

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen
James R. Helmer

**SUBJECT: APPROVAL OF WOZ /87
PUBLIC PARKING LOT
AGREEMENT**

DATE: 01-20-09

Approved

Date

1/29/09

COUNCIL DISTRICT: 3

RECOMMENDATION

Adoption of a resolution authorizing the City Manager to negotiate and execute an airspace rental agreement with the State of California for use of the public parking lot located at Woz Way and Highway 87 (Woz/87 Lot) with an initial term of five (5) years and an option to extend for another five (5) year term.

OUTCOME

Adoption of this resolution will enable the City to continue operating the Woz/87 Lot as a public parking lot for a minimum term of five years.

BACKGROUND

Beginning July 2000, the City has occupied the Woz/87 parking lot (see Attachments A and B) under an "airspace rental agreement" (essentially a lease) from the California Department of Transportation [Caltrans]. Each rental agreement has been for a period of six months. The most recent agreement expired on June 30, 2008.

The Woz/87 Lot comprises an area of 3.3 acres and has 283 parking spaces and primarily serves patrons of the Children's Discovery Museum and visitors to major Convention Center events. In anticipation of the expiration of the agreement, staff from the Real Estate Division of the Public Works Department entered into negotiations with Caltrans with the objective of entering into a longer term airspace rental agreement for the Woz/87 Lot rather than a short-term renewal of the previously existing agreement.

ANALYSIS

The City has previously paid Caltrans a monthly rental fee of \$6,000 for the Woz/87 Lot. The City currently pays the same amount under holdover provisions. The proposed five-year

agreement for the Woz/87 Lot will be effective from March 1, 2009 and provides for 3 percent annual increases to the monthly rent amount which starts at \$8,000 per month. Caltrans set this rent rate according to market data through a process of periodically putting their airspace agreements out to public bid as a way of assessing what private parking lot operators are willing to pay. The City's Department of Transportation [DOT] staff estimates that after including the increased rental expense of \$8,000 (4 months x \$2,000) and other current year operating expenses, the Parking Fund will realize \$115,000 in net revenue from the Woz/87 Lot in FY 2008-09.

The proposed agreement provides for a five-year term with the same standard language as the previous short-term agreements. The proposed agreement also contains a provision for attorneys' fees, which is a standard Caltrans provision and that Caltrans would not waive for the City. The proposed agreement contains language that allows either the City or Caltrans to terminate the agreement at any time with 90 days written notice. Caltrans also retains the right to re-evaluate the rent rate and adjust it accordingly at any time during the term of the agreement. Under the terms of the proposed agreement, the total rent to be paid to the State over the five-year term will not exceed \$510,000, based upon no rent adjustments by Caltrans.

EVALUATION AND FOLLOW UP

No additional follow up actions with the Council are expected at this time.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

On May 7, 2008, DOT staff presented a report to the City's Downtown Parking Board with a recommendation to approve a long-term airspace rental agreement with Caltrans for the Woz/87 parking lot. The DPB approved this recommendation.

The approval of this agreement does not meet any of the criteria identified by the Sunshine Reforms Work Plan. This memorandum will be posted on the City's website for the February 10, 2009 Council agenda.

COORDINATION

This agreement has been coordinated with the Department of Planning, Building and Code Enforcement, the City Attorneys' Office, and the City Manager's Budget Office.

FISCAL/POLICY ALIGNMENT

This item is consistent with the General Budget Principles in that it protects a vital core city service.

COST SUMMARY/IMPLICATION

The total rent payable by the City for the five-year term of the agreement will not exceed \$510,000.

BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the contract recommended as part of this memo.

Fund #	Appn #	Appn. Name	RC#	Total Appn.	Amt. For Contract	2008-2009 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
533	0512	Department of Transportation Non Personal/ Equipment	486580	\$ 7,239,320	\$510,000*	N/A	10/21/08 Ord. No. 28422

*Note: This amount represents the full five-year contract although the cost for the first year is \$96,000.

HONORABLE MAYOR AND CITY COUNCIL

01-20-09

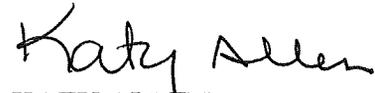
Subject: Approval of Woz/87 Public Parking Lot Agreement

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CEQA

CEQA: Not a project.


JAMES R. HELMER
Director of Transportation


KATY ALLEN
Director, Public Works Department

For questions please contact PHILIP PRINCE, DEPUTY DIRECTOR, PUBLIC WORKS DEPARTMENT, at 535-8300.



