

AGENDA ITEM NO.

COUNCIL MEETING 08-28-07

APPROVED BY _____

DEPARTMENT DIRECTOR _____

CITY MANAGER _____

August 28, 2007

FROM: KENNETH P. HAMM, Director
Department of Transportation/FAX

SUBJECT: AUTHORIZE THE DIRECTOR OF TRANSPORTATION TO ENTER INTO A LEASE
EXTENSION ON THE CURRENT HANDY RIDE FACILITY

KEY RESULT AREA

Customer Service

RECOMMENDATIONS

It is recommended that Council authorize the Director of Transportation to enter into an extension of the current Handy Ride facility lease agreement.

EXECUTIVE SUMMARY

The current Handy Ride facility lease agreement expires on September 7, 2007. The facility is located at 1330 El Dorado Street, Fresno. The current landlord has agreed to an amendment that would extend the current agreement for the period of September 8, 2007, through December 31, 2007, at the current monthly base rent of \$6,523.88 or a total cost of \$24,622.38. The Department of Transportation/Fresno Area Express (FAX) is currently in the process of evaluating a new location for the Handy Ride facility and will need the extended time covered under the amendment to finalize the process. The cost of the amendment is covered under the Fiscal Year 2008 budget.

KEY OBJECTIVE BALANCE

Customer Satisfaction: The approval of this lease extension would allow the Handy Ride operation to continue providing excellent service to all eligible customers.

Employee Satisfaction: The extended lease period will provide management the opportunity to select a facility that will provide an enhanced work environment for the Handy Ride employees.

Financial Management: The monthly cost of the lease extension is equal to the current monthly rate that was budgeted in Fiscal Year 2008, and therefore, will have no fiscal impact.

BACKGROUND

In Fiscal Year 2007, the Department of Transportation/Fresno Area Express (FAX) hired Roy Glauthier, an independent consultant, to analyze/audit the Handy Ride paratransit operation. On March 20, 2007, the Council was formally presented with the final report which outlined key findings and recommendations. The findings and recommendations were divided into short-term and long-term strategies. One of the short-term strategies that was outlined, and could significantly improve the Handy Ride operation, was securing an improved facility with adequate space for the growing operation. The Handy Ride operation has far outgrown its current facility, located at 1330 El Dorado Street, and its poor layout works against productivity and service goals.

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The Department of Transportation management team understands the significant, positive impact a new facility will have on the paratransit operation. Staff is doing due diligence to locate a new building better suited and situated for this operation. Due to the extensive search and evaluation process, additional time beyond the expiration of its current lease agreement is needed to ensure an adequate facility is secured.

FAX has fulfilled its original lease agreement for five (5) years and executed its option of a five (5) year extension that will expire on September 7, 2007. The current landlord has agreed on an amendment that would extend the current lease agreement for the period of September 8, 2007, through December 31, 2007, at the current monthly base rent of \$6,523.88 or a total cost of \$24,622.38 for the entire extension period.

FISCAL IMPACT

No Fiscal Impact. The cost of the amendment is covered under the Fiscal Year 2008 budget.

Attachment

Handy Ride Facility Lease Amendment