



# 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 5733 SHEILA STREET AND 5736 EAST WASHINGTON BOULEVARD, BETWEEN FEDEX GROUND PACKAGE SYSTEM, INC. AND THE CITY OF COMMERCE**

**MEETING DATE:** November 5, 2019

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## **RECOMMENDATION:**

The City Council will consider for adoption the proposed Resolution approving the Temporary Lease Agreement for properties located at 5733 Sheila Street and 5736 East Washington Boulevard between FedEx Ground Package System, Inc. and the City of Commerce, for the amount of \$37,000 per month from November 1, 2019 to January 31, 2020, and authorize the Mayor to sign the agreement on behalf of the City.

## **ANALYSIS:**

FedEx Ground Package System, Inc. is requesting to temporarily lease vacant City owned properties located at 5733 Sheila Street and 5736 East Washington Boulevard. FedEx is proposing to occupy the sites for the purpose of parking/storing approximately 60 trailers. As part of the agreement FedEx understands that it is their responsibility to maintain and repair all paved areas and landscaping, at its sole cost and expense.

FedEx 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 November 1, 2019 and expire on January 31, 2020. FedEx will pay the City the sum of \$37,000 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 \$12,210.00 that will be paid when the lease agreement is executed and FedEx makes its first monthly payment. The agreement may be mutually extended on a month-to-month basis after January 31, 2020.

## **ALTERNATIVES:**

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

**FISCAL IMPACT:**

FedEx Ground Package System, Inc. will pay the City the sum of \$37,000 per month. The lease agreement is set to commence on November 1, 2019 and expires on January 31, 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