

# Agenda Report

November 18, 2024

**TO:** Honorable Mayor and City Council

**FROM:** Department of Transportation

**SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH RUSNAK/PASADENA TO LEASE 171 PARKING SPACES FROM THE CITY OF PASADENA IN THE DEL MAR STATION GARAGE FOR \$130,815 FOR THE INITIAL ONE YEAR TERM**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the action proposed herein is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3)(Common Sense Exemption);
2. Authorize the City Manager enter into a one-year contract with Rusnak/Pasadena to lease 171 parking spaces from the City in the Del Mar Station Garage to store excess retail vehicle inventory for \$130,815 for the initial one-year term; and
3. Authorize the City Manager to extend the term of the contract for four 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 \$130,815.00 is calculated on 171 spaces being leased at the current monthly rate of \$75 per space with a 15% discount.

The annual contract amount for the additional four 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 100 or fewer spaces are leased, then the amount will be the annual market rate per space times the number of spaces.

It is in the City's best interests to continue the business arrangement with Rusnak/Pasadena with the option to extend for four 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 action proposed herein is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3), the "Common Sense" exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Such is the case with the authorization to enter into a contract with to lease parking spaces in the Del Mar Station Garage to store excess retail vehicle inventory.

**FISCAL IMPACT:**

This contract will result in annual revenue of \$130,815 to the Off Street Parking Fund (407) for the initial one year term. FY 2025 revenue from this contract has been budgeted in the Department of Transportation's FY 2025 Operating Budget. Future year's revenue from this contract will be budgeted as part of the department's annual operating budget, dependent on the number of spaces leased. There is no impact to the General Fund (101).

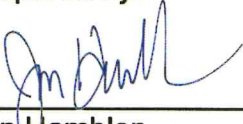
Respectfully submitted,



---

JOAQUIN T. SIQUES  
Director, Department of Transportation

Prepared by:



---

Jon Hamblen  
Parking Manager

Approved by:



---

MIGUEL MÁRQUEZ  
City Manager