



## Legislation Text

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**File #:** 19-776, **Version:** 1

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**SUBJECT:** Approval of Lease Agreement Between the City of Merced and Transit Joint Powers Authority for Merced County (The Bus) for Use of Office Space and Common Areas at the Merced Transportation Center (710 W. 16<sup>th</sup> Street) with Rent Starting at \$848.13 per Month and use of the Bus Concourse Area for \$33,286.32 per Year for a Term of Five Years with Annual Extensions by Mutual Agreement of the Parties

### REPORT IN BRIEF

Considers a Lease Agreement (5-year Term with annual extensions by mutual agreement of the parties) with the Transit Joint Powers Authority for Merced County (The Bus) for use of the Bus Concourse, Common Areas, 275 Square Feet of Leased Office Space, and facilities located at the Merced Transportation Center, located at 710 W. 16<sup>th</sup> Street.

### RECOMMENDATION

**City Council** - Adopt a motion approving the lease agreement between Transit Joint Powers Authority of Merced County (The Bus) and the City of Merced and authorizing the City Manager or the Assistant City Manager to execute all necessary documents.

### ALTERNATIVES

1. Approve as recommended by staff; or,
2. Approve, subject to modifications as conditioned by Council; or,
3. Deny the request completely; or,
4. Refer back to staff for reconsideration of specific items as requested by Council; or,
5. Continue item to a future Council meeting (date to be specified in City Council motion).

### AUTHORITY

Section 200 of the City of Merced Charter.

### CITY COUNCIL PRIORITIES

City of Merced Adopted Budget Fiscal Year 2019-2020, Section 7 - Merced Visitor Services: Goal - Position Merced as a tourism destination.

### DISCUSSION

Since July 1, 2000, "The Bus" operated by the Transit Joint Power Authority, has been under a Lease Agreement for the use of the Merced Transportation Center (Transpo Center). "The Bus" provides daily bus service from various stops in Merced County and other communities in the Central Valley. The Transpo Center serves as the central hub for transit services in the City of Merced. Tenants in

the Transpo include Greyhound, Viajes California, Yosemite Area Regional Transportation (YARTS), Storer Transportation, and "The Bus".

Staff has negotiated a Lease Agreement with "The Bus" that includes a five (5)-year term, and may be extended annually by mutual agreement of both parties (Attachment 1). Terms include renting the concourse to "The Bus" for \$33,286.32 per year; this includes provisions that allow access to designated bus stop pullouts along 16<sup>th</sup> Street, use of common driveways, and the rear parking lot. The proposed lease includes 275 square-feet of office space for \$ 848.13 per month within the Transpo. "The Bus" will continue to have access to the common area lobby, bathrooms and other general public facilities. "The Bus" will be responsible for a seven percent (7%) pro-rata share for maintenance, garbage and utilities. Revenues are deposited into the Facilities Maintenance account 671-1119-352.03-00.

"The Bus" provides a valuable service to residents and visitors, offering public transportation options that allow exposure for the County of Merced as a tourism destination. The use of the concourse is mutually beneficial to the City and existing transportation service tenants.

Key Lease Terms: Notable terms of the Lease Agreement include:

**Parties:** Lessor: City of Merced  
Lessee: Transit Joint Power Authority of Merced County (The Bus)  
(Merced County Association of Governments)

**Premises:** The subject site is a portion of the City-owned Merced Transportation Center, located at 710 W. 16<sup>th</sup> Street, consisting of use of the concourse area. Use of the common area facilities include the lobby area, bathrooms for patrons (See Exhibits A, B & C of Attachment 1).

**Term:** Five (5) year lease with annual extension by agreement with both parties.

#### **Tenant**

**Improvements:** No tenant improvement (TI) allowance is included.

**Utilities and Maintenance:** "The Bus" will be responsible for 7 percent (7%) pro-rata share of maintenance, garbage, and utilities for the Merced Transportation Center.

#### **IMPACT ON CITY RESOURCES**

The rent revenues generated are deposited into the Facilities Maintenance account 671-1119-352.03-00.

#### **ATTACHMENTS**

1. "The Bus" Lease Agreement