

REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org



Consent
September 19, 2006

Honorable Mayor and
Members of the City Council

Title: 926 J Street Parking Agreement

Location/Council District: 926 J Street / District 1

Recommendation: Adopt a **Resolution** authorizing the City Manager to execute a parking agreement with Rubicon Partners, Incorporated for 183 parking spaces at the City-owned City Hall Garage.

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

Presenters: None

Department: Transportation

Division: Parking Services

Organization No: 3461

Description/Analysis

Issue: Rubicon Partners, the owner of the building located at 926 J Street, has partnered with Joie de Vivre Hospitality to develop a boutique hotel in the historic building. To meet funding and parking requirements, Rubicon Partners has requested the City enter into a long-term parking agreement for parking spaces located in the City's City Hall Garage located at the corner of 10th & I Streets.

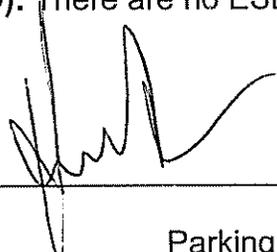
Policy Considerations: This parking agreement supports the City of Sacramento Strategic Plan goal to expand economic development throughout the City.

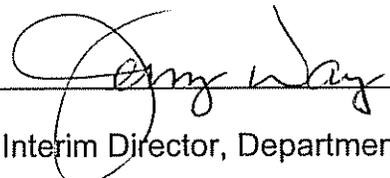
Environmental Considerations: This project is exempt from the California Environmental Quality Act (CEQA) under Section 15301, "Operation of existing public structures or facilities involving no expansion of use".

Rationale for Recommendation: A long-term, convenient source of parking is required to support the upscale services that will be provided by the boutique hotel, including valet parking. Consistent with industry standards, the lenders for this project are requiring long-term parking as a requirement for funding. This agreement will help facilitate the development of projects in the downtown area and will secure a long-term source of parking revenue.

Financial Considerations: Permits issued under this agreement will be billed at 105% of the prevailing market rate charged at the City Hall Garage. With the current monthly permit rate of \$145/month, total revenue collected during the initial 30-year term of this agreement is estimated to be over \$10,030,230 based on the 183 parking permits that will be issued under this agreement.

Emerging Small Business Development (ESBD): There are no ESBD considerations contemplated with the requested action.

Respectfully Submitted by:  _____
Howard Chan
Parking Services Manager

Approved by:  _____
Jerry Way
Interim Director, Department of Transportation

Recommendation Approved:

 _____
RAY KERRIDGE
City Manager

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RESOLUTION NO.

Adopted by the Sacramento City Council

926 J STREET PARKING AGREEMENT

BACKGROUND

- A. Rubicon Partners, Incorporated is the owner of the historic building located at 926 J Street. Joie de Vivre Hospitality ("JDV") is the largest boutique hotel operator in California with 30 hotels. Locations include: San Francisco, Los Angeles, San Jose, Marin, and Napa.
- B. Rubicon Partners and JDV are partnering to develop an upscale, 200 room, boutique hotel in the 926 J Street building. Renovations are currently underway at the building.
- C. JDV has projected the need for up to 183 parking spaces to support the hotel operations, including valet parking services. To meet funding requirements for the project, Rubicon Partners must secure a long-term, convenient source of parking. The initial term of the agreement will be for 30 years, with two 5-year options. Fees will be equal to 105% of the prevailing market rate charged at City Hall Garage.

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

- Section 1. The City Manager is authorized and directed to execute a parking agreement with Rubicon Partners for 183 parking spaces at City Hall Garage.