



REPORT TO COUNCIL

City of Sacramento

22

915 I Street, Sacramento, CA 95814-2604

www.CityofSacramento.org

Consent

December 15, 2009

**Honorable Mayor and
Members of the City Council**

Title: Parking Agreement First Amendment: 926 J Street Building

Location/Council District: 926 J Street/District 1

Recommendation: Adopt a **Resolution** authorizing the City Manager to execute the First Amendment to City Agreement No. 2006-1025 (the 926 J Street Building Parking Agreement) with Cal West Partners, LP. The term of the amendment will be retroactive to July 1, 2009.

Contact: Howard Chan, Parking Services Manager, 808-7488

Presenters: None

Department: Transportation

Division: Parking Services

Organization No: 15001211

Description/Analysis

Issue: On September 19, 2006 the City of Sacramento and Rubicon Partners, Inc. entered into a parking agreement for 183 monthly parking permits for use at City Hall Garage, located at the corner of 10th and I Streets. The purpose of this agreement was to provide parking to support the new Citizen Hotel developed by Rubicon Partners at the 926 J Street location. In August 2007, as part of an internal business restructuring, Rubicon Partners assigned the parking agreement to Cal West Partners, LP ("CWP").

Prior to this agreement, City Hall Garage was already a high-demand facility, often selling out during the work week. When the Citizen Hotel opened in December 2008 the top level of the garage was restricted to guests and visitors of the hotel; thereby, eliminating 183 parking spaces from availability to the general public and forcing them to locate alternative parking.

By mid 2009 it was regularly observed that many of the reserved parking spaces on the top level were unused during peak operating hours. In response, Parking Services staff suggested to CWP a pilot program where the top level would be re-opened to the general public and CWP would pay according to the actual use ("Pay by Use") of the garage by its guests and visitors.

Policy Considerations: This parking agreement supports the City of Sacramento Strategic Plan goal to expand economic development throughout the City.

Environmental Considerations:

California Environmental Quality Act (CEQA): This project is exempt from the California Environmental Quality Act (CEQA) under Section 15301, "Operation of existing public structures or facilities involving no expansion of use."

Sustainability Considerations: No sustainability consideration is associated with this action.

Other: None

Commission/Committee Action: None

Rationale for Recommendation: During the pilot program, from July through September 2009, calculations indicated that annual revenue collected using the proposed Pay by Use method would increase overall revenue in the City Hall Garage by approximately \$63,000 annually. By amending the parking agreement and using a Pay by Use method, more parking spaces at City Hall Garage will be available to the general public.

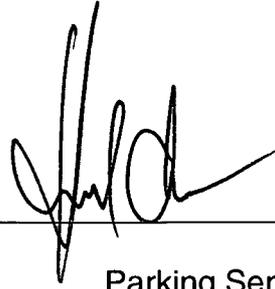
Under the proposed amendment, all parking spaces in the City Hall Garage will be made available to the hotel and public under a first-come, first-serve basis.

Financial Considerations: Under the current parking agreement, CWP pays the City \$35,547.75 per month. Under the proposed amendment, CWP will be charged market rates during weekdays (6:00 a.m.–6:00 p.m.) and participate in the City's Merchant Validation Program evenings (6:00 p.m.–6:00 a.m.) and weekends.

Based on revenue calculations during the pilot program (July through September) it is estimated that overall revenue at City Hall Garage will increase by approximately \$63,000 annually.

Emerging Small Business Development (ESBD): Not applicable.

Respectfully Submitted by: _____



Howard Chan
Parking Services Manager

Approved by: _____



Jerry Way
Director of Transportation

Recommendation Approved:

Ray Kerridge
City Manager

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RESOLUTION NO.

Adopted by the Sacramento City Council

AMENDMENT #1 TO THE 926 J STREET PARKING AGREEMENT

BACKGROUND

- A. On September 19, 2006 the City of Sacramento and Rubicon Partners, Inc. entered into a parking agreement for 183 monthly parking permits for use at City Hall Garage, located at the corner of 10th and I Streets. The purpose of this agreement was to provide parking to support the new Citizen Hotel developed by Rubicon Partners at the 926 J Street location. In August 2007, as part of an internal business restructuring, Rubicon Partners assigned the parking agreement to Cal West Partners, LP (“CWP”).
- B. Prior to this agreement, City Hall Garage was already a high-demand facility, often selling out during the work week. When the Citizen Hotel opened in December 2008 the top level of the garage was restricted to guests and visitors of the hotel; thereby, eliminating 183 parking spaces from availability to the general public and forcing them to locate alternative parking. By mid 2009 it was regularly observed that many of the reserved parking spaces on the top level were unused to during peak operating hours. In response, Parking Services staff suggested to CWP a pilot program where the top level would be re-opened to the general public and CWP would pay according to the actual use (“Pay by Use”) of the garage by its guests and visitors.
- C. Under the first amendment, CWP will be charged market rates during weekdays (6:00 a.m.–6:00 p.m.) and participate in the City’s Merchant Validation Program evenings (6:00 p.m.–6:00 a.m.) and weekends. During the pilot program, from July through September 2009, calculations indicated that parking revenue collected using a Pay by Use method would increase overall revenue at City Hall Garage by approximately \$63,000 annually.
- D. Under the proposed amendment, all parking spaces in the City Hall Garage will be made available to the hotel and public under a first-come, first-serve basis.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager is authorized to execute the First Amendment to City Agreement No. 2006-1025 (the 926 J Street Building Parking Agreement) with Cal West Partners, LP. The term of the amendment will be retroactive to July 1, 2009.