The City of Los Angeles owns a 50 space parking lot ("Lot") located at 1260 S. Figueroa Street (at Pico and Figueroa) adjacent to the Los Angeles Convention Center that is operated on an intermittent schedule by the General Services Department (GSD) Parking Services Division. During special events in the area, GSD utilizes part time staff to operate the Lot, however, when events are not scheduled the Lot is secured and closed. On average, the Lot generates approximately $20,000 in monthly revenue from special events, after operating expenses, for the General Fund. During special events the market rate for a parking stall can run from $10-$40 depending on the nature of the event. There is a pending economic development proposal currently under consideration by the City pursuant to which the Lot would be transferred to private ownership within 12-18 months.

The Don Chente Restaurant ("Restaurant") located across the street from the Lot has experienced a loss in business during special events as it has become increasingly difficult for its customers to locate adequate or affordable parking in the area.

The Restaurant serves the community and the City has an economic interest in seeing that the restaurant continues to thrive. In light of the potential approval of the pending economic development proposal for the Lot, pursuant to which control of the Lot would be transferred to a private party, the Restaurant owner has proposed to the City that it lease the Lot on a short-term basis. During the lease term, the Restaurant would have the opportunity to explore other potential solutions to its parking challenges. Any lease would be at fair market value.

GSD has determined that a rental rate of $20,000 per month represents a fair market value based on a review of average revenue over the last two years, minus operating expenses. The Department recommends that any lease to the Restaurant be for a 6 month term, with the Lease continuing thereafter on a month to month basis until terminated by either party with 30 days written notice. Under the proposed terms, the Restaurant: (1) would be responsible for paying the City’s occupancy tax; (2) would need to agree to abide by all standard City contract provisions; (3) cannot make any alterations to the Lot during the lease term without written approval from GSD’s General Manager; (4) must maintain the lot with sweeping, trash removal and pressure washing, as needed; (5) must maintain legally required disabled parking spaces; (6) is responsible for repairing any damage to the existing fence, asphalt and removable gates; (7) must keep the lot free of hazards, such as potholes; (8) is responsible for providing its own security and ensuring that a uniformed parking attendant is present during operating hours concurrent with the area’s special event schedule. The proposal includes a provision allowing the City to terminate the lease at any time during the initial term, or thereafter, by giving the Restaurant 30 days written notice. The Restaurant must agree that it shall not be entitled to relocation assistance upon termination of the lease.

I THEREFORE MOVE that in accordance with Charter Section 372 that the City Council find it is not reasonably practical and compatible with the City’s interests to seek competitive proposals for leasing the parking lot located at 1260 S. Figueroa Street ("Lot") given the potential that the Lot will be transferred to private ownership or control within 12-18 months; a competitive selection and approval process would take 12 months and the Department of General Services does not have the staff resources within its Parking Division to manage the competitive process.

I FURTHER MOVE that the City Council direct the Department of General Services, with the assistance of the City Attorney’s Office, to negotiate and execute a lease for the parking lot with the Don Chente Restaurant with the lease terms in substantial conformance with the terms set forth above.

PRESENTED BY: JOSE HUizar
Councilmember, 14th District

SECONDED BY: [Signature]

AUG 05 2016