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2015 29 PM 2:13

# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Brooke A. Levin  
Director, Public Works

**SUBJECT:** Amend Resolutions Authorizing  
Parking Garage Contracts

**DATE:** October 19, 2015

City Administrator Approval

Date:

10/28/15

## RECOMMENDATION

**Staff Recommends That the City Council Adopt:**

**A Resolution Amending Resolutions 84993 C.M.S. and 85105 C.M.S. authorizing the City's contracts with City of Oakland Parking Partners and Montclair Village Association, respectively, by removing any monthly cap and not-to-exceed limits on contractor compensation.**

## EXECUTIVE SUMMARY

Approval of this resolution will remove the monthly caps or not-to-exceed limits on compensation in the authorizing legislation for the City's contracts with City of Oakland Parking Partners ("COPP") (Resolution 84993 C.M.S., see **Attachment A**) and with Montclair Village Association ("MVA") (Resolution 85105 C.M.S., see **Attachment B**). Such limits impose unreasonable constraints on the ability of City staff and its contractors to effectively operate and manage the City's municipal parking garages and lots. While this legislation removes the monthly limits or caps, it leaves in place the not-to-exceed annual and total not-to-exceed contract amounts.

## BACKGROUND / LEGISLATIVE HISTORY

On May 20, 2014, City Council passed Resolution 84993 C.M.S. authorizing the City Administrator to finalize and execute a contract with City of Oakland Parking Partners (COPP) for the operation and management of sixteen off-street parking facilities. The contract was subsequently executed and COPP began operations on August 1, 2014. Resolution 84993 C.M.S resolves:

"That the contract shall provide for a compensation rate of up to \$219,418 a month (including a management fee of \$9,634 and up to \$209,783 in operating expenses) in addition to incentive fees of up to \$50,000 a year (including \$18,000 for net revenue incentive fees and \$32,000 for customer satisfaction incentive fees contingent on targets for either or both being met), for a total not to exceed annual contract amount of \$2,683,013."

Item: 5  
Public Works Committee  
November 10, 2015

On July 15, 2014, City Council passed Resolution 85105 C.M.S. authorizing the City Administrator to finalize and execute a contract with Montclair Village Association for the operation and management of two off-street parking facilities located in the Montclair commercial district. Resolution 85105 C.M.S. resolves:

"[T]hat the MVA be compensated for said parking management services at a compensation rate of up to \$17,100 a month (including a \$790 per month management fee and up to \$16,310 in garage operating expenses) in addition to incentive fees up to \$4,000 a year (including \$1,000 for net revenue incentive fees and \$3,000 for customer satisfaction incentive fees contingent on targets for either or both being met) for a total not-to-exceed annual amount of \$209,200 and a total not-to-exceed three year contract amount of \$627,600."

### **ANALYSIS AND POLICY ALTERNATIVES**

Public Works' Transportation Services Division (TSD) is responsible for overseeing the operation and management of the City's twenty-one municipal parking garages and lots. Together, these facilities generate nearly ten million dollars in parking fees and taxes annually. Historically, the City has contracted with professional parking operators and asset managers to manage these important assets.

In 2014, TSD led efforts that resulted in two new parking facility contracts, one with COPP and the other with MVA. Both contracts feature fixed per-space management fees and incentives that the contractors can earn by achieving net income and customer satisfaction targets.

Under these contracts, total compensation includes these fees and reimbursable expenses for operating, managing and improving the facilities.

Reimbursable expenses cover services such as parking operations, supervision and management; customer service; accounting; security; cleaning; landscaping; and maintenance and repairs. The City also reimburses contractors for expenses such utility bills, data processing, supplies, insurance premiums and business licenses. From time to time, the City authorizes additional expenses for items such as signage, uniforms, and equipment. COPP and MVA are required to pay these expenses up front and then invoice the City, without mark up, for reimbursement.

Unlike the fixed management and incentive fees, many of these expenses can vary from month to month, sometimes considerably. For example, there may be need for additional security and staffing for special events, repairs to facilities due to vandalism, unexpected repairs, etc.

This legislation seeks to correct the contractual limitations on these reimbursable expenses, recognizing that these can vary to such a degree during the course of a month that it may not be possible to work within the monthly limits established by the authorizing resolutions.

While the fees and expenses for these contracts can be projected and managed on an annual basis with a reasonable degree of certainty, variations in operating conditions make it difficult and at times impossible to work within the monthly limits established by the authorizing resolutions.

**FISCAL IMPACT**

This legislation has no direct fiscal impact. Indirectly, however, it recognizes that the costs associated with the operation and management of the parking facilities fluctuate from month-to-month. To the extent that TSD staff and the City's contractors are able to effectively manage these fluctuations, there is a greater likelihood that revenue targets will be met or even exceeded.

