



Board Report

File #: 2015-1288, **File Type:** Agreement

Agenda Number: 60.

**EXECUTIVE MANAGEMENT COMMITTEE
SEPTEMBER 17, 2015**

SUBJECT: AMENDED AND RESTATED PARKING LICENSE

ACTION: APPROVE LICENSE AMENDMENT WITH WEST ANGELES CHURCH OF GOD IN CHRIST

RECOMMENDATION

AUTHORIZING the Chief Executive Officer to:

- A. negotiate and execute an **Amended and Restated Parking License** (“Amended License”) for transit patron parking for an initial term of five years at 3500 Crenshaw Boulevard, Los Angeles, California with West Angeles Church of God In Christ (WA COGIC) for an amount not to exceed an annual lease payment of \$323,100 plus applicable real estate taxes;
- B. exercise options contained in the lease at his discretion; and
- C. deposit cost savings into the Risk Allocation Matrix Internal Savings Account (RISA), pending Board approval of the full concept later this year.

ISSUE

On April 2, 2012 Metro entered into a parking license (“Existing License”) with WA COGIC for the use of 450 parking spaces for transit patrons in a parking structure, six (6) days per week in support of the Crenshaw/Exposition Light Rail Station. Current demand and parking surveys by Metro indicate a need for less than 100 parking spaces per day.

As part of its review of Metro Parking assets the Board has directed Metro staff to renegotiate the Existing License with WA COGIC to lower the cost of the license fees to an amount commensurate with the use of the parking by Metro patrons.

DISCUSSION

Metro’s Travel Demand Model estimated the demand for parking on the opening day of the Expo Phase I Project to be 1,490 spaces. Parking facilities were proposed at three locations along the Expo route: Culver City Station, La Cienega/Jefferson Station and Crenshaw Station. Metro constructed surface parking at the Culver City Station and a parking structure at the La Cienega/Jefferson Station. The parking for the Crenshaw Station is being provided through a shared

use agreement with WA COGIC. Metro also plans to provide approximately 100 parking spaces at the Expo Crenshaw Station as part of the Crenshaw/LAX Transit Corridor Project. The current parking facilities, number of parking spaces and an occupancy report are summarized below:

LOCATION	NUMBER OF SPACES	UTILIZATION PERCENTAGE
Culver City	586	95%
La Cienega/Jefferson	476	50%
Crenshaw Blvd.	450	15%
Total	1512	57%

The License commenced April 28, 2012 and will terminate by its terms on April 27, 2017. The term of the License is five (5) years with an option to extend the term for up to three (3) additional periods of five (5) years. Metro has the right to terminate the License with 60 days prior written notice and the payment of a termination fee of \$50,000 (which must be paid at the time that the termination notice is issued).

Metro leases 450 of the existing 500 parking spaces within the structure. The annual cost of this lease is approximately \$750,000, including approximately \$467,000 in annual operating expenses that Metro reimburses to WA COGIC. Based on our current counts of parking patrons, day and evening, staff estimates a need of between 70-100 spaces per day. The Fiscal Year 15 boardings and alightings for the Expo Line stations are shown on Attachment A.

Staff has held discussions with WA COGIC to reach consensus regarding amending the existing agreement to reduce the number of parking spaces and associated costs. WA COGIC is willing to amend the License to reduce the number of parking spaces to 225 spaces and reduce the Metro’s share of the operating costs such that our total annual cost would be reduced from \$750,000 to \$323,100 (not including real estate taxes which are estimated at \$41,000 per year). Retaining 225 parking spaces at this facility could eliminate the need to construct 100 additional parking at the Expo Crenshaw Station once the LAX Crenshaw Project is completed. The term of the license will be amended beginning at the date of execution and running an additional five years. The license will include options to extend the term for up to three (3) additional periods of five (5) years.

A summary of the negotiated terms of the Amended License is outlined in Attachment B. A Term Sheet from WA COGIC outlining the negotiated terms is shown on Attachment C.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on safety standards for Metro.

FINANCIAL IMPACT

The Project is expected to substantially reduce Metro’s expenditure for this License and result in savings to Metro, in the amount of \$595,175 for the remainder of the existing term. The total cost under the Restated Agreement is estimated to be \$1,820,500 over the term of the contract.

Impact to Budget

The source of funds for the Project is budgeted in Cost Center 0651 Project 300066 Task 01.01 Account 51201.

ALTERNATIVES CONSIDERED

One alternative is to not approve the Amended License. This alternative is not recommended because the License is expected to cost Metro approximately \$1.4 million total over the remaining 22 months balance of the existing term. Metro would pay for a significant amount of unutilized parking spaces.

Another alternative is to terminate the License, at a cost of \$50,000, pursuant to the existing License terms. Transit parkers would be directed to Metro's La Cienega/Jefferson facility which is at 50% capacity and could accommodate the additional parking. This alternative is not recommended because of the costs, displacement of parking patrons, and the possible need to negotiate with WA COGIC for additional parking once of the LAX Crenshaw Project is completed.

NEXT STEPS

CEO finalizes and executes an Amended and Restated Parking License with WA COGIC, subject to County Counsel approval as to form.

ATTACHMENTS

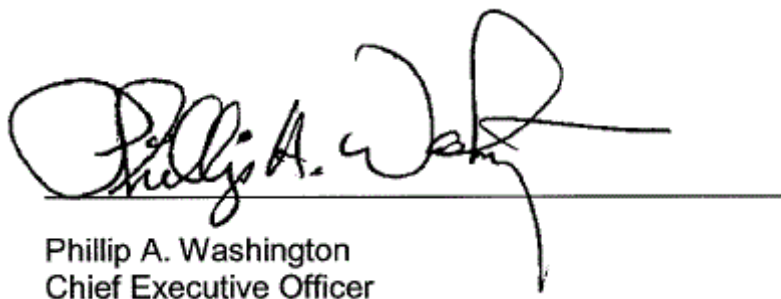
Attachment A - Summary of Fiscal Year 15 Boardings and Alightings

Attachment B - Summary of Amended License

Attachment C - Term Sheet from WA COGIC

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