

11-0449-51

JUN 24 2011

SPECIAL 1

MOTION

On May 31, 2011 (CF 11-0449) the City Council concurred with the El Pueblo Commission by adopting the Olvera Street Merchant Concession Agreement and setting a deadline of June 30, 2011 for the merchants to sign the agreement, after which date the agreement will no longer be available. A number of issues require clarification, and the impending signing deadline of June 30, 2011 requires that this matter be addressed immediately.

I THEREFORE MOVE that the Council determine, as provided in Section 54954.2(b)(2) of the Government Code, and pursuant to Rule 23 of the Rules of the City Council, that there is a need to take immediate action on this matter AND that the need for action came to the attention of the City Council subsequent to the posting of the agenda for today's Council meeting.

I FURTHER MOVE that relative to the Olvera Street Merchant Concession Agreement the following issues be clarified:

1. The equation for determining the 60 month extended payment options for both back rent and the security deposit as described in the Olvera Street Merchant Concession Agreement be based on the following formula:

If $\text{new rent} > 1.5 \times \text{old rent}$ then merchant is eligible for the 60 month back payment option

2. There is no storage rate for units W-1(b), W-3, W-7, W-10, and W-17(b) or any other merchant subject to the Olvera Street Merchant Concession Agreement.

3. The City reaffirms that Unit E-14 belongs in the Small Retail Space category and thus the rental rate for Unit E-14 will remain at \$5.50 per square foot.

4. Merchants who do not sign the Olvera Street Merchant Waiver and Release will not be eligible to sign the Concession Agreement. The Olvera Street Merchants Association (OSMA), who is also a claimant, must also sign the waiver and release in order for its members to sign their concession agreements.

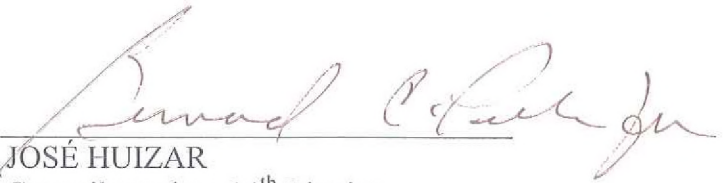
5. To clear up any confusion, the Olvera Street Merchandising Plan is a merchant-specific list that includes all items currently for sale by the individual merchant. If the merchant wants to continue to sell these items, no action is required on their behalf. Approval from the El Pueblo General Manager is only required if the merchant wants to add new items for sale.

6. No late payment fees will apply to the payment of back rent from November 1, 2010 to the Execution Date of the agreement. Late fees will apply however during this time period to any past due rent in accordance with the merchants current rental agreement.

7. For several merchants, the listed owner(s) on the current concession agreement does not match the individual who claims ownership. In order to resolve these cases, the merchant will need to demonstrate that the concession was rightfully assigned to them. The El Pueblo Department will

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accept a City or El Pueblo Department correspondence acknowledging transfer/ownership of the concession. If a merchant cannot produce this evidence, a notarized letter of transfer from the listed owner(s) is required. For those merchants that cannot provide a letter of transfer, they must pay the April 1, 2010 rent set by the El Pueblo Commission, will not be able to sign the Concession Agreement, and their agreement will remain as a month-to-month tenancy. The City Attorney, El Pueblo Department, and El Pueblo Commission will need to resolve each issue on a case-by-case basis.

PRESENTED BY: 
JOSÉ HUIZAR
Councilmember, 14th District

SECONDED BY: 

June 24, 2011

OSMA Members

Shop #	Outstanding Issues/Merchants
E-05	Sylvia Magdaleno
E-15	Mexico Shop LLC (Albert and Maria Gribel-Velasco)
E-17	El Rancho Grande Inc. (Ralph Magdaleno & Debbie Briano)
E-19	Mary Teresa Linares
E-22	Adalberto Vega & Lourdes Anderson
C-06	Jeff Barron
C-09	Jessie & Bertha Gomez
C-14	Dianna Salazar & Rita Shirley
C-18	Henry Hernandez
C-21	Mexico Shop LLC (Albert and Maria Gribel-Velasco)
C-22	Rosa and Martha Manriquez & Marina Vargas
C-29	Herlinda & Margie Garcia
W-10	Casa California, Inc. (Norma Garcia & Valerie Hanley)
W-18	Mexico Shop LLC (Albert and Maria Gribel-Velasco)
W-20	Mexico Shop LLC (Albert and Maria Gribel-Velasco)

Olvera Street Merchant Waiver and Release

Merchant represents that he or she has lawfully occupied Olvera Street Premises Space _____ since at least 1999 pursuant to an authorized concession agreement. Some merchants on Olvera Street claim they are entitled to the provisions of a lease drafted in 1999, and further claim that the City has for many years sought to impose on the merchants a new concession agreement with terms, rents and common area maintenance fees that are unfair and unreasonable. On January 31, 2011, the Olvera Street Merchants Association (OSMA), the organization that represents a majority of the merchants, and 47 merchants filed a claim for damages against the City. The City denied the claim.

After many months of negotiations between the City and OSMA, a new concession agreement was approved by the El Pueblo Commission and the Los Angeles City Council.

In order to sign the new concession agreement, the Merchant must make clear his or her intention to accept the new concession agreement as the final and binding resolution of any dispute the Merchant has with the City relating to the Merchant's tenancy and/or lease claims to the Premises. Therefore, Merchant, and any successor in interest or assignee of Merchant, waives, releases and forever discharges the City of Los Angeles and its respective officers, employees and agents from any and all complaints, claims and liabilities of any kind or nature whatsoever, known or unknown, suspected or unsuspected which Merchant has or claims to have now or at any time hereafter relating to the Merchant's tenancy and/or lease claims to the Premises, including, but not limited to, the assertions made in the claim for damages filed against the City on January 31, 2011.

Waiver under Section 1542. Merchant expressly waives and relinquishes all rights and benefits afforded by Section 1542 of the Civil Code of the State of California, and does so understanding and acknowledging the significance of such specific waiver of Section 1542. Section 1542 of the Civil Code of the State of California states as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

Merchant's Name

Merchant's Signature

Date: _____