**PUBLIC OUTREACH / INTEREST**

There was no public outreach done for this legislation.

**COORDINATION**

Oakland Public Works (OPW) initiated this legislation after consulting with the Budget Office. In addition, the Office of City Attorney and the Controller's Bureau have reviewed this report and resolution.

**SUSTAINABLE OPPORTUNITIES**

***Economic:*** There are no economic opportunities associated with this report.

***Environmental:*** There are no environmental opportunities associated with this report.

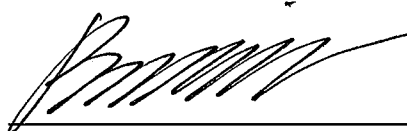
***Social Equity:*** There are no social equity opportunities associated with this report.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that the City Council pass a resolution amending Resolution 84993 C.M.S. authorizing the City's contract with City of Oakland Parking Partners and Resolution 85105 C.M.S. authorizing the City's contract with Montclair Village Association by removing any monthly cap or not-to-exceed limits on contractor compensation.

For questions regarding this report, please contact Michael Ford, Off-Street Parking Manager at (510) 238-7670.

Respectfully submitted,



Brooke A. Levin  
Director, Oakland Public Works

Reviewed by:  
Michael J. Neary, P.E., Assistant Director  
Bureau of Engineering and Construction

Reviewed by:  
Wladimir Wlassowsky, P.E., Transportation  
Services Division Manager

Prepared by:  
Michael Ford, Ph.D., Off-Street Parking Manager  
Transportation Services Division

*Attachments (2):*

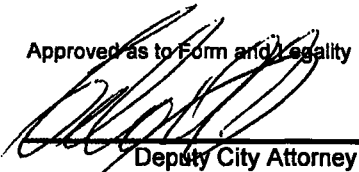
*A: Resolution 84993 C.M.S.*

*B: Resolution 85105 C.M.S.*

**ATTACHMENT A**

**FILED**  
OFFICE OF THE CITY CLERK  
OAKLAND

**MAY 23 PM 2:30**

Approved as to Form and Legality  
  
Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. 84993 C.M.S.

**RESOLUTION (1) AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A JOINT CONTRACT WITH THE OAKLAND REDEVELOPMENT SUCCESSOR AGENCY (ORSA) AND CITY OF OAKLAND PARKING PARTNERS, FOR THE OPERATION AND MANAGEMENT OF SIXTEEN MUNICIPAL PARKING FACILITIES FOR AN INITIAL PERIOD OF FIVE YEARS, WITH OPTIONS TO EXTEND FOR AN ADDITIONAL TWO-AND-A-HALF YEAR TERM AND/OR ON A MONTH-TO-MONTH BASIS FOR UP TO EIGHTEEN MONTHS, AT A COMPENSATION RATE OF UP TO \$219,418 A MONTH PLUS INCENTIVE FEES OF UP TO \$50,000 A YEAR FOR A TOTAL ANNUAL CONTRACT AMOUNT OF \$2,683,013; (2) APPROPRIATING FUNDS IN THE AMOUNT OF: (A) \$125,000 FOR CONTRACT TRANSITION AND START-UP COSTS, AND (B) \$1,750,000 FOR OFF-STREET PARKING FACILITIES CAPITAL IMPROVEMENT PROJECTS; AND (3) CREATING DIRECTING THE CITY ADMINISTRATOR TO INCLUDE IN THE MID-CYCLE BUDGET FOR FURTHER DELIBERATION A PROGRAM ANALYST III SUPPORT POSITION IN THE TRANSPORTATION SERVICES DIVISION**

**WHEREAS**, on January 15, 2014, the Oakland City Council adopted Resolution No. 84807 C.M.S. directing the City Administrator (1) to negotiate a multi-year contract for the operation and management of eight parking garages with the highest scoring respondent to a competitive request for proposal, the City of Oakland Parking Partners ("COPP"), and (2) to return to the City Council upon conclusion of negotiations for final approval of said contract and other parking-related matters, and

**WHEREAS**, those other matters were identified as staff resources, start up and transition costs, accounting and budget provisions, former and current Oakland Redevelopment Successor Agency ("ORSA") properties, and off-street parking in general, and

**WHEREAS**, of the eight parking garages listed in Resolution No. 84807 C.M.S., four belong to the City (Clay Street, Dalziel, Franklin Plaza, and Harrison Street garages) and four belong to ORSA (City Center West, Franklin 88, Telegraph Plaza and UCOP) but several are proposed for transfer to the City, and

**WHEREAS**, the Franklin 88 garage is a condominium within a mixed-use project with ORSA and Arioso Homeowners Association being parties to a reciprocal easement agreement that provides for the joint choosing of a professional parking management company, and

