

STAFF REPORT
City of Lancaster

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12/13/2011
MVB

Date: December 13, 2011

To: Mayor Parris and City Council Members

From: Kelvin G. Tainatongo, Assistant to the City Manager

Subject: Encroachment Agreement with Lancaster Promenade III for The Start Small Incubator Program on the BLVD

Recommendation:

Approve the Encroachment Agreement with Lancaster Promenade III to provide kiosks along Lancaster BLVD for the City's Start Small Incubator Program and authorize the City Manager to execute the Encroachment Agreement.

Fiscal Impact:

There is no cost to the City for the license to use the public right-of-way and Lancaster Promenade III agrees to pay the City at least 30% of rental income received from the kiosks net of any construction and maintenance cost.

Summary:

The partnership between the City and InSite Development, lead by Scott Ehrlich, has resulted in the dramatic transformation of the BLVD into "the" destination spot in the Antelope Valley. The partnership has fostered many new small business entrepreneurs to invest on the BLVD and fulfill their dreams. These include the micro brewery, candy shop, clothing stores, gift shops, cupcake shop, and custom bikeshop. This has spun off into a variety of other local owners opening new business ventures such as a wine lounge, juice bar, and restaurants. The City's Façade Improvement Program has provided many of these businesses the stimulus necessary to proceed.

The next opportunity to help fresh business ideas evolve into reality is the new Start Small Incubator Program. Once again, the partnership between the City and Scott Ehrlich, through Lancaster Promenade III, proposes to create retail kiosks for the small business owner looking to slowly expand into an affordable space along the BLVD. Many small home businesses can't afford the "brick and mortar" space to take their product to the next level in sales. The Start Small Incubator Program not only provides an affordable alternative for that start-up business but it also places them in the fastest growing and exciting area for small business in the Antelope Valley.

The infusion of the new attractive kiosks will further enhance the overall experience on the BLVD. These kiosks, situated in strategic areas on the sidewalk and ramblas, would

offer goods and services that complement the existing businesses on the BLVD and draw pedestrians to areas previously void of retail. Ultimately, the kiosks will extend the pedestrian shopping experience to all points on the BLVD.

Pursuant to the Agreement, the kiosks will be constructed and maintained by Lancaster Promenade III. Additionally, each kiosk design will be approved by the Planning Department before their placement. An added benefit is that Lancaster Promenade III has agreed to share at least 30% of the rental income from the kiosks with the City, net of cost for construction and maintenance, to be dedicated towards marketing and promotions of the BLVD.

Attachment:
Agreement