



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

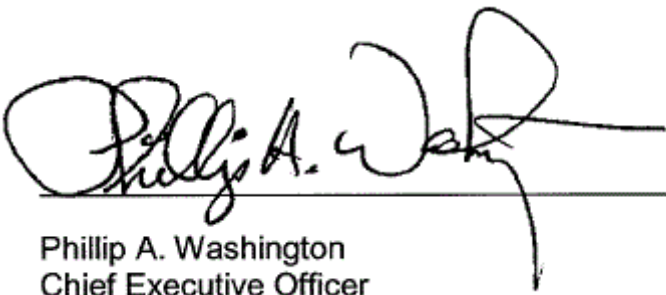
Attachment A - Summary of Fiscal Year 15 Boardings and Alightings

Attachment B - Summary of Amended License

Attachment C - Term Sheet from WA COGIC

Prepared by: Thurman Hodges, Director, Real Property Management and Development (213) 922-2435
David Means Executive Officer- Countywide Planning and Development (213) 922-2225

Reviewed by: Martha Welborne, FAIA, Chief Planning Officer, (213) 922-7267



Phillip A. Washington
Chief Executive Officer

SUMMARY OF EXPO LIGHT RAIL
BOARDINGS AND ALIGHTINGS

Rail Activity by Station Fiscal Year 2015 (July 2014 - June 2015)					
Expo Line	Station	Daily		FY 2015	
		Boardings	Alightings	Boardings	Alightings
Weekday					
	Northbound				
	CULVER CITY	4,713		1,201,886	
	LA CIENEGA/JEFFERSON	1,570	221	400,240	56,365
	EXPO/CRENSHAW	1,338	671	341,233	171,009
	Southbound				
	EXPO/CRENSHAW	622	1,330	158,690	339,091
	LA CIENEGA/JEFFERSON	190	1,563	48,541	398,542
	CULVER CITY		4,657		#####
Saturday					
	Northbound				
	CULVER CITY	2,876		149,553	
	LA CIENEGA/JEFFERSON	901	89	46,864	4,648
	EXPO/CRENSHAW	932	356	48,477	18,514
	Southbound				
	EXPO/CRENSHAW	352	967	18,295	50,286
	LA CIENEGA/JEFFERSON	148	909	7,709	47,247
	CULVER CITY		2,991		155,533
Sunday/Holiday					
	Northbound				
	CULVER CITY	2,150		124,727	
	LA CIENEGA/JEFFERSON	683	75	39,595	4,357
	EXPO/CRENSHAW	735	352	42,648	20,435
	EXPO/WESTERN	803	497	46,591	28,848
	Southbound				
	EXPO/CRENSHAW	341	767	19,792	44,458
	LA CIENEGA/JEFFERSON	111	660	6,461	38,303
	CULVER CITY		2,336		135,516

ATTACHMENT B**SUMMARY OF LICENSE AMENDMENT KEY TERMS**

Provisions	Existing License	Amended License
License	License to use 450 parking spaces, including 25 handicapped spaces	License to use 225 parking spaces, including 12 handicapped spaces
Term	5 Years with three (3) Five-year options to extend term. Existing License expires April 27, 2015.	Reset license term effective upon execution of the Amended License for a five year term with three (3) Five-year options to extend.
License Fee	\$281,700 per year	\$143,100 per year
MTA's Share of Operating Expense Reimbursement	\$466,733 per year	\$221,000 per year, including real estate taxes estimated at \$41,000



TERM SHEET

From: Tunua Thrash-Ntuk, Executive Director
Ken Hooper, External Affairs

Date: August 17, 2015

Re: MTA Parking License Agreement

To: Los Angeles County Metropolitan Transportation Authority
Attention: Mr. Thurman Hodges, Mr. David Means,
Mr. William Satterfield

cc: West Angeles Church: Gladys Ross, Bryan McGinley,
Brandon Randall, Earl Jordan, Paul Lewis

In consideration and in the interest of both West Angeles Church of God in Christ and the Los Angeles County Metropolitan Transportation Authority the West Angeles Church, this Term Sheet identifies the "Terms" forthcoming in the **Amended and Restated Parking License Agreement**. This document ("Term Sheet") is not binding, but outlines specific negotiating points that will be binding after the Amended and Restated Parking License Agreement is fully executed by both parties.

This "Term Sheet" is not intended to replace or supersede the Amended and Restated Parking License Agreement.

Senior Staff of West Angeles Church and Senior Staff of the Metropolitan Transportation Authority shall conduct a thorough review of this "Term Sheet" and communicate any discrepancies pursuant to the Amended and Restated Parking License Agreement.

NUMBER OF SPACES TO BE LEASED

In the 500 space parking structure, MTA currently leases 450 spaces. MTA has elected to reduce the number of spaces to 225. West Angeles Church shall utilize the remaining spaces for any use in accordance with all local and state regulatory codes.

TERM OF AGREEMENT

Upon execution of the Amended and Restated Parking License Agreement, the contract shall extend an additional **five years (5)** from the "date" the Agreement is executed by both parties. Metropolitan Transportation Authority is responsible for remitting payment of the agreed amount within ten (10) days from the "date" of execution.

COST REDUCTION

After careful review of the current Operating Budget, it has been determined, the West Angeles Church can reasonable expect operating expenses (Reimbursable by LAMTA) to be \$180,000 dollars annually and the lease rate of an agreed amount of fifty-three dollars (\$53.00) dollars per space per month for an annual amount of \$143,000 dollars. LAMTA shall be responsible to pay West Angeles Church a total amount of \$323,100 annually, not including taxes.

PROPERTY TAXES

Property Taxes are reimbursable to West Angeles Church. Proof of payment will be submitted to LAMTA. Taxes will be paid based on possessory interest of 225 spaces. LAMTA shall remit payment for property taxes within ten (10) days after proof of payment is submitted.

SIGNAGE AND WAYFINDING

Los Angeles Metropolitan Transportation Authority shall produce and install signage and wayfinding for the West Angeles Church parking structure. The signage program, size, color and locations must be reviewed and approved by both parties.

PROPERTY TAX EXEMPTION

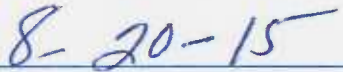
Los Angeles Metropolitan Transportation Authority has elected to engage the County Assessor's Office in an effort to reduce *direct assessments*. West Angeles Church agrees to this change in status (501c3 Exemption); however, West Angeles Church reserves the right to conduct its own due diligence with the Assessor's Office. West Angeles Church may require written confirmation from the Assessor's Office. LAMTA shall be responsible for any cost associated with installing signage, delineating spaces within the Parking Structure.

WEST ANGELES CHURCH OF GOD IN CHRIST


GLADYS ROSS

CHIEF OPERATION OFFICER

Title:

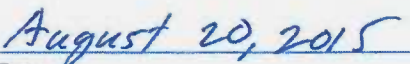

Date:

**LOS ANGELES METROPOLITAN
TRANSPORTATION AUTHORITY**


DAVID MEANS

EXECUTIVE OFFICER

Title:


Date:

