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Los Angeles County
Metropolitan Transportation Authority

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**SYSTEM SAFETY AND OPERATIONS COMMITTEE MEETING
JANUARY 19, 2012**

**SUBJECT: LEASE OF PARKING SPACES FOR THE EXPOSITION LIGHT RAIL
TRANSIT ("LRT") PROJECT**

ACTION: APPROVE PARKING LICENSE AGREEMENT

RECOMMENDATION

- A. Authorize the Chief Executive Officer (CEO) to execute a five (5) year license agreement (Agreement"), including up to three (3) successive five year options, with West Angeles Church of God in Christ, ("WA COGIC") for the rental of approximately four hundred fifty parking spaces (450) in a parking garage located at 3500 Crenshaw Boulevard, Los Angeles, CA commencing the earlier of (i) the date that is sixty (60) days after the date LACMTA delivers written notice to WA COGIC that it requires use of the Parking Garage and (ii) July 1, 2012 at an estimated initial annual rental cost of \$281,700/annually plus \$435,896 in estimated annual operating expenses. Annual rent and operation expenses including annual escalations are estimated to be in the range of \$4,000,000 over the Initial five-year term.
- B. Amend the FY12 budget to add \$ 50,000 for start up costs under Project 300066 (Expo Light Rail Operations Project) as shown in Exhibit "A".
- C. Amend the FY12 budget to add approximately \$400,000 of expenses to Project 300066 (Expo Light Rail Operation Project), in Cost Center 0651 (Non-Departmental), and Account No. 51201 (Lease and Rental Property and Facilities) to cover MTA's share of the annual operating budget of the garage as shown in Exhibit "B" for the remainder of FY12. This action is within the estimated life-of-project budget of \$4,000,000.00

RATIONALE

The Los Angeles Mid-City Westside Transit Corridor Mid City Exposition Light Rail Transit Project Final Environmental Impact Statement/Environmental Impact Report dated 2005 indicates that there will be a parking facility for the Crenshaw/Exposition

Light Rail Station (“the Rail Station”) and that the facility will provide adequate parking to accommodate the forecasted parking demand for both the opening day demand and the 2020 ultimate demand. The WA COGIC owns an existing 500 space parking structure located at 3500 Crenshaw Boulevard (“the Parking Structure”) that is currently underutilized during weekdays. The Parking Structure is located approximately one and a half blocks from the Crenshaw/Exposition LRT Station at the intersection of Crenshaw Blvd and Exposition Blvd. After extensive negotiations, agreement has been reached, subject to Board approval, for the use of 450 parking spaces and the placement of eight bicycle racks and/or lockers. The license agreement is based on an initial 5-year license agreement, with three (3) five (5) year options. A summary of the Key Terms of the Agreement is attached as Exhibit “C”.

ALTERNATIVES CONSIDERED

Several alternatives were considered in lieu of using this parking garage; however none of the alternatives were viable.

1. Do not provide any parking for the Project. – This alternative is not feasible since parking is required at the Crenshaw/Exposition Station to be in compliance with the FEIR/EIS.
2. Provide multiple smaller parking alternatives in the general area – A survey was done of the potential parking lots or vacant property in the immediate area of the Crenshaw/Exposition Station. The largest potential site in the area is the Ralph’s parking lot located at the corner of Crenshaw and Rodeo. This site is expected to be developed into a major retail development and neither short-term nor long-term parking for transit patrons can be provided as part of the development. Other property in the area is fully developed, is required for construction and operation of the Crenshaw/LAX LRT or is currently used to provide parking for existing commercial operations.

DETERMINATION OF SAFETY IMPACT

This action will have no impact on safety.

FINANCIAL IMPACTS

The financial components of the lease agreement consist of the following areas: security deposit, start up costs, parking fees and operating expenses. The estimated annual cost for the first twelve months of the lease is calculated as follows:

	<u>Annual Cost</u>	<u>FY-11 Costs</u>
Security Deposit	\$ 50,000	\$ 50,000
Parking Fee	\$281,700	\$117,375*
Operating Expense	\$435,896	\$181,620*
Start Up Costs	<u>\$ 50,000</u>	<u>\$ 50,000</u>
Total Costs	\$817,596	\$398,995

*Estimate based on commencement date of February 1, 2012. Cost estimate covers four (5) months of payments in FY12 (February, March, April, May and June 2012).

