

Agenda Report

December 14, 2015

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Transportation

SUBJECT: EXTENSION OF THE AGREEMENT NO. 18398 WITH THE OLD PASADENA MANAGEMENT DISTRICT FOR THE MANAGEMENT OF THE SCHOOLHOUSE, DE LACEY, AND MARRIOTT GARAGES

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the City Manager to extend contract 18398 for one year with the Old Pasadena Management District for the management of the Schoolhouse, De Lacey, and Marriott parking garages to December 31, 2016;
2. Appropriate additional \$100,000 in FY2016 operating budget for garage management from the available unappropriated fund balance in Fund 407 – Off-Street Parking Facilities to accounts 40724023-811400 (\$58,000 for Schoolhouse), 40724024-811400 (\$33,000 for De Lacey), and 40724025-811400 (\$9,000 for Marriott), for a total revised garage management budget of \$2,433,800;
3. Find that a contract with the Old Pasadena Management District for garage management is categorically exempt from the California Environmental Quality Act (“CEQA”) pursuant to State CEQA Guidelines Section 15301 (Existing Facilities); and
4. Find that competitive bidding is not required pursuant to City Charter Section 1002 (F) Contracts for Professional or Unique Services. Grant the proposed contract an exemption from the competitive selection process of the Competitive Bidding and Purchasing Ordinance pursuant to Pasadena Municipal Code Section 4.08.049 (B), contracts for which the City’s best interest are served.

BACKGROUND:

On June 27, 2002, the City received a proposal from the Old Pasadena Management District (OPMD) to operate three City-owned parking structures in Old Pasadena. On December 8, 2003, City Council authorized the City Manager to enter into an agreement with the OPMD to manage Schoolhouse, De Lacey, and Marriott garages in Old Pasadena. On July 17, 2006, City Council authorized the extension of the agreement for an additional four year term to expire on December 31, 2010. On December 13, 2010, City Council authorized an additional five year extension to the contract. In 2013, staff conducted an audit of parking operations in the nine City-owned garages to identify any deficiencies in current practices so as to improve existing operations and to provide information to use in enhancing off street parking operations in the future. These recommendations are attached as Exhibit A and will be included in the contract extension.

In addition to the recommendations in Exhibit A, the audit of parking operations recommended modifications to both reduce the number of parallel parking access and revenue control systems and to provide more direct oversight of the collection of parking revenues. Accomplishing the recommended modifications requires replacement of the parking access and revenue control systems currently in place and modification of the terms by which the parking garages are operated. The one-year term recommended for this contract extension will allow the three garages to continue to operate while staff brings recommendations for modifying the parking system to the City Council.

OPMD is responsible for the management of the Old Pasadena Business Improvement District which contains the Schoolhouse, De Lacey and Marriott garages. OPMD's management of both the district and the garages has allowed for maximum flexibility and success of the garage operations based upon their knowledge of the district, its visitors and its businesses. OPMD is able to combine the guide program in Old Pasadena with the garage security program to provide maximum coverage and responsiveness combined with knowledge of the district.

Under OPMD's management of the garages transient and monthly revenues have increased 23%, while direct operating expenses have only increased 10%. City staff will conduct monthly inspections of all the garages and operations based upon the audit findings and garage best practices included in Exhibit A. Both the City and OPMD desire to extend this agreement, with the additional terms, which is in the best interests of the City.

ENVIRONMENTAL ANALYSIS:

The proposed amendment of lease agreement with OPMD for the management of the Schoolhouse, De Lacey, and Marriott parking garages is categorically exempt from the California Environmental Quality Act (CEQA) under section 15061 (b) (3), the General Rule that CEQA only applies to projects which have the potential for causing a significant effect on the environment.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced by amending the contract with the Old Pasadena Management District for the management of the Schoolhouse, De Lacey, and Marriott parking garages.

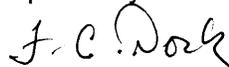
FISCAL IMPACT:

The current management fee of \$12,011 per month will increase by CPI on January 1, 2016. For purposes of this report that amount is estimated at a 3% increase. An additional increase of \$9,564 is necessary to cover management duties that were previously encumbered in the operating budget. This brings the total management fee for FY2016 to \$155,858.

On an annual basis, independent of the management fee, OPMD submits an operating and capital budget for the three garages to the Department of Transportation. Following review and adjustment, the Department of Transportation incorporates the budget request into the Department's annual budget requests to the City Manager. Once the annual budget is approved by the City Council, the amounts allocated to the three garages are added to the management fee to determine the contract amount for the fiscal year. The FY2016 approved garage operating and capital budget was \$2,333,800. This amount will be increased by \$100,000 to reflect adherence to prevailing wage requirements, for a revised total operating and capital budget amount of \$2,433,800. This amount, plus the management fee, brings the total FY2016 contract amount to \$2,580,094.

The additional \$100,000 budget will come from unappropriated fund balance in Fund 407 – Off-Street Parking Facilities and will be appropriated to accounts 40724023-811400 (\$58,000 for Schoolhouse), 40724024-811400 (\$33,000 for De Lacey), and 40724025-811400 (\$9,000 for Marriott).

Respectfully submitted,



FREDERICK C. DOCK

Director

Department of Transportation

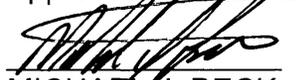
Prepared by:



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Management Analyst

Approved by:



MICHAEL J. BECK

City Manager

Attachment:

Attachment – Exhibit A