



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** James R. Helmer

**SUBJECT:** APPROVAL OF A PARKING  
LOT LEASE AMENDMENT

**DATE:** 11-28-05

Approved

Date 12/1/05

Council District: 3

## RECOMMENDATION

Approve a Sixth Amendment to a Lease Agreement between the City of San Jose (City) and Boston Properties (dba BP Almaden Associates, LLP) to include the following:

- 1) A one-year lease extension until December 31, 2006, in the amount of \$264,600 (\$22,050 per month) for the property commonly referred to as Almaden/Woz Way parking lot, located at 282 Almaden Boulevard; and
- 2) Allow the City to use a portion of the parking lot for the Northern California Motorcycle Show scheduled on the weekend of December 16<sup>th</sup>-18<sup>th</sup>, 2005; and
- 3) Allow the placement of public grandstands for the San José Grand Prix event scheduled for the weekend of July 28<sup>th</sup> – 30<sup>th</sup>, 2006.

## BACKGROUND

The City currently leases the Almaden/Woz Way parking lot, owned by BP Almaden Associates, LLP. The current lease, approved by the City Council in November 2001 and amended in November 2002, December 2003, and May 2004, and November 2004 will expire on December 31, 2005. The lot supports parking for the Convention Center, Center for the Performing Arts, surrounding businesses and City Staff located in the old Martin Luther King Library. The lot also serves as the location for the main public grandstands that supports approximately 10,000 patrons for the annual San Jose Grand Prix. Currently, the property owner holds land-use entitlements to build a three-tower office project, but has not begun construction of the project. Therefore, an extension of the parking lot lease for the site has been negotiated by the City with the property owner.

## ANALYSIS

This 365-space parking lot primarily serves the area near the Convention Center, as well as parking for the City employees located in the old Martin Luther King library building. Although DOT staff requested a longer term for this Sixth Amendment, BP Almaden Associates has only agreed to a 12-month lease due to the site's potential for future development. The proposed amendment will help support the Northern California Motorcycle Show being held at the Convention Center during December 16<sup>th</sup>-18<sup>th</sup>, 2005, by providing a portion of the parking lot for motorcycle demonstration rides. The lot will also serve as the location of the main public grandstands for the San José Grand Prix event scheduled for July 28<sup>th</sup> -- 30<sup>th</sup>, 2006.

Under the Sixth Amendment, the annual cost to lease the 365-space parking lot is \$264,600 (\$22,050 per month, effective January 2006). The cost does not include utilities or maintenance of the lot. The lease amount represents a 5% increase from the current lease. The Agreement also gives either party the option to terminate the lease by providing a ninety (90) day written notice. The termination provision does not prohibit Boston Properties from terminating the agreement prior to the 2006 San Jose Grand Prix event. In the unlikely event such termination occurs, it would significantly impact the proposed course and an alternative plan would need to be developed that may include a reconfiguration of the course. The City would also relocate current monthly parkers to other parking facilities in the vicinity of the Convention Center. The Director of Transportation is authorized to terminate the Lease Agreement for the City.

## OUTCOME

Approval of the lease extension will facilitate the City's continued efforts to provide parking supply to support local businesses, events at the Convention Center, Center for Performing Arts and the San Jose Grand Prix.

## PUBLIC OUTREACH

N/A

## COORDINATION

This agreement has been coordinated with the City Attorney's Office, Downtown Parking Board, and the City Manager's Budget Office.

## COST IMPLICATIONS

Approval of the lease extension will likely result in net revenues of approximately \$50,000 to the Parking Fund. There are sufficient funds in the Parking Fund (non-personal/equipment) to cover the parking lot costs, including the 5% increase.

**BUDGET REFERENCE**

Fund	Appn	Appn. Name	Total Appn	Amt. For Contract	2005-2006 Proposed Operating Budget Page	Last Budget Action (Date, Ord. No.)
533	0512	Non-personal / Equipment	\$6,176,087	\$264,600	Page XI-32	N/A
Total Current Funding Available			\$6,176,087	\$264,000		

**CEQA**

EIR Resolution 72767, and addenda thereto, File No. PP05-180.

  
James R. Helmer  
Director of Transportation