



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

FROM: City Manager

SUBJECT: **RESOLUTION APPROVING A TEMPORARY LEASE AGREEMENT CONCERNING CITY OWNED PROPERTIES LOCATED AT 5476, 5530 AND 5600 JILLSON STREET AND 2500 SOUTH EASTERN AVENUE BETWEEN UNITED PARCEL SERVICE, INC. (UPS) AND THE CITY OF COMMERCE**

MEETING DATE: October 1, 2019

RECOMMENDATION:

The City Council will consider for adoption the proposed Resolution approving the Temporary Lease Agreement for properties located at 5476, 5530 and 5600 Jillson Street and 2500 South Eastern Avenue between United Parcel Service, Inc. (UPS) and the City of Commerce, for the amount of \$45,315.86 per month from October 18, 2019 to January 18, 2020, and authorize the Mayor to sign the agreement on behalf of the City.

ANALYSIS:

UPS is requesting to temporarily lease vacant City owned properties located at 5476, 5530 and 5600 Jillson Street and 2500 South Eastern Avenue. UPS is proposing to occupy the sites for the purpose of parking and staging the trucks, trailers and equipment and/or the parking of passenger vehicles of their employees, contractors, customers or agents. As part of the agreement UPS understands that it is their responsibility to maintain and repair all paved areas and landscaping, at its sole cost and expense.

UPS understands that the properties may not be available in the near future due to the redevelopment of the sites, but until a development is undertaken they are interested in the opportunity to lease the subject properties.

The lease agreement is set to commence on October 18, 2019 and expire on January 18, 2020. UPS will pay the City the sum of \$45,316.86 per month. As part of this transaction there is a one-time 33% broker's commission fee to Lee & Associates, Commerce, for a total of \$14,954.56 that will be paid when the lease agreement is executed and UPS makes its first monthly payment.

ALTERNATIVES:

1. Approve Staff Recommendation
2. Reject Staff Recommendation
3. Provide Staff with further direction

FISCAL IMPACT:

UPS will pay the City the sum of \$45,316.86 per month. The lease agreement is set to commence on October 18, 2019 and expires on January 18, 2020.

RELATIONSHIP TO STRATEGIC GOALS:

The issue before the Council is consistent with the Community Quality of Life Guiding Principle 5 of the City's Strategic Action Plan: "Foster environmentally conscious initiatives and continue to identify and develop city codes that support a clean, well-maintained, sustainable community". An Action Item titled "Pursue quality of life initiatives through the operating budget and CIP plan" was also developed to provide a pathway for the vision of the Guiding Principal to be realized.

Prepared by: Viviana M. Esparza, Senior Management Analyst

Reviewed by: Vilko Domic, Assistant City Manager

Approved as to form: Noel Tapia, City Attorney

Respectfully submitted: Edgar P. Cisneros, City Manager

ATTACHEMENTS:

1. Resolution
2. Lease Agreement