



**City of Sacramento  
City Council**

10

915 I Street, Sacramento, CA, 95814  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

**Meeting Date: 11/8/2012**

**Report Type: Consent**

**Title: Supplemental Agreement: Parking Permits Issued to the State and Reduction of Rates to Market Levels**

**Report ID: 2012-00882**

**Location: 1000 I Street, District 4**

**Recommendation:** Pass a motion authorizing the City Manager to execute a second amendment to City Agreement No. 98-166 lowering the minimum number of permits issued to the State and reducing rates to market levels.

**Contact:** Howard Chan, Parking Services Manager, (916) 808-7488, Public Works Department

**Presenter:** None

**Department:** Public Works Department

**Division:** Off-Street Parking Admin

**Dept ID:** 15001211

**Attachments:**

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1-Description/Analysis

2-Background

3-Agreement

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**City Attorney Review**

Approved as to Form

Gerald Hicks

10/29/2012 11:44:10 AM

**City Treasurer Review**

Reviewed for Impact on Cash and Debt

Janelle Gray

10/19/2012 10:11:28 AM

**Approvals/Acknowledgements**

Department Director or Designee: Jerry Way - 10/25/2012 5:47:30 PM



## Description/Analysis

**Issue:** In 1998, the City of Sacramento and the State of California, Department of General Services (“State”) entered into a parking agreement for Cal EPA employees to park their vehicles in City Hall Garage, located at 1000 I Street, directly across from Cal EPA headquarters.

The terms of the agreement require the State to purchase 750 monthly parking permits. The rate for each permit is based on a pre-set fee schedule that includes annual 4.5% increases. At the beginning of the agreement, the rates were below market; however, they have steadily increased to the point they are now above market. Due to recessionary impacts, the rate of the monthly parking permits has placed increasing pressure on State resources. As a result, the State has requested the Agreement be amended to reduce rates to market levels and lower the minimum number of parking permits the State is required to purchase each month. Under proposed terms of the amendment, the current monthly rate will be reduced from \$203 to the market rate of \$185. Beginning July 1, 2013, the minimum number of parking permits issued to the State will be reduced from 750 to 700 and will be further reduced the following year to no less than 600. The State has also requested the City’s parking carpool program be made available to up to 100 Cal EPA employees. In turn, State has agreed to acknowledge City ownership of all 17 of the electric vehicle charging stations in City Hall Garage.

**Policy Considerations:** The recommendation is consistent with the City’s strategic plan and the goal of the City Council 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:** There are no sustainability considerations applicable to this action.

**Other:** None

**Commission/Committee Action:** None

**Rationale for Recommendation:** While the initial rate the State paid at the beginning of the parking agreement was below market, it has steadily increased to the point it now exceeds the market rate. Reducing the parking permit fee to market rate will help ease economic pressures the State has experienced as a result of the recession and will reduce the motivation for the State to exercise its right to purchase the building and terminate the parking agreement. Lowering the number of parking passes the State is required to pay for each month will provide it added flexibility and help ensure it is not paying for permits it does not need. Furthermore, giving Cal EPA employees the option to participate in the City’s parking carpool program will provide another source of financial relief for the State and help encourage carpooling by employees working in the downtown area.

**Financial Considerations:** Under the current parking fee schedule, the State will be required to pay \$212 per parking pass in 2013. Under the proposed amendment, the State will pay the current market rate of \$185 per parking pass. Combined with a reduction of issued parking permits from 750 to 700 in July 2013, the total parking fees collected from the State for 2013 will be reduced from \$1,908,000 to \$1,609,500. Should the State decide to terminate the parking agreement, the City would lose up to \$33 million in parking fees over the remaining 13 years of the agreement.

**Emerging Small Business Development (ESBD):** None



## **Background Information**

In 1997, the City of Sacramento and the State of California entered into a lease agreement for a new building the City was constructing at 1001 I Street. The building would serve as the location for the Cal EPA headquarters.

One of the requirements of the lease agreement was both parties would enter into a separate parking agreement for spaces in the City Hall Garage located directly across from the Cal EPA building. Terms of the parking agreement, include 750 parking passes for use at City Hall Garage, the initial rate would begin at \$125 per parking pass and increase annually at 4.5%, and the City would provide 550 parking spaces at other City parking facilities located within a five block radius. A subsequent amendment in 2002 surrendered the extra 550 parking spaces. Cal EPA pays for the 750 parking passes irrespective of use of each pass. The term of the parking agreement runs through 2025.

## Second Amendment to City Agreement 98-166 Parking Agreement with State of California for Use of City Hall Garage

### RECITALS

- A. The City of Sacramento (“City”) and the Department of General Services of the State of California (“Licensee”) previously entered into an agreement entitled Sacramento/State Building Lease (“Lease”) (denominated by the City as City Agreement # 97-045), for the building located at 1001 I Street (“Premises”), commonly known as the Cal EPA Building;
- B. City and Licensee entered into a Parking Agreement (“Agreement”) (denominated by the City as City Agreement # 98-166), for parking permits used in the City’s City Hall Garage, located at 1000 I Street, Sacramento, CA 95814;
- C. City and Licensee entered into a First Amendment to the Agreement (denominated as City Agreement #98-166-1) to establish the commencement date of the Agreement, waive Licensee’s rights to 27 parking spaces, and amend certain administrative procedures; and
- D. City and Licensee desire to further amend the Agreement.

### AGREEMENT

- 1. The effective date of this Second Amendment is December 1, 2012.
- 2. Section 2 of the Agreement is amended to read as follows:
  - 2. **Parking Permits.** Effective July 1, 2013 the minimum number of monthly parking permits issued to Licensee, shall be reduced from seven hundred fifty (750) to seven hundred (700). City and Licensee agree to meet during the first quarter of 2014 to evaluate monthly parking permit usage by Licensee and consider further reductions to the minimum number of monthly parking permits issued to Licensee. The minimum number of monthly parking permits issued to Licensee shall be six hundred (600). Licensee shall pay for all monthly parking permits issued to Licensee, irrespective of whether, or to what extent, such spaces are actually occupied or used by Licensee.
- 3. Section 4 of the Agreement is amended to read as follows:
  - 4. **Parking Space Rental Payments.** Effective December 1, 2012 the rate charged for each monthly parking permit issued to Licensee shall be the market rate charged to the general public.
- 4. Effective July 1, 2013, the City’s carpool rate will be extended to up to fifty (50) employees of Licensee, subject to availability and compliance with the City’s existing

program guidelines. Effective July 1, 2014, the carpool rate will be extended to an additional fifty (50) employees subject to availability and compliance with the City's existing program guidelines.

5. Licensee acknowledges City's ownership of all electric vehicle charging stations at City Hall Garage (formerly known as "Lot I") located at 1000 I Street and relinquishes all rights and interest in such charging stations.
6. Except as otherwise amended by this amendment, all other terms and conditions of the Agreement remain in full force and effect.

**STATE OF CALIFORNIA  
DEPT. OF GENERAL SERVICES:**

**CITY:**

**CITY OF SACRAMENTO,  
A Municipal Corporation**

By: \_\_\_\_\_  
Its:

By: \_\_\_\_\_  
Jerry Way, Director of Public Works  
For John F. Shirey, City Manager

Date: \_\_\_\_\_

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Its:

By: \_\_\_\_\_  
Deputy City Attorney

Date: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
City Clerk