



# CITY OF LODI

## COUNCIL COMMUNICATION

AGENDA TITLE: Authorize the City of Lodi to participate with the Salvation Army in funding a new homeless shelter at 622 North Sacramento Street.

MEETING DATE: October 3, 2001

PREPARED BY: Community Development Director

**RECOMMENDED ACTION:** That the City Council authorize participation with the Salvation Army in funding a new homeless shelter at 622 North Sacramento Street.

**BACKGROUND INFORMATION:** For the past several years, staff has had conversations with the Salvation Army concerning their existing shelter at 19 North Sacramento Street. The shelter has operated beyond capacity for some time. In addition, because of the space limitations, the sleeping and dining activities share the same space. This situation requires a constant set-up and tear down of tables, chairs and beds in order to operate every day.

In early May, it was brought to our attention that a building was available at 622 North Sacramento Street. Since that time, a great deal of effort has taken place between the Army, its local advisory board, the City and members of the Lodi community. The property is zoned M-2, Heavy Industrial and is well suited for the proposed use.

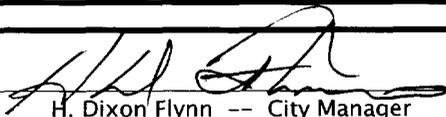
**PROPOSAL:** Attached to this communication is the proposal from the Army to secure the previously mentioned property and the City's financial participation to accomplish the relocation program. As shown, the purchase, renovation and ultimate sale of the downtown property are all part of making this project a reality. The funding requirements are as follows:

- |   |                  |
|---|------------------|
| • Purchase of 622 North Sacramento Street | \$440,000        |
| • Renovation of new facility              | \$245,000        |
| • Furnishings                             | <u>\$ 35,000</u> |
| Total Phase I Budget                      | \$720,000        |

It is estimated that the sale of the existing shelter on Sacramento Street will net \$220,000 leaving a funding gap of \$500,000.

The Salvation Army is requesting the City's participation over a five-year period in the amount of \$250,000, or half of the outstanding debt. The balance will come from fundraising activities that the Army will solicit.

APPROVED: \_\_\_\_\_

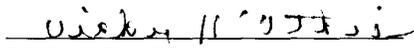
  
H. Dixon Flynn -- City Manager

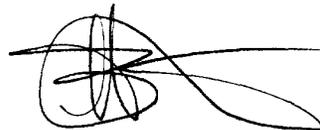
From the City's perspective, we should look upon this participation as an investment. The project accomplishes two major goals a) by providing the Salvation Army with an adequate facility to continue their important mission of feeding and housing the City's homeless population, and b) to further our downtown revitalization efforts by relocating a use that is better suited elsewhere.

The City's participation is proposed to come from different sources over a five-year period. First, the project qualifies for Electric Utility Public Benefits funding. The exact amount is not yet known, but a solid estimate is \$50,000. The balance of our commitment is proposed as a four-year, \$50,000 per year contribution to their renovation debt. At first this will come from General Fund sources as a loan to the Redevelopment Agency. Once redevelopment increment is generated, the General Fund will be repaid in full. This is the type of project that is a text book case for redevelopment assistance/funding.

**SUMMARY:** The Salvation Army provides needed services in Lodi at a facility that is over capacity. An opportunity exists to relocate the shelter/dining function from downtown to North Sacramento Street. The City has been asked to partner in the amount of \$250,000 spread over a five-year period. The City has funding sources to cover this obligation and staff recommends that the City Council authorize this participation.

