


CITY COUNCIL ACTION REQUEST

Department(s): Transportation	CEQA: Not a Project, File No. PP17-003, Agreements and Contracts (New or Amended) that will result in no physical changes to the environment.	Coordination: Department of Planning, Building and Code Enforcement, City Attorney's Office and City Manager's Budget Office	Dept. Approval: /s/ John Ristow
Council District(s): 3			CMO Approval:  6/19/2020

SUBJECT: AMENDMENTS TO PARKING AGREEMENTS WITH DWF V WEST SANTA CLARA STREET LLC AND SJ NORTH 1ST LLC

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to negotiate and execute amendments to parking agreements with DWF V West Santa Clara Street, LLC and with SJ North 1st LLC to extend the term length, increase the number of parking permits, and update fee amounts.

BASIS FOR RECOMMENDATION:

The City has existing parking agreements executed on May 2, 2017 with DWF V Santa Clara Street, LLC (DWF) for their property located at 2 West Santa Clara St, and on October 23, 2019 with SJ North 1st LLC (SJ North) for their property located at 1 W. Santa Clara St. These agreements fall under the Director of Transportation's authority per the Master Parking Rate Schedule to execute agreements with owners of Class B or C buildings downtown at a maximum of 1 parking permit per 1,000 sq ft of office space, at a rate of \$25 per month/permit during a hold period while building owners seek tenants, and at a rate of \$100 per month/permit once parking access is needed. Based on building size, DWF has 100 permits and SJ North has 108 permits; all under hold status with no active permits as both properties have been undergoing remodeling.

Representatives from both DWF and SJ North have reached out to Staff seeking amendments to their agreements to provide additional permits, as they see the market conditions and prospective tenants all requiring more than the 1 permit per 1,000 sq ft. Staff is proposing amendments to both agreements with the following basic terms which exceed the authority of the Director of Transportation:

- Increase the number of permits from 100 (DWF) and 108 (SJ North) to a maximum of 150 for each
- Extend the term length to a maximum hold period of 3 years and a maximum active term of 5 years
- Increase the hold fee from \$25/month per permit to \$100/permit per month, which aligns with another recently approved agreement
- Fees for active permits equal to the established market rate at the time the permits are active
- Parking permits could be provided in any one of the following City garages (Market Street, 3rd Street, 4th/San Fernando, 2nd/San Carlos)

Climate Smart San Jose:

The recommendation in this memo has no effect on Climate Smart San Jose energy, water, or mobility goals.

Commission Recommendation/Input:

This item was not discussed with the Downtown Parking Board; board meetings have not occurred due to COVID-19.

COST AND FUNDING SOURCE:

There will be no costs to the General Purpose Parking Fund (Fund 533) associated with these agreements, and are anticipated to generate up to a combined \$360,000 annually.

FOR QUESTIONS CONTACT: Arian Collen, Parking Manager at 408-975-3246.