

REQUEST FOR COUNCIL ACTION



CITY COUNCIL MEETING DATE:

DECEMBER 1, 2020

TITLE:

**APPROVE AMENDMENTS TO THE SITE
LICENSE AND LEASE AGREEMENTS
WITH GREYHOUND LINES, INC. FOR BUS
PASSENGER SERVICES AT THE SANTA
ANA REGIONAL TRANSPORTATION
CENTER TO TEMPORARILY REDUCE
RENTAL FEES IN THE COMBINED
AMOUNT OF \$19,950 FOR A SIX-MONTH
PERIOD FROM DECEMBER 1, 2020 TO
MAY 31, 2021, AND EXERCISE A ONE-
YEAR EXTENSION TO THE LEASE TERM
(NON-GENERAL FUND)**

/s/ Kristine Ridge

CITY MANAGER

CLERK OF COUNCIL USE ONLY:

APPROVED

- ☐ As Recommended
- ☐ As Amended
- ☐ Ordinance on 1st Reading
- ☐ Ordinance on 2nd Reading
- ☐ Implementing Resolution
- ☐ Set Public Hearing For _____

CONTINUED TO _____

FILE NUMBER _____

RECOMMENDED ACTION

1. Authorize the City Manager to execute an amendment to the site license agreement with Greyhound Lines, Inc. to reduce the fee for the rental of two bus bays from \$5,498 to \$3,000 per month for a six-month period beginning December 1, 2020 and ending May 31, 2021, for a total fee reduction in the amount of \$14,988, subject to non-substantive changes approved by the City Manager and City Attorney.
2. Authorize the City Manager to execute an amendment to the site lease agreement with Greyhound Lines, Inc. to exercise the option for a final extension of the term for an additional one-year period beginning December 1, 2020 and expiring November 30, 2021, and reduce the fee for the rental of interior office space from \$3,495 to \$2,668 per month for a six-month period beginning December 1, 2020 and ending May 31, 2021, for a total fee reduction in the amount of \$4,962, subject to non-substantive changes approved by the City Manager and City Attorney.

DISCUSSION

The Santa Ana Regional Transportation Center (SARTC) was built in 1983 and is a regional transportation hub that brings together Amtrak, Metrolink, Orange County Transportation Authority, and interstate bus services. In addition, when completed, the OC Streetcar will have a dedicated platform stop at SARTC. The facility is open to the public seven days a week from 5:00 a.m. to midnight, and contains approximately 35,000 square feet of rental space, including ten bus bays, two surface parking lots, and a parking structure.

On August 16, 2016, the City Council approved site license and site lease agreements with Greyhound Lines, Inc. to license two bus bays and lease ticket counter office space at SARTC. Due to the current situation with the COVID-19 pandemic and the impacts it has had on their operations, Greyhound Lines, Inc. has requested a temporary rental fee reduction for the bus bays and office space (Exhibits 1-2). Additionally, Greyhound Lines, Inc. wishes to exercise the last renewal option on their lease agreement for office space to continue providing bus passenger services at SARTC (Exhibit 2).

Greyhound has been a tenant at SARTC for over twenty years and has paid the monthly rent consistently. Currently, they are the only bus passenger service provider at SARTC. Staff recommends extending the term and amending the site license and site lease agreements to reduce the rental fee for a six-month period. The temporary rental rates are comparable to the rent being proposed by a new bus service provider interested in renting space at SARTC.

FISCAL IMPACT

The temporary rent reduction for the six-month period would reduce the following account:

Fiscal Year	Accounting Unit- Account #	Fund Description	Accounting Unit, Account Description	Amount
2020-2021	06717002-53810	Regional Transportation Center	PWA- SARTC Operations Rental – Greyhound Lines, Inc. Revenue Account	(\$19,950)
Total:				(19,950)

Fiscal Impact Verified By: Kathryn Downs, CPA, Executive Director – Finance and Management Services Agency

Submitted By: Nabil Saba, P.E., Executive Director – Public Works Agency

Exhibits: 1. First Amendment to Site License Agreement with Greyhound Lines, Inc.
2. First Amendment to Lease Agreement with Greyhound Lines, Inc.

