

Agenda Report

TO: CITY COUNCIL **DATE:** September 14, 1998

THROUGH: Finance Committee

FROM: Acting City Manager

SUBJECT: West Gateway Parking District

RECOMMENDATION:

It is recommended that the City Council:

1. Designate the West Gateway Parking District with boundaries as shown on Exhibit A;
2. Direct the City Attorney to prepare an ordinance establishing the West Gateway Parking Meter Zone, on the Rusnak Dealership frontages, as shown on Exhibit B, with an initial rate of \$0.50 per hour;
3. Approve a journal voucher decreasing by \$54,000 the transfer from the West Gateway Parking District Fund to the General Fund, and reducing appropriations to the Transportation Division (Budget Account 101-763100) by \$54,000;
4. Approve a journal voucher recognizing \$119,067 in revenue from the West Gateway Parking District and appropriating \$110,833 to the West Gateway Parking District Program in the Transportation Division of the Public Works and Transportation Department (Budget Account 225-763200);
5. Approve the City of Pasadena entering into a lease for 400 parking spaces with the Parson's Corporation in the West Parking Structure and authorize the City Manager to execute the lease upon approval of the City Attorney; and
6. Approve the City of Pasadena entering into a sub-lease of said 400 parking spaces with the Rusnak Dealerships and authorize the City Manager to execute the sub-lease upon approval of the City Attorney.

BACKGROUND:

On Monday, July 13, 1998, City Council approved and adopted the West Gateway Specific Plan. This action was the culmination of several years of effort by many stakeholders and the community to map out a development strategy for the area around the intersection of Colorado and Orange Grove Boulevards. Included in the adoption of the Specific Plan was the direction to proceed with implementation of the West Gateway Parking District.

MEETING OF 9/14/98

AGENDA ITEM NO. 7.B.1.

The Transportation Advisory Commission considered the implementation of the proposed West Gateway Parking District and a smaller meter zone at their meetings of July 10th and August 7th. TAC recommended changes to the Parking District boundary to provide for a future Blue Line Parking District and supported the City Council implementation of the West Gateway Parking District. Staff has adjusted the boundaries as suggested, and incorporated areas for the future Blue Line Parking District.

The City Council's Finance Committee will consider the recommended actions at their meeting of September 14, 1998.

Parking availability and management in the West Gateway area has been identified as a current and growing problem. The adjacent Old Pasadena District parking demand overflows into much of this area, as do valet parking operations from Old Pasadena. Development of this area as an urban village with additional businesses will result in additional parking needs.

The issue of parking management was discussed during the development of the West Gateway Specific Plan. A consensus was reached to form a new parking district that would be distinct and separate from the Old Pasadena Parking District, to address the needs for parking in the West Gateway Area. Several parking structures were considered for this district in the area of the proposed urban village.

Throughout the development of the West Gateway Specific Plan, the Rusnak Dealerships on Colorado Boulevard have supported the implementation of a parking district and have requested implementation of a parking meter zone adjacent to their properties. Currently, they experience substantial overflow parking from Old Pasadena visitors. The recommended meter zone would assure their customers of a place to park.

Staff has negotiated a draft parking space agreement with Parson's West Parking Structure for spaces below ground on basement floors "A" and "B". These two floors and the ramps connecting to them combine to provide 400 spaces that the City could sub-lease to the Rusnak Dealerships for employee parking and new car storage. Since the majority of these spaces are behind a chain link security fence, they are not currently used for parking. They are available to the City at an attractive rate and will make ideal secured parking for the Rusnak Dealership inventory.

Staff has also secured agreement with the Rusnak management team to sub-lease the 400 parking spaces from the City in the Parsons west parking structure. This would allow for the needed short-term growth in new car inventory to support growing sales demands on the dealerships, and for employee parking. Rusnak has projected that these additional spaces will allow them to expand their Pasadena sales and services by \$10 million annually, with corresponding sales tax benefits to the City.

Implementation of the West Gateway Parking District provides the financial and management tools to allow the City to solve a number of existing parking problems. Within the District, revenues will be derived from Parking space leases, parking zoning credits, meters and other parking uses.

Other than the rental of spaces from Parsons, operating expenses for the District are expected to be minimal. Capital expenses are also minimal, and will be for the purchase and installation of meters and signs for the new District and meter zone.

The City has been providing storage for new cars in the lowest level of the Schoolhouse Garage for about one year. Additional revenues will accrue to the City through the Old Pasadena Parking District from transient customer rental of these spaces when they are no longer needed for new car storage. The City will also save \$78,000 in security costs per year when the vehicles are removed from the Schoolhouse garage.

FISCAL IMPACT

Below is a list of budget amendments that require City Council approval to initiate the West Gateway Parking District:

West Gateway Parking Expenses (225-763200):

Expenses incurred for the operation and maintenance of the parking meters and lease of 400 parking spaces from Parsons will be approximately \$110,833 for FY 1999.

West Gateway Revenue (225-6992):

Projected Adopted revenues for FY 1999 from the new parking meters, parking space rental and zoning parking credits from the use of the Parsons parking facility will total \$119,067.

Transportation Division (101-763100):


The Transportation Division Budget Account 101-763100 currently has several unfilled positions due to reassignments and a resignation. Salary savings from these temporary vacancies will allow revenues generated by the District to be used for parking space rental in the District during the current year.

The fiscal impact for adoption of the West Gateway Parking District and Meter Zone will be as follows:

<u>Fund:</u>	<u>Description</u>	<u>Adopted</u>	<u>Net Change</u>	<u>Amended</u>
225-763200	West Gateway Exp.	\$0	\$110,833	\$110,833
225-6992	West Gateway Rev.	\$54,000	\$65,067	\$119,067
101-763100	Transportation Division	\$541,301	(\$54,000)	\$487,301
101-6992	West Gateway Transfer In	\$54,000	(\$54,000)	\$0

The West Gateway Parking District is projected to have a net income of \$8,233 in FY 1999. This low amount is because operations will not begin until midway during the fiscal year. In FY 2000, the District is projected to generate net revenue of \$26,000. It is projected that in FY 2003, the fund will generate \$75,000 annually due to an increase in parking demand in this area. A detailed projection of expenses and revenues is attached as Exhibit "E".

Respectfully Submitted,



CYNTHIA J. KURTZ
Acting City Manager

Prepared By:

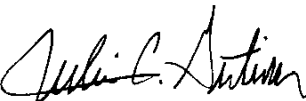


David Grosse
Transportation Administrator

Approved By:


Jack Lidyard, Acting Director Public Works and Transportation

Concurred:


For Jay M. Goldstone
Director of Finance

Attachments: Exhibit "A" West Gateway Parking District Boundary
Exhibit "B" West Gateway Meter Zone Boundary
Exhibit "C" Rusnak Dealership letter requesting meter zone
Exhibit "D" West Gateway Parking District Mailer
Exhibit "E" West Gateway Parking District Financial Summary