



City Council Report

915 I Street, 1st Floor
Sacramento, CA 95814

www.cityofsacramento.org

File #: 2016-01159

Consent Item 17

Title: Agreement: 925 L Street Parking Garage

Recommendation: Pass a Motion authorizing the City Manager to execute a ten-year parking agreement with one, five-year extended term option, with 925 L Street, Incorporated for 200 monthly parking permits at Capitol Garage.

Location: Capitol Garage, 1126 11th Street; District 4

Contact: Matt Eierman, Parking Services Manager (916) 808-5849, Department of Public Works

Presenter: None

Department: Public Works

Attachments:

- 1-Description/Analysis
- 2-Parking Agreement

Description/Analysis

Issue Detail: The 925 L Street building is located just west of the City's Capitol Garage and is connected to it via a pedestrian bridge. In April 2007, 925 L Street, Incorporated entered into a parking agreement with the City of Sacramento for 200 monthly parking permits to be used by tenants of its building. This agreement is due to expire May 31, 2017 and 925 L Street, Incorporated would like to enter into a new 10-year agreement to secure parking for its tenants.

Policy Considerations: This recommendation supports the Central City Parking Master Plan goal to make parking safe, secure, attractive and convenient.

Economic Impacts: None.

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

Sustainability: This action supports the City of Sacramento's sustainability goals to improve and optimize the transportation infrastructure.

Commission/Committee Action: None

Rationale for Recommendation: By approving the new agreement, the City will secure long-term parking for the 925 L Street office building and allow its tenants to continue parking in Capitol Garage. Parking permits issued under the new agreement will be valid from 6:00 a.m. to 6:00 p.m. to accommodate event parking at Capitol Garage. The term of the new agreement will be ten years with one, five-year extended term option and will replace the previous agreement, effective November 1, 2016.

Financial Considerations: Permits issued under the recommended agreement will be billed at 110 percent of the current prevailing market rate. Based on current monthly parking rate, total revenue (Parking Fund, Fund 6004) collected during the initial ten-year term will be \$4.8 million.

Local Business Enterprise (LBE): There are no LBE considerations associated with the requested action.



Requires Council Approval: No YES Meeting:

Real Estate

Other Party Signature Needed

Recording Requested

General Information

Form with fields: Type: Other, PO Type: Select PO Type, Attachment: Original No., \$ Not to Exceed: N/A, Other Party: 925 L Street, Inc., Project Name: 925 L Street Parking Agreement, Project Number, Bid Transaction #, E/SBE-DBE-M/WBE, Deed: None/Included/Separate, Certified Copies of Document.

Department Information

Department: Public Works, Division: Parking Services, Project Mgr, Supervisor, Contract Services: Paul Sheridan, Date, Section Manager, Phone Number: 808-6817, Division Manager: Matt Eierman, Comment, Org Number.

Review and Signature Routing

Table with columns: Department, Signature or Initial, Date. Rows for Contract Services, Project Manager, Supervisor, Section Manager, Division Manager.

City Attorney (MC: 09300): [Signature] Date: 9/29/2016. Includes checkboxes for Send Interoffice Mail and Notify for Pick Up.

Authorization section with fields for Department Director, City Manager (MC 09200), and City Clerk (MC: 09400) with signature and date.

For City Clerk Processing Finalized: Initial, Date, Imaged: Initial, Date, Received: (City Clerk Stamp Here)

PARKING AGREEMENT
Between 925 L Street, Incorporated and the City of Sacramento
For Parking Permits at Capitol Garage

This Parking Agreement (“Agreement”) is entered into on September 15, 2016, between the City of Sacramento (“City”), a charter municipal corporation, and 925 L Street, Inc., a California corporation (“Licensee”), who agree as follows:

BACKGROUND

A. On April 10, 2007 City entered into an agreement with Licensee for 200 monthly parking permits at the City’s Capitol Garage (City Agreement No. 2007-0342). The Capitol Garage is located at 1126 11th Street and is referred to in this agreement as the “Lot” or the “Capitol Garage.” Attachment “A” provides a diagram and map of the Capitol Garage. The term of the Agreement is five years with one, five-year option to extend the term. Licensee exercised the extended term option, so the Agreement is due to expire May 31, 2017.