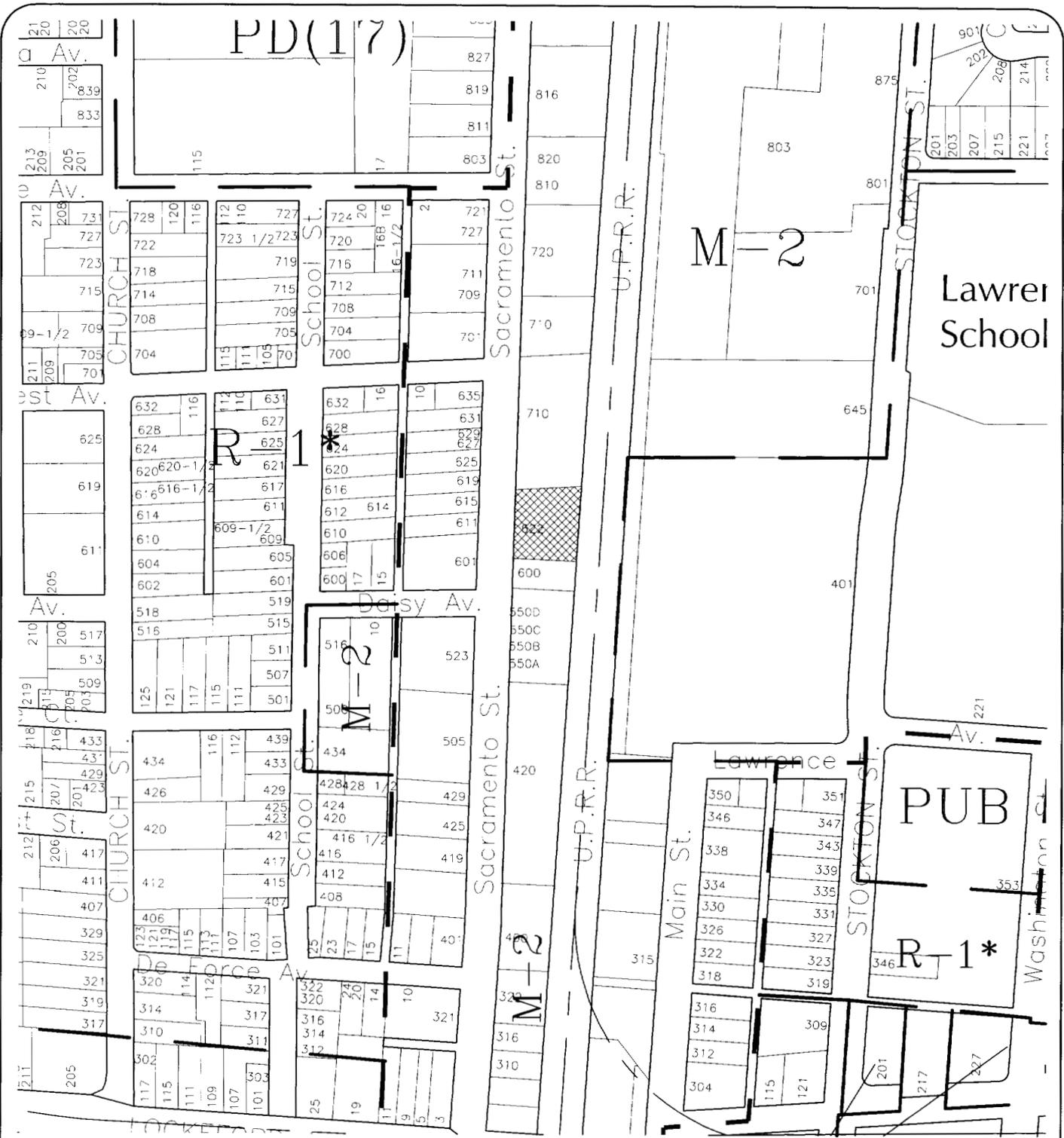
**FUNDING:** \$250,000 (Amount spread over 5 years with funding coming from Public Benefits program and Redevelopment Agency)

  
Vicky McAthie  
Finance Director



Konradt Bartlam  
Community Development Director

Attachments



# VICINITY MAP

SCALE: 1" = 300'



# WAREHOUSE/RETAIL SPACE

## TO BE SOLD

622 North  
Sacramento Street  
Lodi, California



**SIZE:** Approximately 17,000 Square Feet

**ASKING PRICE:** \$450,000.00

**FEATURES:**

* Masonry Construction	* Roll-Up Doors
* Open Space	* Tall Ceilings
* Office Areas	* Storage
* Conference Room	* Loading Dock
* Next to Rail Spur	

**COMMENTS:** Space is currently being used for ceramic manufacturing and sales.  
**Priced to Sell Immediately!**

**BUSINESS PLAN FOR SALVATION ARMY SHELTER RELOCATION**

**PROJECT DESCRIPTION:**

**PHASE I**

1. PURCHASE BUILDING AT 622 NORTH SACRAMENTO STREET – LODI.
2. CONSTRUCT KITCHEN AND DINING ROOM.
3. ADD TO SHOWER/BATHROOM FACILITIES.
4. RENOVATE TWO OFFICES, AS NEEDED.
5. RENOVATE AND PARTITION SLEEPING ROOMS TO SLEEP 50 MEN.

**PHASE II**

1. RENOVATE ROOMS TO HOUSE WOMEN AND CHILDREN.
2. RELOCATE FOOD, WAREHOUSE AND DISTRIBUTION TO 622 NORTH SACRAMENTO STREET FROM LOCKEFORD STREET SITE.
3. RENOVATE ANY OTHER OFFICE SPACE OR SLEEPING ROOMS, AS NEEDED.

**PHASE III**

1. RENOVATE THE NORTH PORTION OF THE LOCKEFORD STREET SITE TO BE USED AS A YOUTH CENTER THAT WOULD PROVIDE AFTER SCHOOL TUTORING, NUTRITIOUS MEALS AND RECREATION.