SAN JOSE DOWNTOWN PARKING



PARKING MAP | PARKING PROGRAMS + SERVICES | SJ FAST PAY | PARKING CONDITIONS | DRIVING DIRECTIONS | LOCAL LINKS

Mouse over an event for more info >>

2009 Amgen Tour of California - February 17 Frida Kahlo - Portra

PRINTABLE VERSION | OPEN IN GOOGLE EARTH | DOWNLOAD GOOGLE EARTH

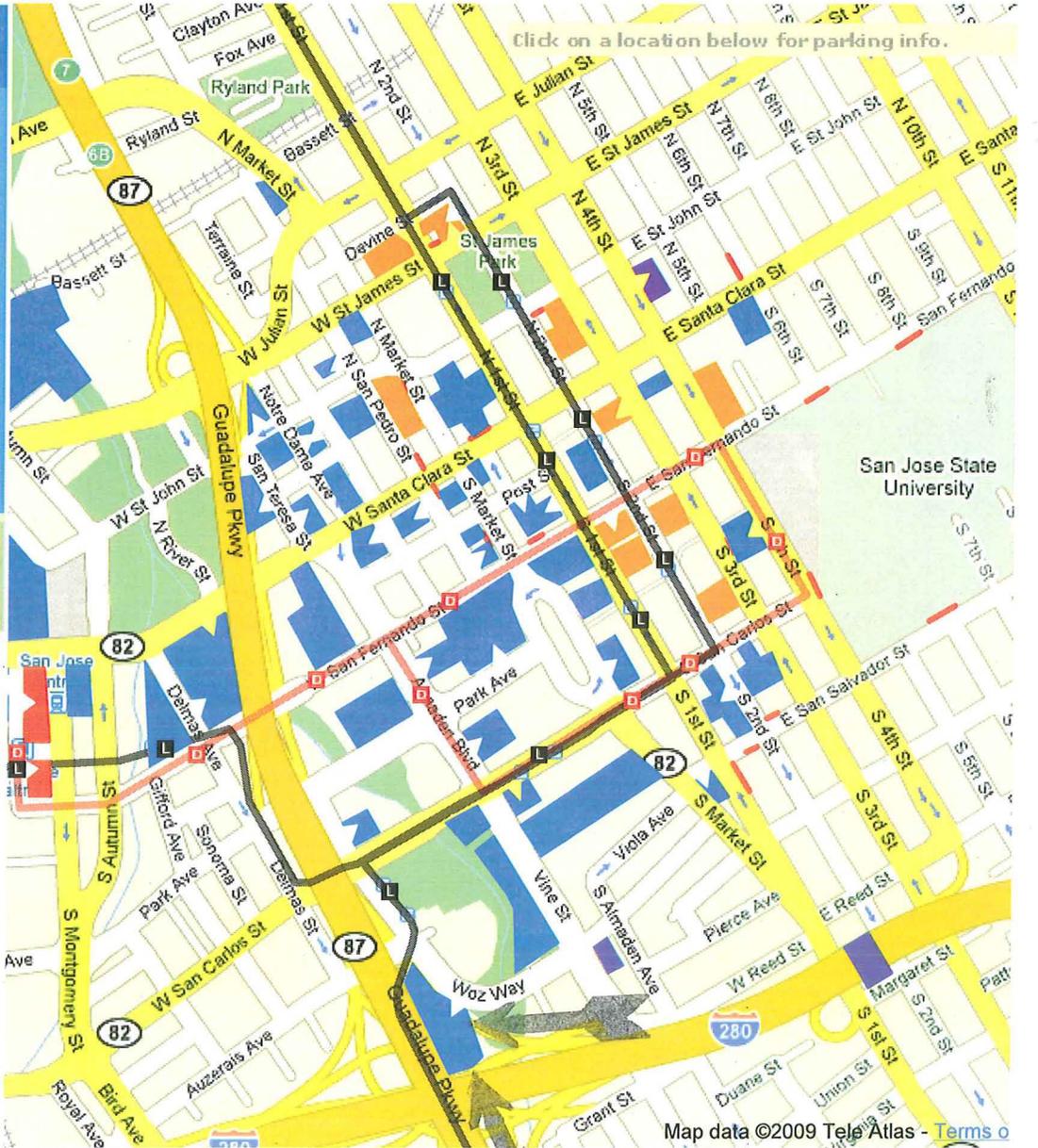
PARKING MAP LEGEND

(arrows denote entrance)

- Validated Parking
- DASH Low-Cost Parking
- Free Parking after 6pm, weekends, holidays
- \$2 Parking after 6pm, Sa, Sun, & holidays with two-hour validations
- Other Public Parking
- Motorcycle Parking
- Light Rail Line & Stations
- DASH Shuttle Route & Stops
- Caltrain/ACE Service