**FIRST AMENDMENT TO LICENSE AGREEMENT
WITH GREYHOUND LINES, INC. FOR USE OF THE
SANTA ANA REGIONAL TRANSPORTATION CENTER FACILITIES**

THIS FIRST AMENDMENT to the above-referenced agreement is entered into on December 1, 2020, by and between Greyhound Lines, Inc., a Delaware corporation ("Licensee" or "Greyhound"), and the City of Santa Ana, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California ("City").

RECITALS

- A. The parties entered into a License Agreement No. A-2016-331 ("Agreement") on December 1, 2016, by which City agreed to license for use by Licensee two bus bays at the Santa Ana Regional Transportation Center Facilities ("SARTC" or "Facilities") for the operation of Licensee's transit services at SARTC.
- B. Per Section 1.7 of the Agreement, the term of the Agreement is for an indefinite period, subject to termination upon notice by either party, and the Agreement remains in effect.
- C. The parties now wish to amend the Agreement for a temporary six (6) month fee reduction for use and access of the bus bays at SARTC.

The Parties therefore agree:

- 1. **Section 1.5, Compensation**, is amended to decrease the current monthly fee of \$5,498 to \$3,000 for only the six-month period ending May 31, 2021, commencing from the date provided above for this First Amendment. Effective, June 1, 2021, the monthly license fee shall revert to the amount of \$5,498.
- 2. Except as modified by this First Amendment, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Agreement on the date and year first written above.

ATTEST

CITY OF SANTA ANA

Daisy Gomez
Clerk of the Council

Kristine Ridge
City Manager

APPROVED AS TO FORM

Sonia R. Carvalho
City Attorney

By:


John M. Funk

Sr. Assistant City Attorney

GREYHOUND LINES, INC.

By:


David S. Leach

Title: PRESIDENT, CEO

RECOMMENDED FOR APPROVAL

Nabil Saba

Executive Director

Public Works Agency

FIRST AMENDMENT TO LEASE AGREEMENT
WITH GREYHOUND LINES, INC. FOR USE OF THE
SANTA ANA REGIONAL TRANSPORTATION CENTER FACILITIES

THIS FIRST AMENDMENT to the above-referenced agreement is entered into on December 1, 2020, by and between Greyhound Lines, Inc., a Delaware corporation ("Tenant" or "Greyhound"), and the City of Santa Ana, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California ("City").

RECITALS

- A. The parties entered into a Lease Agreement No. A-2016-332 ("Agreement") on November 15 2016, by which Tenant and the City agreed to the lease of 580 square feet of interior office space at the Santa Ana Regional Transportation Center Facilities ("SARTC") for the purpose of selling tickets to patrons in order to utilize the Greyhound transit services at SARTC.
- B. Per Section 5 of the Agreement, the term of the Agreement has been extended by operation of an extension letter (#A-2016-332-01), dated September 17, 2019, for an additional one-year period through November 30, 2020, with the option for a second and final one-year extension..
- C. The parties now wish to exercise the option for a final extension of the term for an additional one-year period and also amend the compensation for a reduction in monthly rent for the initial six (6) months of this additional one-year period, commencing with the date provided above to this First Amendment.

The Parties therefore agree:

- 1. **Section 3, Commencement of Term**, is amended to extend the term of the Lease Agreement through November 30, 2021.
- 2. **Section 6, Rent**, is amended to decrease the monthly rent from its current amount of \$3,495 to \$2,668 for only the six-month period ending May 31, 2021, commencing from the date provided above for this First Amendment. Effective June 1, 2021, rent shall revert to the monthly amount of \$3,495 through the remainder of the extension period, above.
- 3. Except as modified by this First Amendment, all terms and conditions of the Agreement shall remain in full force and effect.

[signature page to follow]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Agreement on the date and year first written above.

ATTEST

CITY OF SANTA ANA

Daisy Gomez
Clerk of the Council

Kristine Ridge
City Manager

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Sonia R. Carvalho
City Attorney

GREYHOUND LINES, INC.

By: John M. Funk
John M. Funk
Sr. Assistant City Attorney

By: David S. Leach
Title: PRESIDENT, CEO

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Executive Director
Public Works Agency