

CITY COUNCIL MEETING  
NOVEMBER 19, 1986

28

AGREEMENT WITH  
SOUTHERN PACIFIC  
TRANSPORTATION  
COMPANY APPROVED

CC-6  
CC-7(h)

For the past 32 years the City of Lodi has leased from the Southern Pacific Transportation Company for public parking the lot on Sacramento Street between East Pine and East Elm streets. There have been just two adjustments to the initial annual rental fee of \$240 during this period. For the past 12 years, the annual rental fee has remained at \$650. Several months ago, Southern Pacific advised the City that the current fee was substantially below market, and that an adjustment to \$3,500 per year was appropriate. The Public Works Director was directed to contact two local realtors in an effort to determine the market price for such a lease in the downtown area. His discussion with the realtors resulted in staff agreeing that the requested annual lease payment is consistent with existing market conditions. Staff tried to negotiate a three-year lease and to expand the lease to include the additional unimproved area between the existing improved parking lot and East Pine Street. However, since Southern Pacific desires to maintain maximum flexibility with respect to its ultimate development or disposition of this property, these positions were not attainable.

Council approved the lease agreement for use of the Southern Pacific parking lot and authorized the City Manager and City Clerk to execute the subject agreement.