

0150-11931-0000

TRANSMITTAL

TO Council	DATE 08-03-21	COUNCIL FILE NO.
FROM Municipal Facilities Committee		COUNCIL DISTRICT 12

At its meeting held on May 27, 2021, the Municipal Facilities Committee (MFC) adopted the recommendations of the attached General Services Department (GSD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendation would authorize GSD, on behalf of the Department of Transportation (DOT), to negotiate and execute a new lease agreement with Samip Paudyal, to continue operating a coffee shop at 10040-A Old Depot Road, for a term of five years, with one five-year extension.

There is no impact on the General Fund. The rent receivables in the amount of \$3,000 annually will generate revenue for the Proposition A Local Transit Fund 385.



 Mathew W. Szabo
 City Administrative Officer
 Chair, Municipal Facilities Committee

MWS:DFB:05220023

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

DEPARTMENT OF
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May 27, 2021

Honorable City Council
City of Los Angeles
c/o City Clerk
Room 395, City Hall
Los Angeles, California 90012

Attention: Michael Espinosa, Legislative Assistant

REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A NEW LEASE WITH SAMIP PAUDYAL DBA THE COFFEE SHOP AT THE CHATSWORTH METRO TRAIN STATION

The Department of General Services (GSD) requests authority to negotiate and execute a new lease with Samip Paudyal (Lessee), doing business as The Coffee Shop, for the operation of a coffee shop at the Chatsworth Metro Train Station (Train Station) located at 10040-A Old Depot Road (Old Depot Rd), Los Angeles, CA 91311. The Train Station is owned by the City of Los Angeles and is under the jurisdiction of the Los Angeles Department of Transportation's (LADOT) Parking Facilities division.

BACKGROUND

On August 24, 2018, LADOT issued a Request for Proposal (RFP) for several retail spaces at various parking facilities throughout the City. The Lessee submitted a new proposal in April 2020. The proposal was reviewed by a committee consisting of representatives from the Council District 12 office in an advisory capacity and LADOT. The Lessee was awarded Suite A at Old Depot Rd. to operate a stop-and-go coffee shop based on his business background, financial strength, and capability to add a valuable service to the community. The RFP will continue to remain open until all other vacancies are filled.

The Chatsworth Metrolink Station Depot is a City-owned facility located in the Chatsworth community. It encompasses 6,000 square feet of which, approximately 2,000 square feet is a lobby and Transportation Museum. The balance of the space is office and retail space available for lease.



TERMS AND CONDITIONS

The new proposed lease is for five years with one five-year extension option. The tenant will be responsible for tenant improvements and utilities. A complete set of terms and conditions are outlined on the attached term sheet.

MARKET ANALYSIS

Based on recent market analysis, market rents of similar type properties and uses in the Western San Fernando Valley submarket of Los Angeles ranges from \$1.40 - \$4.25 per square foot (sf) plus tenant's proportionate share of operating expenses, property tax, and insurance.

The Coffee Shop's proposed rate of \$2.50 per sf is commensurate to the \$2.55 per sf average and within the range of comparable properties in the area, therefore LADOT approved the rental rate of \$250/month (\$2.50/sf) for the space.

Location	Property Type	Rent/SF/Mo	Rentable S.F.
<i>10040-A Old Depot Road</i>	<i>Retail</i>	<i>\$2.50</i>	<i>100</i>
21405-21515 Devonshire St	Retail	\$2.60	1,100
21514-21534 Devonshire St	Retail	\$2.75	2,250
20861-20871 Lassen St	Retail	\$2.75	900
9901-9935 Topanga Canyon Blvd	Retail	\$2.25	1,440
10100-10122 Topanga Canyon Blvd	Retail	\$2.60	2,970
9843-9851 Mason Ave	Retail	\$2.46	4,761
10120-10230 Mason Ave	Retail	\$2.45	8,400
	Average	\$2.55	

FISCAL IMPACT

This lease will generate \$3,000 annually to LADOT's Prop A Fund 385 (Revenue Source Code 4934OT) with annual Consumer Price Index (CPI) escalations throughout the term of the agreement.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize the Department of General Services to negotiate and execute a new lease agreement with Samip Paudyal, doing business as The Coffee Shop, for the operation of a coffee shop at 10040-A Old Depot Road, Los Angeles, CA 91311 under the terms and conditions substantially as outlined in this report.



Tony M. Royster
General Manager

Attachments: Term Sheet

LEASING TERM SHEET

MFC DATE	05/27/2021
LANDLORD	City of Los Angeles
ADDRESS	111 E. 1st St., Los Angeles, CA 90012
TENANT	Samip Paudyal
ADDRESS	9918 Mason Ave, Chatsworth, CA 91311
LOCATION	10040-A Old Depot Road, Los Angeles, CA 91311
AGREEMENT TYPE	Receivable Retail Lease
USE	Coffee Shop
SQUARE FEET	100
TERM	5 YEARS
RENT START DATE	Date Attested
LEASE START DATE	Date Attested
OPTION TERM	One (1) Five-Year Extension
HOLDOVER	Month-To-Month
SUBLET/ ASSIGNMENT	RIGHT TO ASSIGN - LANDLORD APPROVAL
TERMINATION	N/A
RENTAL RATE	\$3,000 Annually / \$250 Monthly (\$2.50/sqare foot)
ESCALATION	Consumer Price Index annual increases not to exceed 3.0% per year
RENTAL ABATEMENT	n/a
ADDITIONAL RENT	Monthly Utilities
PROPERTY TAX	Possesion
OPEX	n/a
CAM	n/a

OTHER	n/a
SECURITY DEPOSIT	\$500
MAINTENANCE/ REPAIR	Other*
MAINTENANCE/ REPAIR DETAILS	Tenant is responsible for all repair and maintenance within the suite and HVAC equipment serving the premises
TENANT IMPROVEMENTS	Tenant is responsible for all tenant improvements
PARKING	n/a
UTILITIES	Tenant responsible for all applicable Utilities
CUSTODIAL	Tenant responsible for interior and frontage of space
SECURITY	Tenant Responsible
PROP 13 PROTECTION	Landlord will NOT provide Prop 13 protection.
INSURANCE	TENANT shall indemnify and hold harmless the City
OTHER:	