B. Licensee wants a new ten-year contract with a five-year extended term option to replace the existing Agreement.

NOW THEREFORE, City and Licensee hereby agree as follows

1. **Termination of Prior Agreement.** City Agreement No. 2007-0342 is terminated as of November 1, 2016.
2. **Term of Agreement.** Unless terminated pursuant to these provisions hereof, the Initial Term of this Agreement is ten years, commencing November 1, 2016 and expiring October 31, 2026. Licensee is entitled to one, five-year option to extend this agreement (“Extended Term”), by providing written notice of extension to City not less than 180 days prior to the expiration of the Initial Term.
3. **Allocated Parking Permits.** Licensee is entitled to the use of up to two hundred (200) parking permits (“Permits”) during the pendency of this Agreement, subject to the terms of this agreement. Upon commencement of this Agreement, the City will allocate to Licensee 200 such Permits.
4. **Parking Adjustment Notice**
Upon sixty (60) days’ notice to the City (a “Parking Adjustment Notice”), but not more than twice in any twelve (12) month period, Licensee will have the right to increase or decrease the number of Permits allocated to Licensee, except that in no event shall Licensee be entitled to the use of more than 200 Permits.
5. **Use of Parking Permits.** Permits issued under this agreement shall only be distributed to and used by Licensee’s employees, and tenants and subtenants of

925 L Street (“Permit Holders”). Parking permits can only be used to enter the Lot Monday through Friday from 6:00 a.m. to 6:00 p.m. (the “Standard Hours”). Without limiting the foregoing, Permit holders may park in the Lot 24 hours per day and 7 days per week, subject to the terms of this Agreement. However, parking permits will not function for purposes of entering the Lot outside the Standard Hours, and all Permit holders are responsible for, and will pay the City directly (and Licensee shall have no liability) for, extra fees incurred for parking in the Lot outside of these times; provided, however, that in recognition of the impact Lot congestion and other factors (e.g., event traffic) may have upon the ability of Permit Holders to timely exit the Lot, there shall be a thirty minute “grace period” between 6:00 p.m. and 6:30 p.m., Monday through Friday, during which no additional charges will be assessed. In connection with the foregoing, it is acknowledged that the direct payment by Permit Holders of non-Standard Hours parking charges may be charged to credit cards (of each Permit Holder) on file with the City, or paid by such other method as the City may adopt. Unauthorized use of Permits may result in termination of this agreement pursuant to section 13. In no event shall a Permit Holder’s failure to pay any fees incurred for off-hours use of the Lot be considered a default by Licensee under this Agreement.

If the City elects at any time throughout the term of this Agreement to offer Permits permitting 24-hour access to the Lot at a single, standard monthly rate (“Monthly 24 Hour Permits”), Licensee shall have the option, upon 30 days’ notice to the City, to convert up to 50 Permits then-held by Licensee which are not Monthly 24 Hour Permits (“Standard Hours Permits”) so as to become Monthly 24 Hour Permits. City shall determine the number of additional Standard Hours Permits (i.e., the number of Standard Hours Permits that is in addition to the number described in the immediately preceding sentence (which Licensee shall have the affirmative option and right to convert)) that Licensee may convert to Monthly 24 Hour Permits, if any. Licensee shall thereafter retain the right to re-convert such Monthly 24 Hour Permits to Standard Hours Permits upon 30 days’ notice to the City; provided that in no event may Licensee elect to exercise such right with respect to less than 10 Permits at any one time. As contemplated in section 8 below, Licensee shall pay a parking fee for any such Monthly 24 Hour Permits which is equal to 110% of the prevailing monthly parking rate established by the City from time to time for such permits.

6. **Parking Garage.** Permits issued under this agreement are for use at Capitol Garage. In the event Capitol Garage reaches capacity, Permit Holders will be directed to park at the nearest available parking garage owned and operated by City at no additional charge. The parties acknowledge that as of the date of this Agreement, the two closest City owned and operated parking garages, in order of proximity to the Capital Garage, are the City Hall parking garage, located at the intersection of 10th and I streets, and the Memorial parking garage, located at the intersection of 14th and H streets.

