

AGENDA REPORT

Ordinance: Approve and Authorize the Executive Director to Execute an Amendment of the License and Concession Agreement for the Premises Located at 8407 Edgewater Drive, Oakland to Assign the Agreement from J.W.P. Lenders Corporation to Fast Auto Loans, Inc. and to Add an Administrative Fee for Future Transfers. **(CRE)**

MEETING DATE: 5/24/2018

AMOUNT: N/A

PARTIES INVOLVED: J.W.P. Lenders Corporation, dba RPM Lenders and Fast Auto Loans, Inc. dba RPM Lenders, Atlanta, GA

SUBMITTED BY: Pamela Kershaw, Director of Commercial Real Estate

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Ordinance

EXECUTIVE SUMMARY

This matter is a request for approval of the assignment of a License and Concession Agreement ("Agreement") from J.W.P. Lenders Corporation, dba RPM Lenders ("Licensee") to Fast Auto Loans, Inc., dba RPM Lenders, at 8407 Edgewater Drive, and an Amendment to the Agreement to add an administrative fee of \$1,500 for future transfers. Upon review of the information provided by the Licensee, staff believes that the proposed assignee has the operational experience and financial wherewithal to perform all the obligations required of the Agreement.

BACKGROUND

J.W.P. Lenders Corporation ("JWP"), dba RPM Lenders, is a tenant under a License and Concession Agreement for premises located at 8407 Edgewater Drive. Port staff was informed that JWP sold their company and transferred all of their business assets and liabilities to Fast Auto Loans, Inc., dba RPM Lenders. JWP provides various types of short term loans, including payday, installment, and auto title loans.

ANALYSIS

Under the Agreement, all transfers, including sales of the tenant company, require Port consent and the Port must approve any proposed assignments. Fast Auto Loans seeks an assignment

of the Agreement from JWP to continue operating at the Premises, which consist of approximately 6,265 sq.ft. of building and 7,722 sq. ft. of land at 8407 Edgewater Drive, as depicted in Exhibit A. The Agreement commenced on June 1, 2015 and is set to expire on May 31, 2020.

Port staff is seeking the Board's approval of the assignment of this License and Concession Agreement from JWP to Fast Auto Loans in addition to an amendment to 1) formalize this assignment, and 2) stipulate a reasonable processing fee of \$1,500 for future requests of assignment, transfer, or subletting.

Based on the analysis contained within this agenda report, staff believes that the proposed assignment of the License and Concession Agreement will provide a continuous revenue stream to the Port until 2020, and that the proposed assignee, Fast Auto Loans, has the experience and financial wherewithal to perform all obligations of the Agreement.

BUDGET & STAFFING

The proposed assignment will have no impact on the budget.

The proposed action will have no impact on staffing as the existing property is currently managed by existing CRE Division staff.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The work performed under this contract is not within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply to this work.

STRATEGIC PLAN

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Business Plan (2018-2022).

<https://www.portofoakland.com/wp-content/uploads/Port-of-Oakland-Strategic-Plan.pdf>

Goal: Grow Net Revenues

Goal: Improve Customer Service

LIVING WAGE

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), do not apply to this matter because tenancies outside of the Aviation and Maritime areas with entities that do not principally provide aviation or maritime services are excluded from the Living Wage Regulations.

SUSTAINABILITY

The tenant has not proposed any development for the leased area. If the tenant decides to develop the site in the future, the tenant must comply with the 2000 Sustainability Policy and complete the Sustainability Opportunities Assessment Form.

ENVIRONMENTAL

CEQA: Execution of the proposed transfer of ownership interest is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15301 “Existing Facilities” of the CEQA Guidelines which exempts the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination. This action is also exempt from the requirements of CEQA pursuant to Section 15300.4, which exempts the execution of leases or agreements where the premises or licensed activity was previously leased or licensed to the same or another person, and involving negligible or no expansion of use beyond that previously existing. Approval of the proposed transfer of ownership interest of the lease falls within this class of exemptions. No additional environmental review is required to take the action recommended in this Agenda Report.

GENERAL PLAN

This action does not change the use of any existing facility, make alterations to an existing facility, or create a new facility; therefore, a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)

The Owner Controlled Insurance Program (OCIP) does not apply to the matters addressed by this Agenda Report as they are not capital improvement construction projects.

OPTIONS

1. Approve and authorize the Executive Director to amend the License and Concession Agreement to 1) assign the Agreement from JWP to Fast Auto Loans, and 2) include a reasonable processing fee of \$1,500 for future requests of assignment, transfer, or subletting, subject to the terms described in this Agenda Report. This is the recommended option.
2. Do not approve the requested amendment and assignment of License and Concession Agreement from JWP to Fast Auto Loans, which may require termination of the Agreement.

RECOMMENDATION

Staff recommends that the Board approve and authorize the Executive Director to amend the License and Concession Agreement to 1) assign the Agreement from J.W.P. Lenders Corporation, dba RPM Lenders, to Fast Auto Loans, Inc., dba RPM Lenders; and 2) include a reasonable processing fee of \$1,500 for future requests of assignment, transfer, or subletting, as described within this Agenda Report, and authorize the Executive Director to execute all documents as may be appropriate to consummate this transaction, subject to the Port attorney's approval as to form and legality. Furthermore, if the documents are not fully executed within thirty (30) days after Board approval, the approval shall be null and void, unless extended at the sole and absolute discretion of the Executive Director or his designee.

Attachments: Exhibit A – Site Map