consent Calendar
STAFF REPORT TITLE	Resolution No. 11367-A Resolution Authorizing the City Manager to Execute an Amendment to the Lease Agreement Between the City of Folsom and Kelli Vaccaro, DBA Kids Inc. for the Lease of 405 Natoma Station Drive, APN 072-0850-029-0000
FROM:	Parks and Recreation Department

Staff is providing the attached additional information for the above-referenced agenda item.

1. Resident written testimony dated April 21, 2025, 9:36 A.M.

Submitted,

Kelly Gonzalez, Parks and Recreation Director

Instructions to staff: Deliver original and 30 stapled double-sided copies to the City Clerk's Department. City Clerk's Department will distribute via email and hardcopy to City Council, City Manager, City Attorney, and City Clerk.

Updated: Jun 2025

Jamison Larson

To: Kelly Gonzalez
Subject: RE: Council 4-22-25 Agenda Items 9 and 10 (DBA Kids and UCFB Leases)

From: Bob Delp <bdelp@live.com>
Sent: Monday, April 21, 2025 9:36 AM
To: City Clerk Dept <CityClerkDept@folsom.ca.us>; Bryan Whitemyer <bwhitemyer@folsom.ca.us>; Barbara Leary <bleary@folsom.ca.us>; Sarah Aquino <saquino@folsom.ca.us>; Justin Raithel <jraithel@folsom.ca.us>; Anna Rohrbough <annar@folsom.ca.us>; Mike Kozlowski <mkozlowski@folsom.ca.us>
Subject: Council 4-22-25 Agenda Items 9 and 10 (DBA Kids and UCFB Leases)

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To City Council and City Manager:

This message provides input for two items on the 4/22/25 City Council agenda pertaining to modifications of existing leases of City property.

Agenda Item 9 pertains to the lease agreement with Kids Inc. for 405 Natoma Station Drive. Kids Inc. requests a reduction in the monthly rent to offset an unanticipated property tax burden. The tax burden apparently arises from clause 13 ("Taxes") in the lease which anticipates the potential creation of possessory interest that could then result in personal property taxes levied on that possessory interest. Given the community benefit of Kids Inc's business, I support the requested rent reduction to the extent it is necessary to help with an unanticipated possessory interest tax. However, Kids Inc's letter to the City (Council packet pg. 160) notes that "full taxes for this building" are being assigned to Kids Inc. I encourage the City to work with Kids Inc to confirm that the property tax for the possessory interest has been properly calculated and assigned to Kids Inc to ensure that Kids Inc is not being inaccurately taxed for an amount in excess of its actual possessory interest.

Agenda Item 10 pertains to the lease agreement with Pour Leadership/Uncle Charlies (UCFB) and UCFB's request for the City to waive several additional months of UCFB's rent obligation. This is a truly disappointing request. The City opted to lease space to UCFB in a prime location and gave very favorable lease terms to UCFB with an initial 16-month rent-free phase. If the City Council wants to relieve UCFB of its rent burden to give UCFB additional time to get up and running, then I suggest that the lease be modified to *defer* the payment instead of waiving the rent (the deferred amount could be amortized into subsequent payments). Additionally, the City/UCFB lease has the same "Taxes" term related to possessory interest taxes as the Kids Inc lease discussed above. Before the City makes any further concessions for UCFB, I urge the City (City Manager and City Council) to confirm that UCFB fully understands its possessory interest tax obligation and confirm that UCFB is prepared to pay its full possessory interest tax obligation for the leased space.

Thank you for considering my input.

-Bob