RECOMMENDATION

It is recommended that the City Council adopt a resolution authorizing the City Manager to execute a Parking Management Agreement with San Joaquin County for the Central Parking District to operate the County-owned parking garage located at 114 South Hunter Street.

Summary

The City's Central Parking District has operated the San Joaquin County parking garage located at the corner of Hunter and Market Streets (known as the Hunter Street Garage) since 1993. The previous agreement has exercised all available term options and, in order for the Central Parking District to continue operating the garage, it is necessary to adopt a new agreement. The proposed Parking Management Agreement (Exhibit 1 to the Resolution) is for a term of three years, with three one-year options to extend. The fee for services is $91,816 for the first year and increases by 3% in year two and an additional 3% in year three. If the options are exercised, the fee will increase by an additional 3% for each year the contract is extended.

DISCUSSION

Background

In 1988, the City of Stockton and San Joaquin County exchanged parcels in order to facilitate the construction of the City's Market Street Garage at 400 East Market Street, and to provide a future parking facility for the County in the 200 block of Market Street. As part of the property exchange, the site at the corner of Hunter and Market Streets was deeded to the County. A parking structure was built on the site in 1993. The facility has been operated by the City's Central Parking District since its opening and includes 268 parking spaces.

On November 1, 1993, the City entered into an agreement with the County for the operation of the facility (Attachment A - Resolution 93-0662). The term of the initial agreement was for one year, with an option of extending the agreement up to three additional years. The agreement was subsequently extended each year from 1994 through 1997 and was renewed in December 1998 (Attachment B - Resolution 98-0491) and again in August 2004 (Attachment C - Resolution 04-0613). The term of the latest agreement was for two years beginning September 2008 through September 2010 with three additional yearly extensions, with the final extension was set to expire August 31, 2013, however a change order was issued to allow for uninterrupted service pending the outcome of this agenda item.
Present Situation

The current Parking Management Agreement ("Agreement") expired on August 31, 2013. The delay in bringing the contract renewal forward to Council was due in part to the County taking additional time to evaluate their potential options for operations of their parking garage. The County has now requested the continuation of the Central Parking District’s operation of the garage for a period of three years and has issued a letter expressing their intent to renew the Parking Management Agreement. The County has also signed a change order for the contract which expired August 31, 2013, extending the terms of the expired agreement to cover the time between contract expiration and contract renewal. The County Board of Supervisors approved the new contract at their September 24, 2013 meeting. The term of the new agreement will allow for an extension of up to three additional years on an annual basis. The County will pay the City of Stockton a fee of $91,816 for management services for the first year of the Agreement. The fee will increase to $94,570 for the second year of the Agreement, which reflects a three percent (3%) increase over the initial fee. The third year of the contract will see a three percent (3%) over year two. If the agreement is extended beyond August 31, 2016, the annual base rate for any such extension(s) shall increase by three percent (3%).

FINANCIAL SUMMARY

Revenue received as a result of the Parking Management Agreement with San Joaquin County will be deposited into Central Parking District Intergovernmental Revenue Other Agency Account No. 416-4020-339.90-00. Fees received will cover the Central Parking District’s direct and indirect costs for management and operations of the parking structure. Maintenance charges incurred by the District are billed to the County separately.

Attachment A - Resolution 93-0662
Attachment B - Resolution 98-0491
Attachment C - Resolution 04-0613