7. **Renewal of Issued Permits.** Each permit issued shall be automatically renewed as of the first day of each month, subject to relinquishment as provided in section 4 above.
8. **Compensation to City.**
- For each permit issued, Licensee shall pay a parking fee equal to 110% of the prevailing monthly parking rate established from time to time by City for Capitol Garage for permits similar to the Permits issued, taking into account (where applicable) permit “class” (i.e. Standard Hours Permits or Monthly 24 Hour Permits).
 - Licensee will pay for the number of Permits used by its employees, and tenants and subtenants of 925 L Street, up to a maximum of 200 (in accordance with section 4 above).
 - Each month, Licensee will pay a 10% Parking Facility Fee on the full Permit Fee for each parking permit returned to the City as provided in section 4 above. However, the payment of any such Parking Facility Fee shall cease during the “reactivation” of any parking permit previously returned to the City.
 - Payment shall be made in the form of one check for all Permits issued and Parking Facility Fee payments due (if any).
 - As noted above, any and all fees payable by Permit holders for entering the Lot outside the hours specified in section 5 above shall be paid by such Permit holders directly to the City.
 - **Late Fee.** If full payment for all permits issued and the Parking Facility Fee payments due (if any) is not received by or on the fifth business day of the month for which it is due the total parking fee for all Permits issued that month and the Parking Facility Fees, if any, will be increased 10%.
9. **Monthly Payments.** On or before the first business day of each month during the term of this Agreement, Licensee shall pay to City, in advance, the monthly payment required by section 8, above, at 300 Richards Blvd, 2nd Floor, Sacramento, CA 95811, or at such other location as City may designate to Licensee in writing. The monthly payment shall be for use of the issued permits and Parking Facility Fee payments (if any) for the month in which the payment is due. Failure to make full payment by the 10th day of the month for which it is due, including any late fee, will result in the deactivation of all permits issued under this agreement. Failure to make payment by the last business day of any month as required herein shall constitute a default by Licensee, and this Agreement shall terminate.
10. **Use of Lot.** The rules and conditions attached hereto, marked Attachment “B” and fully incorporated herein by this reference, shall apply to each and every permit issued hereunder. Licensee shall inform the individuals parking under a permit issued to Licensee hereunder of these rules and conditions. Subject to the

rules and conditions set forth in Attachment "B," the users of issued permits shall have the right of ingress and egress from the Lot; however, such rights are subject to such interference as may be necessary from time to time, in the sole discretion of City, for special events, repairs, reconstruction or maintenance of the parking structure or any appurtenances thereto, or associated improvements.

11. **Pedestrian Bridge.** A predecessor-in-interest to Licensee constructed a pedestrian bridge between the building located at 925 L Street and Capitol Garage, and the pedestrian bridge has been dedicated and accepted as a public right of way pursuant to the agreement between City and such predecessor-in-interest. Licensee, its tenants, customers, invitees and employees shall have the nonexclusive right of unobstructed ingress and egress over said pedestrian bridge during the term of this agreement during the building's normal office hours. Upon commencement of this Agreement, and annually thereafter, Licensee shall hire a licensed and independent third party inspector to conduct a thorough structural analysis of the pedestrian bridge and provide City a detailed report of the inspector's evaluation. Each inspector's report shall be due to City no later than July 1, and will contain all recommended repairs and improvements. During the term of this Agreement, notwithstanding whether or not Licensee obtains any Permits pursuant to this Agreement, Licensee shall, at its sole cost and expense, make all "necessary and recommended repairs and/or upgrades" to all devices or structures related to the pedestrian bridge including, but not limited to, the original easement of support located in Capitol Garage for the pedestrian bridge, the card reader located in Capitol Garage, and stairs leading to the entrance of the pedestrian bridge, and Licensee is deemed to have an easement and right of access over the Capital Garage sufficient to perform and complete such repairs and upgrades. For purposes hereof, "necessary and recommended repairs and/or upgrades" shall mean those repairs and/or upgrades identified in the applicable inspector's report that are required to maintain the structural soundness of the pedestrian bridge, or which are otherwise required in order to comply with applicable laws, ordinances, and regulations, including, without limitation, the Americans with Disabilities Act and laws related to pedestrian safety. All such repairs and maintenance shall be done in accordance with then existing laws and regulations controlling the same, and a standard of care consistent with that employed by other reasonably prudent institutional owners of similar pedestrian bridges in the Sacramento, California metropolitan area. Licensee, at its sole cost and expense may remove the pedestrian bridge. Prior to removal of the pedestrian bridge, Licensee will coordinate the removal with the City's Facilities and Real Property Division to obtain approval and letter of agency. Licensee will obtain all permits required for the removal to the pedestrian bridge.
12. **Insurance Requirements.** During the term of this Agreement, Licensee shall purchase at its sole cost and expense and maintain in full force the following insurance coverage:

