

INNOVATION, TECHNOLOGY AND GENERAL SERVICES COMMITTEE REPORT relative to the lease agreement with the Armenian Cultural Foundation (ACF) for Old Fire Station 83 at 5001 Balboa Boulevard, Encino.

Recommendations for Council action:

1. AUTHORIZE the Department of General Services to negotiate and execute a lease agreement with the ACF for the Old Fire Station No. 83 at 5001 North Balboa Boulevard, Encino, for \$1 a year and as detailed in the Term Sheet attached to the Council File, subject to review and approval of the City Attorney as to form.
2. INSTRUCT the Department of General Services to add the following language in the agreement, "If the City decided to declare Fire Station No. 83 surplus within the time frame of the 30 year lease, ACF would have the first right of refusal to purchase the building at fair market value after it had been offered to governmental organizations."

Fiscal Impact Statement: The City Administrative Officer reports that approval of the lease will not have an impact on the General Fund. The subject property has a rental value opportunity of between \$5.3 million to \$6.6 million over the 30-year term. However, the economic community benefits provided by the ACF total \$16.9 million in direct expenses over the same time period. These figures do not take into consideration the \$1.2 million to \$1.5 million that ACF will invest in tenant improvement work at the facility. Additionally, the ACF will be financially responsible for all maintenance, repairs, utilities, janitorial, and security costs associated with the property.

Community Impact Statement: None submitted.

Summary:

On August 12, 2014 your Committee considered an August 7, 2014 City Administrative Officer report relative to the lease agreement with the Armenian Cultural Foundation for Old Fire Station 83 at 5001 Balboa Boulevard, Encino.

After providing an opportunity for public comment, the Committee recommended that Council approve the recommendations contained in the City Administrative Officer report and added an additional instruction to add into the agreement the additional condition reflected on the recommendation portion of this report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

INNOVATION TECHNOLOGY AND GENERAL SERVICES COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
BLUMENFIELD:	YES
BONIN:	YES
O'FARRELL:	YES

-NOT OFFICIAL UNTIL COUNCIL ACTS-