This action will amend the FY12 budget to add approximately \$400,000.00 of expenses to Project 300066 (Expo Light Rail Operation Project), in Cost Center 0651 (Non-Departmental, and Account No. 51201 (Lease and Rental Property and Facilities). This action is within the estimated preliminary life-of-project budget of \$3,722,725.00 (\$4,000,000 Rounded). Since this a multi-year construction contract, the Deputy Executive Officer – Real Estate will be responsible for budgeting lease payments in future years.

Impact to Bus and Rail Operating and Capital Budget

The funding for this project will be amended into the FY12 Budget using Expo Operating funds for the annual ongoing lease payments on Exhibit "B". The annual operating costs are considered part of the Expo operating costs identified for this project, therefore, no other sources were considered.

NEXT STEPS

Staff will finalize all of the terms of the Parking License Agreement subject to review and approval by County Counsel.

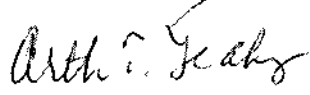
ATTACHMENTS

- A. Preparation Expense Budget
- B. First Year Baseline Annual Budget
- C. Summary of Parking Agreement Key Terms

Prepared By: Velma Marshall, Deputy Executive Officer, Real Estate



Roger S. Moliere
Chief, Real Property Management & Development



Arthur T. Leahy
Chief Executive Officer

EXHIBIT A - START UP COSTS

ACTIVITY*	WA
RENTAL OF GOLF CART	\$15,000.00
SJM RADIO'S	\$4,500.00
CAMERAS - INITIAL INSTALLATION 3 CAMERAS PER 5 FLOORS (RENTAL)	\$6,048.00
PURCHASE OF GUARD HOUSE	\$18,000.00
SENSOURCE	\$5,000.00
FLASHLIGHTS/MEGAPHONES/SUPPLIES	\$3,000.00
TOTAL	\$51,548.00
ROUNDED	\$50,000.00

12/20/2011

WEST ANGELES GARAGE BASELINE ANNUAL BUDGET

	2010	2011/12	
EXPENSES	CURRENT EXPENSES	PROPOSED BUDGET	Net Operating Expenses
CONTRACT ADMINISTRATION	\$0	\$30,000	\$30,000
PERSONNEL (SECURITY CONTRACT)	\$32,490	\$223,080	\$190,590
EMPLOYEE BENEFITS	\$3,249	\$0	-\$3,249
PAYROLL TAXES	\$2,485	\$0	-\$2,485
TEMPORARY AND CONTRACT SERVICES	\$8,000	\$0	-\$8,000
SUPPLIES AND SMALL TOOLS	\$700	\$0	-\$700
FACILITIES REPAIRS AND MAINTENANCE	\$2,500	\$0	-\$2,500
OTHER EXPENSES	\$2,500	\$0	-\$2,500
GUARD SHACK FOR SECURITY*		INCLUDED	
SECURITY EQUIPMENT RENTAL*	\$0	INCLUDED	
SUPPLIES AND SMALL TOOLS*		INCLUDED	
ELEVATOR SERVICES		\$10,200	\$10,200
WASTE REMOVAL (JANITORIAL SUPPORT)		\$15,000	\$15,000
LIABILITY INSURANCE		\$31,060	\$31,060
EARTHQUAKE INSURANCE		\$17,500	\$17,500
HAZARDOUS MATERIALS INSURANCE		\$5,163	\$5,163
UTILITIES - ELECTRIC AND WATER	\$9,500	\$48,672	\$39,172
TELEPHONE (LOCAL)		\$1,545	\$1,545
MISCELLANEOUS		\$2,400	\$2,400
GARAGE CLEANING/JANITORIAL		\$15,000	\$15,000
REPLACEMENT RESERVES		\$5,000	\$5,000
PROPERTY TAXES		\$92,700	\$92,700
BUSINESS TAXES			
TOTAL EXPENSES	\$61,424	\$497,320	\$435,896