- a. Commercial General Liability Insurance, providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than one million dollars (\$1,000,000) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy. Licensee's insurance coverage shall be primary insurance as respects CITY, its officials, employees and volunteers.

The CITY, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insured as respects general liability arising out of activities performed by or on behalf of Licensee, products and completed operations of Licensee, premises owned, leased or used by Licensee.

Licensee shall furnish CITY with certificates and required endorsements evidencing the insurance required. The certificates and endorsements shall be forwarded to the CITY representative/department named in section 20. Certificates of insurance shall be signed by an authorized representative of the insurance carrier.

In connection with any repair work performed on Licensee's behalf with respect to the pedestrian bridge, Licensee is responsible for requiring and verifying that the minimum scope and limits of insurance coverage shall be maintained by, or on behalf of, all subcontractors.

The CITY may cancel this Agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this Agreement.

The certificates of insurance shall also provide, whether by endorsement or otherwise, that the CITY will be provided with thirty (30) days written notice of cancellation or reduction in coverage; provided, however, that if Licensee's then-current insurer does not or will not provide additional insureds with 30 days' prior written notice of policy cancellation or reduction, then Licensee shall be obligated to provide the City with not less than thirty (30) days' prior written notice of policy cancellation or reduction.

13. **Termination.** In addition to provisions for termination specified elsewhere in this Agreement, City shall provide written notice of a violation or default to Licensee, who shall forthwith use its best efforts to take action to remedy the default or violation. In the event the Licensee fails, within ten (10) days from the date of the notice or such longer time period as may be reasonably necessary to take the necessary corrective action, this Agreement will terminate automatically, upon written notice from City to Licensee, provided that City may, in its discretion, extend the time for correction. Permits issued hereunder will be

deactivated upon termination. The termination procedures specified above shall not apply in the event that the City determines, in its sole discretion that an emergency situation exists (i.e., a situation creating an imminent threat of injury to persons or property), in which case City may take any action deemed necessary by City to respond to the emergency situation.

14. **Permit Distribution.** Quarterly, during the term of this Agreement, Licensee shall provide City an updated and current list of all names and vehicle license numbers of each person to whom a permit is distributed. Multiple incidents of misuse, including those obligations set forth in section 5, of a permit by any individual as reasonably determined by the City shall entitle City to terminate this Agreement with respect to such Permit, and Licensee will be prohibited from issuing another Permit to the offending individual. City may deactivate any permit upon the initial occurrence of an incident of misuse. Said permit will remain deactivated until Licensee takes necessary corrective action as determined by the City.
15. **Access to Records.** City shall have reasonable access to the records of Licensee regarding the administration of parking permits issued under this agreement.
16. **Damage to or Destruction of the Lot.**
 - a. **Temporary Damage:** In the event that the Lot is temporarily damaged to such an extent that it may not be used for parking, or such that its use is so restricted that all or a portion of Licensee's issued permits may in City's reasonable judgment no longer be accommodated, then City may cancel the affected permits until such time as the damaged facilities have been restored; provided, however, that at the request of Licensee, and only to the extent that City determines, in its sole and exclusive judgment after considering the parking space requirements of other City parking customers and City employees, that space is available in another City parking facility or facilities, City shall use its best efforts to redesignate the affected permits for use at another City parking facility or facilities within a four block radius of the Lot, until the Lot is repaired, rather than cancel the affected permits. Licensee shall pay for such redesignated permits in accordance with the provisions of this Agreement. Licensee may reject any proposed redesignation of permits, in which case the affected permits shall be canceled until such time as the damaged facilities have been restored.
 - b. **Destruction:** If the City is prevented or delayed, or is rendered unable to provide Licensee the parking services described in this Agreement by reason of any act of God, strike, lockout, labor trouble, restrictive governmental laws or regulations, or any other cause not the fault of the City, which removes the City's right to possess and occupy the site of the Lot for purposes of operating parking services at the Lot, the City's

performance hereunder shall be excused. Nothing in this Agreement shall be construed to obligate the City to reconstruct the Lot in order to perform its obligations under this Agreement, nor shall cause an extension of the term of this Agreement.

