



# CITY OF COMMERCE AGENDA REPORT

**TO:** Honorable City Council

**FROM:** City Manager

**SUBJECT: RESOLUTION APPROVING A TEMPORARY LEASE AGREEMENT ON PORTIONS OF VACANT CITY OWNED PROPERTIES LOCATED AT 5733 SHEILA STREET AND 5736 EAST WASHINGTON BOULEVARD, BETWEEN FENIX ENTREPRENEUR, LLC AND THE CITY OF COMMERCE**

**MEETING DATE:** May 5, 2020

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## **RECOMMENDATION:**

The City Council will consider for adoption the proposed Resolution approving a Temporary Lease Agreement for properties located at 5733 Sheila Street and 5736 East Washington Boulevard between Fenix Entrepreneur, LLC and the City of Commerce, for the amount of \$3,000 per month and authorize the Mayor to sign the agreement on behalf of the City.

## **ANALYSIS:**

City staff continues to explore ways to offset lost revenues due to the COVID-19 pandemic, with existing City assets. City staff has identified a potential opportunity to lease undeveloped land currently generating no revenues to the City to an existing City business. Fenix Entrepreneur is requesting to temporarily lease a portion of the vacant City owned properties located at 5733 Sheila Street and 5736 East Washington Boulevard. Fenix Entrepreneur is proposing to occupy the sites for the purpose of parking/storing approximately 60 trailers. As part of the agreement Fenix Entrepreneur understands that it is their responsibility to maintain and repair all paved areas and landscaping, at its sole cost and expense.

Fenix Entrepreneur understands that the properties will likely be leased in full in the near future and may not be available in the near future due to the redevelopment of the sites. However, until a larger lease of the full site or development is undertaken, they are interested in the opportunity to lease the subject properties.

The lease agreement is set to commence on May 1, 2020 on a month-to-month basis, subject to mutual agreement and cancellation by either party. Fenix Entrepreneur will pay the City the sum of \$3,000 per month. There are no broker fees associated with this transaction for the City.

**ALTERNATIVES:**

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

**FISCAL IMPACT:**

Fenix Entrepreneur will pay the City the sum of \$3,000 per month on a site that is currently costing the City to maintain and generating no revenues.

**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