\$435,896

MTA SHARE \$435,896
MONTHLY PAYMENT \$36,325

12/20/2011

*START UP COSTS INCLUDED IN \$50,000 PREPARATION PAYMENT AS OUTLINED IN EXHIBIT C

EXHIBIT "C"

LICENSE AGREEMENT BETWEEN LACMTA AND WA COGIC

SUMMARY OF KEY TERMS

Landlord	West Angeles Church of God in Christ
Tenant	Los Angeles County Metropolitan Transportation Authority
Use	Use of 450 parking spaces for transit patrons vehicles; install use and operate up to eight (8) bicycle lockers; use of up to twenty-four handicapped parking spaces
Initial Term	Sixty full calendar months (5 years) following the Commencement Date. The Commencement Date shall be (i) sixty (60) days after the date LACMTA delivers written notice that it requires use of the parking garage and (ii) July 1, 2012.
Termination Rights	LACMTA has the right to terminate the Agreement anytime after the six (6) month anniversary of the Commencement Date by (i) delivering six (60) days prior written notice and (ii) payment to WA COGIC of \$50,000 (the "Termination Fee"). LACMTA shall also be responsible for and shall pay (i) any termination fees paid by WA COGIC under any contract or amounts actually paid by WA COGIC in the event WA COGIC cannot terminate any such contract.
Option to Extend	LACMTA has unilateral option to extend for up to three (3) successive periods of five (5) years each by providing written notice to WA COGIC no later than six (6) month prior to the expiration of the Initial Term or each Renewal Term.
Parking Fees	Rental Payment - \$23,475/month = \$281,700/annually during Initial Term Security Deposit - \$50,000 upon execution of the Agreement
Hours of Operations	2:00 a.m. on Monday to 2:00 a.m. on Sunday. Transit Patrons are prohibited from parking in the garage between 2:00 a.m. Sundays and 2:00 a.m. on Mondays.
Parking Fees to Patrons	LACMTA shall have the exclusive right to set fees, if any, for its Transit Patrons and shall be entitled to receive any and all revenue earned.

<p>Operating Expenses</p>	<p>First Year Expenses - LACMTA shall be responsible for paying the increased Operating Expenses over WA COGIC current annual Operating Expenses which is \$61,424 ("Base Expenses"). The Net Operating Expenses payable by LACMTA for the first license year shall be equal to the Actual Operating Expenses paid in the first year minus the Base Expenses. The First Year Operating Expenses are estimated to be \$497,320. LACMTA's share of the estimated expenses is estimated to be \$435,896. (See Exhibit "B")</p> <p>Actual Operating Expenses shall be categorized as reasonable Pass Through Expenses and Discretionary Expenses.</p> <p>Annual Adjustments</p> <ul style="list-style-type: none"> • Discretionary Expenses shall not increase by more than 10% over the Discretionary Expenses payable for the immediately preceding License Year. • The amount of the Base Expenses shall be increased by a percentage equal to the CPI percentage increase for the four (4) months prior to the adjustment date. The CPI increase shall not be more than five (5%) percent cumulative and compounded annually.
<p>Preparation Expenses</p>	<p>LACMTA shall reimburse WA COGIC for the Preparation Expenses actually incurred in preparing the Garage for LACMTA's use provided the aggregate amount of the Preparation Expenses do not exceed \$50,000. (See Exhibit "C")</p>
<p>Security</p>	<p>WA COGIC shall hire Security to patrol the Parking Garage periodically, monitor the use of the Parking Garage and monitor the safety of the Transit Patrons during transit parking hours. The Security deployment will include one (1) armed security guard (13 hours/day), one (1) employee (24 hours/day) and one (1) supervisor employee (3 hours/day).</p>