

Agenda Report

February 7, 2022

TO: Honorable Mayor and City Council

FROM: Department of Transportation

SUBJECT: AUTHORIZATION TO ENTER INTO AN UPDATED CONTRACT WITH RUSNAK/PASADENA TO LEASE PARKING SPACES FROM THE CITY IN THE DEL MAR STATION GARAGE

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action is exempt under the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment;
2. i) Authorize the City Manager to execute an amendment for contract 21658 with Rusnak/Pasadena to lease 171 parking spaces from the City in the Del Mar Station Garage to store excess retail vehicle inventory for an amount payable to the City of \$122,094 for the initial one-year term, and ii) grant the proposed contract amendment an exemption pursuant to Pasadena Municipal Code Section 4.08.049(B) contracts for which the City's best interests are served; and
3. Authorize the City Manager to extend the term of the contract for two additional one-year terms as detailed in the report at the discretion of the City Manager.

BACKGROUND:

Since 1998 the City has provided the means for the Rusnak/Pasadena Automotive Group to store excess retail vehicle inventory at an offsite location. The Rusnak property does not have sufficient storage for these vehicles. In 1998 the City leased parking spaces from the Parson's Corporation Parking Structure to sublet to Rusnak/Pasadena. In 2013 this agreement ended when Parson's redeveloped their campus resulting in the loss of parking spaces.

To offset the loss of spaces at Parson's, in 2013 the City entered into an agreement with Rusnak/Pasadena to lease 171 parking spaces in the Del Mar Station Garage. The City designated two isolated sections of the garage for vehicle storage. The sections are gated, secured, and located such that regular vehicle flow is not impacted.

The Del Mar Station garage consistently operates at less than maximum capacity and the expected revenue from leasing these spaces helps to balance the cost of the garage's operation. The expected revenue of \$122,094.00 is calculated on 171 spaces being leased at \$70 per space with a 15% discount. It is in the City's best interests to continue the business arrangement with Rusnak with the option to extend for two additional one year terms, subject to the approval of the City Manager.

COUNCIL POLICY CONSIDERATION:

This project is consistent with the City Council's goal to improve, maintain, and enhance public facilities and infrastructure. It also supports and promotes the quality of life and the local economy.

ENVIRONMENTAL ANALYSIS:

The project has been reviewed for compliance with CEQA and is exempt per Section 15061 (b) (3). The project is covered by the general rule that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The parking space lease contract will not result in any significant effect on the environment.

FISCAL IMPACT:

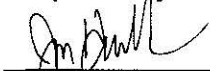
This contract will result in annual revenues of \$122,094 to be paid into the Parking Garage Fund account 40724032-750300. The annual contract amount for the additional two one-year terms will be based on the total number of spaces leased, up to 171. If more than 100 spaces are leased, the annual amount will be the annual market rate per space times the number of spaces minus a 15% discount. If fewer than 100 spaces are leased, then the amount will be the annual market rate per space times the number of spaces.

Respectfully submitted,



LAURA RUBIO-CORNEJO
Director
Department of Transportation

Prepared by:



Jon Hamblen
Parking Manager

Approved by:



CYNTHIA J. KURTZ
Interim City Manager