

Agenda Report

TO: CITY COUNCIL **DATE:** January 25, 1999

THROUGH: Finance Committee

FROM: City Manager

SUBJECT: Lease Agreement for 400 Parking Spaces at Parson's

RECOMMENDATION:

That City Council approve the amended lease price for 400 spaces in the Parson's Garage

BACKGROUND:

On September 14, 1998 staff recommended to the City Council a package of parking strategies for the West Gateway Parking District. This included a recommended lease with the Parson's Corporation. At that time, lease terms were nearly finalized, and other companies were attempting to lease some of the same spaces. Council approved the recommendations and authorized the City Manager to enter into a lease agreement with Parson's Corporation and a sub-lease agreement with RUSNAK/Pasadena for 400 parking spaces.

Lease negotiations with the Parson's Corporation, through Dacam Management, and RUSNAK/Pasadena, through staff, were completed in November 1998. A lease and sub-lease were executed for the 400 spaces. The final lease price negotiated was \$175,000 per year, not the anticipated price of \$150,000 per year that was discussed at City Council.

FISCAL IMPACT:

The Council item projected a financial plan to cover the lease expenses including revenues from Rusnak, meter fees and zoning credits from the West Gateway District, and a transfer from the Transportation Division due to Budget savings. Expenses for FY 99 were projected to be \$100,000, over an eight-month lease period. With the increased lease cost, and delayed start date, the projected expenses are now approximately \$102,000 for FY 99. Other expenses are anticipated to be reduced due to the later starting date, resulting in no net cost increase for the District in FY 99.

Future year budget revenues and expenses will need to be adjusted to cover the additional \$25,000 per year. The likely sources for these adjustments will be meter revenues for the District and zoning credits. Indications are that this will not be a problem.

Respectfully Submitted,



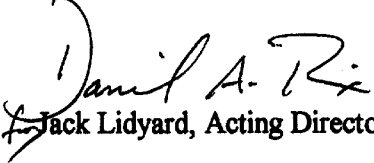
CYNTHIA J. KURTZ
City Manager

Prepared By:



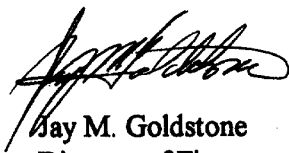
David Grosse
Transportation Administrator

Approved By:



Jack Lidyard, Acting Director Public Works and Transportation

Concurred:



Jay M. Goldstone
Director of Finance