**PROJECTED FIGURES:**

**PHASE I**

PURCHASE OF BUILDING.....	\$440,000
RENOVATION/CONSTRUCTION.....	243,418
FURNISHINGS.....	<u>35,000</u>
TOTAL.....	\$718,418

**PHASE II**

EXACT FIGURES NOT AVAILABLE AT THIS TIME, BUT SHOULD BE MINIMAL, AS IT DOES NOT REQUIRE A LOT OF CONSTRUCTION.

**PHASE III**

FIGURES NOT AVAILABLE, AS THIS IS A FINAL STAGE AND WILL NOT BE ATTEMPTED UNTIL THE CAPITAL CAMPAIGN IS COMPLETED.

THE LODI CORPS WILL NEED TO BORROW \$718,418 FROM THQ, WHICH WILL BE REPAYED BY:

1. SALE OF 19 NORTH SACRAMENTO STREET BUILDING FOR APPROXIMATELY \$220,000.
2. CITY OF LODI FUNDING AND WAIVER OF FEES AND PERMITS - APPROXIMATELY \$250,000.
3. CAPITAL CAMPAIGN OF 1.5 MILLION, OF WHICH OVER \$75,000 HAS BEEN COMMITTED. CAMPAIGN IS TO BEGIN AFTER THE FIRST OF THE YEAR 2002.

TIME LINE IS PROJECTED TO BE BETWEEN 3-5 YEARS.



September 19, 2001

Salvation Army  
Attn: Capt. Frank Severs  
525 West Lockeford Street  
Lodi, CA 95240

RE: 622 N. Sacramento Street, Lodi

Dear Capt. Severs,

I am pleased to present a budget for the proposed modification of the existing building located at 622 N. Sacramento Street. The modifications are intended to meet the requirements for the Men's Shelter program. The budget is based on the attached floor plan showing approximately 6351 square feet of improved area with the Women and Children Shelter program to be a part of phase two. We estimate the construction time to be approximately five (5) months.

Our cost breakdown is as follows:

Supervision (part-time)	\$18,400.00
Temporary Power	1,500.00
Temporary Toilet (existing)	-0-
Temporary Phone	1,000.00
Layout	700.00
Clean-up	3,500.00
Trash Bins	2,400.00
Final Cleaning	1,150.00
Demolition	3,600.00
Framing & Drywall	24,700.00
Door, Jambs & Hardware	9,600.00
FRP Wainscot @ Toilets & Kitchen	3,984.00
Ceramic Tile	2,884.00
Acoustical Ceilings (existing to remain)	5,700.00
Floor Covering (VCT w/SV in toilets)	15,063.00
Painting - 2 coat system	9,526.00
Kitchen Equipment (allowance)	3,000.00
Walk-in Refrigerator (8'x10')	19,000.00
Plumbing (incl. concrete removal & replacement)	35,160.00
Heating & Air Conditioning	31,755.00
Electrical	<u>38,106.00</u>
Subtotal	230,728.00
Overhead & Profit	<u>12,690.00</u>
Total	\$243,418.00

Respectfully,

  
Don Roek, President



1-1

**Susan Blackston**

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**To:** L Reimche  
**Subject:** RE: Salvation Army Shelter Relocation

Dear Mr. Reimche:

This reply is to confirm that your e-mail message was received by the City Clerk's Office and a copy will be forwarded to each member of the City Council before the 10-03-01 7:00 p.m. Council meeting. In addition, we have forwarded your message to the City Manager, City Attorney, and Community Development Director.

Thank you for your comments.

/s/ Susan J. Blackston, City Clerk

-----Original Message-----

**From:** L Reimche [mailto:lreimche@mediaone.net]  
**Sent:** Wednesday, October 03, 2001 10:02 AM  
**To:** cityclrk@lodi.gov  
**Subject:** Salvation Army Shelter Relocation

I would appreciate having this E-Mail distributed to the Mayor, Council Members, and Department Heads. I had planned on making the meeting but am awaiting results of a Cat Scan and will be physically unable to attend the meeting.

I am the Vice Chair of the Advisory Board of the Lodi Corps, also the Realtor that found the location at 622 N. Sacramento and a proud "local boy" having been born in Lodi in 1929, and an active member in the Christian Community I would personally like to offer my "Thanks" to the City of Lodi Staff for all of their support and active participation in the attempt to make this relocation a reality. Your approval and the commitment of funds to this project will be much appreciated.

Roy Reimche  
1104 S. Pleasant Av.  
Lodi Ca., 95240  
209-369-8719  
[www.royreimche.com](http://www.royreimche.com)