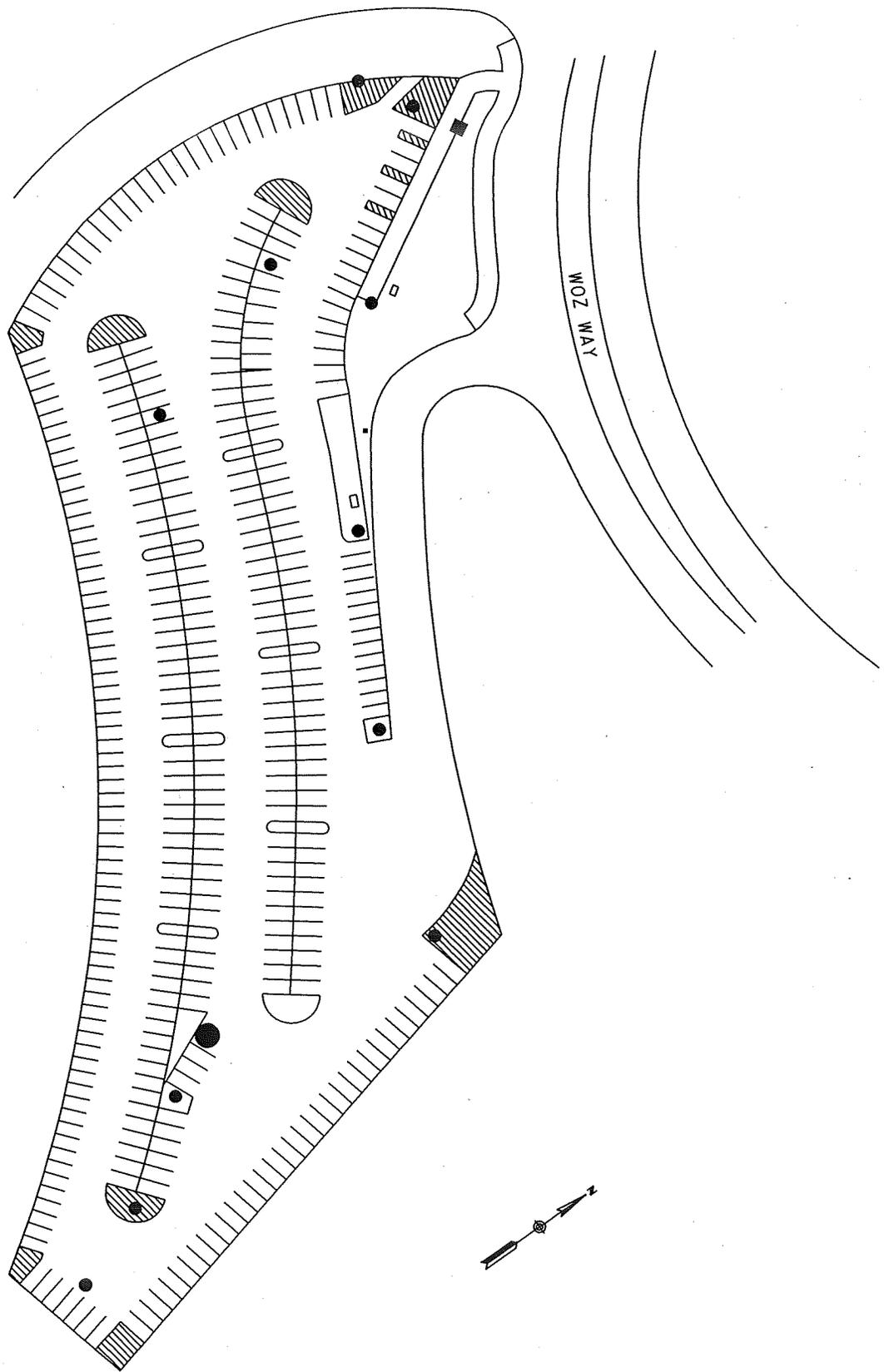
DOWNTOWN POINTS OF INTEREST:

- 1 Children's Carousel
- 2 Children's Discovery Museum
- 3 King Library
- 4 Montgomery Theatre
- 5 Peralta Adobe & Fallon House Historic Site
- 6 San Jose Art Museum
- 7 San Jose Repertory Theatre
- 8 St. Joseph Cathedral
- 9 The Tech Museum of Innovation
- 10 California Theatre
- 11 City Hall
- 12 Museum of Quilts and Textiles



PARKING MAP | PARKING PROGRAMS | SJ FAST PAY | PARKING CONDITIONS | DRIVING DIRECTIONS | LOCAL LINKS | SITE MAP | LOGIN
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Portions of Parking Lot
Located Beneath 280 and 87 Freeways



SHEET
1

WOZ / 87 PARKING LOT

CITY OF SAN JOSE
DEPARTMENT OF TRANSPORTATION
SCALE: 1" = NTS DATE: 00 - 00 - 2001