- c. **Pedestrian Bridge:** In the event of any temporary or permanent damage to or destruction of Capitol Garage, City shall in no event be liable to Licensee for failure of the support for the pedestrian bridge or damage to the pedestrian bridge. In the event that, as a result of such damage to Capitol Garage, City permanently discontinues the use of Capitol Garage and terminates this agreement, City shall in no event be liable for any loss of value of the pedestrian bridge. In the event Capitol Garage is demolished, Licensee shall be responsible for removing the pedestrian bridge at its sole cost and expense.

17. **Nondiscrimination.** Licensee covenants that there shall be no discrimination against any person or group of persons on account of race, color, creed, sex, marital status, disability, national origin, ancestry, or any other basis prohibited by local, state, or federal law or regulation, in the distribution or use of permits. Any breach of this covenant shall constitute a default by Licensee, and this Agreement shall be subject to termination by City pursuant to the procedures specified in section 13.

18. **Assignment.** Licensee may assign this Agreement as necessary to effect a sale or transfer of interest of the Licensee in the Office Building, which results in an effective transfer of the Office Building, provided that:

(a) At the time any such assignment or sale, Licensee is not in breach or default hereunder, and

(b) Such assignment or sale is to a financially responsible party ("Proposed Assignee") with sufficient financial strength and creditworthiness to meet its obligations hereunder as and when they become due. Proposed Assignee must at the time of such transfer provide City a written agreement to unconditionally assume and perform all duties and obligations imposed upon Licensee by this Agreement; and

(c) No such assignment or sale shall relieve Licensee of any liability or obligation hereunder unless City in writing consents to relieve Licensee of such liability or obligation; however, such consent shall not be unreasonably withheld.

Notwithstanding anything to the contrary contained herein, the assignment of this Agreement to any holder of a mortgage or deed of trust now or hereafter encumbering 925 L Street shall not require the City's prior approval.

19. **Subordination.** This Agreement shall be subject and subordinate at all times to the lien of any mortgage or trust deed or deeds or other evidence of obligation which may now exist upon or which may be placed upon the Lot, or any other lot which in the future is utilized as a substitute lot for parking permits issued pursuant to this Agreement. "Evidence of obligation", for purposes of this section, includes but is not limited to documents relating to any form of public financing (e.g., bonds, certificates of participation) wherein the said parking facilities or any of them are used as an asset securing the public financing in any manner. Licensee covenants that it will execute and deliver to City, or its nominee, at no cost to City and subject to no conditions or other limitations, proper subordination agreements to this effect at any time upon the request of City.

20. **Notice.** Any notice, documentation, or other communication required or desired to be given pursuant to this Agreement shall be given in writing either by personal service, by certified mail, return receipt requested, postage fully prepaid or by national overnight delivery service, to the following respective addresses:

City	Licensee
Parking Services Division City of Sacramento 300 Richards Blvd., 2 nd Floor Sacramento, CA 95811	925 L Street, Inc. c/o LaSalle Investment Management One Front Street San Francisco, CA 94111 Attn: Asset Manager – 925 L Street

The above addresses may be changed by written notice in accordance with this section.

21. **Condemnation.** In the event that any portion or all of the Lot should be taken by eminent domain or acquired under the threat of the exercise of the power of eminent domain, this Agreement shall automatically, without the need for action by either party, terminate, and Licensee shall have no interest whatsoever in any proceeds from such taking payable to City, and City shall be under no legal obligation whatsoever to pay to or reimburse Licensee for any loss or damage whatsoever relating to or arising out of the taking of the structure. Provided, however, that at Licensee's request, City shall make a reasonable effort to, but shall not be under legal obligation to, provide alternate City parking facilities for some or all of the permits issued hereunder. In the event that City determines, in its sole discretion, that alternate City parking facilities are available and City agrees that such facilities may be used for some or all of the issued permits, the parties shall enter into a new and different agreement for the issuance of parking permits for such facilities. Provided, further, that Licensee shall be entitled to exercise any right it may have, in law or in equity, to independently seek compensation from the condemning agency for any of Licensee's losses or damages.

22. **Security.** The nature of any permit issued pursuant to this Agreement is that of a license, and no agency or relationship of landlord and tenant shall arise from this Agreement. City shall not be responsible for the personal security of any person or personal property in the Lot, or in any substitute or alternate facilities furnished pursuant to this Agreement or otherwise.
23. **Failure To Terminate Not A Waiver.** No failure of City to terminate this Agreement for default upon any breach shall constitute a waiver of the right to terminate this Agreement for the same or any other default or violation subsequently occurring.
24. **Time is of the Essence.** Time is of the essence to each and every term and condition of this Agreement.
25. **Indemnity and Hold Harmless.** Licensee shall indemnify and save harmless the City, its officers, employees, and agents and each and every one of them, from and against any and all liability, loss, expense, including reasonable attorney's fees, or claims for injury or damages arising out of, caused by or resulting from the negligent or intentional acts or omissions of Licensee, its directors, trustees, officers, employees, or agents in connection with this Agreement or any permit issued hereunder. The provisions of this section 25 shall survive any termination of this Agreement, notwithstanding anything herein to the contrary.
26. **Third Party Beneficiaries.** Unless otherwise expressly provided, this Agreement shall not create any third-party beneficiary rights for any person or entity.
27. **Complete Agreement.** This Agreement contains all of the terms and conditions of the agreement between City and Licensee regarding use of City parking facilities.
28. **Execution.** By their signatures below, each of the following represent that they have authority to execute this agreement and to bind the party on whose behalf their execution is made.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first written above.

LICENSEE:

925 L Street, Inc.

By: 
Its: Vice President

36-4165770
Federal Tax ID

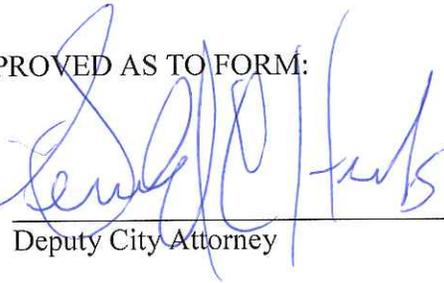
131943
City of Sacramento
Business Operations Tax Cert. No.

CITY:

CITY OF SACRAMENTO,
A Municipal Corporation

By: _____

APPROVED AS TO FORM:

By: 
Deputy City Attorney

ATTEST:

By: _____
City Clerk

ATTACHMENT B

RULES AND CONDITIONS

1. Care of the computer access cards issued under this Parking Agreement is the Licensee's responsibility, such as protecting the computer access cards issued to permit users from abnormal wear due to warping by not leaving it in the sun or clipped to visors and other reasonable measures to prevent damage.
2. Licensee shall pay a replacement fee established by resolution (the current replacement fee is \$25.00) of the City Council for the replacement of computer access cards that are lost or damaged beyond normal wear and tear.
3. Permits issued under this agreement are for the sole use of the registered Permit user and are non-transferable. The permit authorizes the parking of one (1) passenger vehicle or light truck at any single time. Permit is for ingress to and egress from designated facility or lot only and no definite space is assigned. Computer access card must be used to enter and exit facility at all times. Use of an invalid permit is prohibited and use of said invalid permit shall be charged the daily parking rate. There shall be no refunds for daily fees paid for use of an invalid card, lost card or improper use of card.
4. Permit users shall comply at all times with the conditions of this Agreement, as well as all regulations established by State law or City Code and/or posted in the parking facilities (such as No Parking, Red Zone, Handicap Park, parking between the lines, Compact Car Only, Speed Limits, Directional Flows, etc.) and any violation of such regulations by any permit user shall be punished as provided by State law and/or the City Code, in addition to any remedies available under this Agreement.