**WHEREAS**, the reorganization of the City's Parking Operations Division carried out in 2012 assigned Public Works Department's Transportation Services Division ("TSD") responsibility for overseeing all municipal parking garages, but did not address the staffing necessary for this oversight function and the fact that the City and ORSA together have eight municipal parking lots, and

**WHEREAS**, the lots belonging to the City include the Dimond, Grand Avenue, Henry J. Kaiser Convention Center, Lakepark, Parkway, and Piedmont Avenue lots, and these parking facilities are not under contract or actively managed by staff, and

**WHEREAS**, the lots belonging to ORSA include the 1800 San Pablo and Webster-Valdez lots, and these parking facilities are on month-to-month contracts, and

**WHEREAS**, under the terms of the new contract COPP would receive a monthly management fee of \$2.45 per parking garage stall and \$1.45 per parking lot space, and

**WHEREAS**, under the terms of the competitive request for proposal for operation and management of parking facilities and the new contract, the City and ORSA will have the right to add and delete parking facilities, and

**WHEREAS**, accumulated net revenues from the operation of ORSA garages recorded in Multipurpose Reserve Fund 1750 are projected to be approximately \$3,000,000 at the end of FY2013-14, and

**WHEREAS**, most of the ORSA parking garages and lots were purchased or improved with proceeds from redevelopment tax allocation bonds, and under applicable federal law and the bond covenants, the revenue produced by bond-funded facilities such as garages are restricted to uses consistent with the covenants set forth in the bond indenture, such as investing in other capital projects meeting a redevelopment purpose within the redevelopment project area where the facility is located, and these restrictions apply even if the properties are transferred to the City, and

**WHEREAS**, an appropriate use of these funds is capital improvements on any City- or ORSA-owned parking facilities so long as the facility benefiting from those improvements is located within the redevelopment project area that issued the bonds and the improvements meet a redevelopment purpose, and

**WHEREAS**, TSD staff and COPP, together with input from other agencies and independent parking consultants, have determined that additional capital improvement projects addressing issues of safety, security, ADA compliance, signage and wayfinding, energy efficiency, and customer service are needed in some or all of the parking facilities, and

**WHEREAS**, there are costs associated with the start up and transition to the new contract including the reconfiguration of the City's parking access and revenue control system, workstation support, training and development of personnel, deferred maintenance, and signage, now, therefore, be it

**RESOLVED:** That the Council hereby authorizes the City Administrator to finalize and execute

a joint contract with the Oakland Redevelopment Successor Agency (ORSA) and City of Oakland Parking Partners for the operation and management of sixteen City/ORSA parking facilities including the City Center West, Clay Street, Dalziel, Franklin 88, Franklin Plaza, Harrison Street, Telegraph Plaza and UCOP garages and the 1800 San Pablo, Dimond, Grand Avenue, Kaiser Convention Center, Lakepark, Parkway, Piedmont Avenue and Webster-Valdez surface lots; and be it

**FURTHER RESOLVED:** That the contract shall be for an initial period of five years, and the City Administrator may extend the contract term an additional two-and-a-half years and/or on a month-to-month basis, not to exceed eighteen months; and be it

**FURTHER RESOLVED:** That the contract shall provide for a compensation rate of up to \$219,418 a month (including a management fee of \$9,634 and up to \$209,783 in operating expenses) in addition to incentive fees up to \$50,000 a year (including \$18,000 for net revenue incentive fees and \$32,000 for customer satisfaction incentive fees contingent on targets for either or both being met), for a total not to exceed annual contract amount of \$2,683,013; and be it

**FURTHER RESOLVED:** That the City Administrator in his or her discretion shall have the authority to add and delete parking facilities from the contract; and be it

**FURTHER RESOLVED:** That the Council hereby appropriates funds from projected gains from parking operations in Multipurpose Reserve Fund (1750) in FY2013-14 in the amount of \$125,000 on a one-time basis to Multipurpose Reserve Fund (1750), Parking Meter Operations (08931), Miscellaneous Contract Services Account (54919) to cover costs related to the transition and start-up of said contract; and be it

**FURTHER RESOLVED;** That the Council hereby appropriates funds from current restricted reserves generated by ORSA bond funded properties and recorded in Multipurpose Reserve Fund (1750) Miscellaneous Projects (P455010, P454910, P472710 and P455210) in the amount of \$1,500,000 on a one-time basis to Multipurpose Reserve Fund (1750), Transportation Services Organization (30261), Major Facilities Modifications Account (56212), Project (to be determined) for prior, ongoing and planned capital improvement projects at off-street parking facilities located within Oakland's Central District Redevelopment Project Area; and be it

**FURTHER RESOLVED:** That the Council appropriates funds from unrestricted net revenues from future parking operations of City-owned facilities to Multipurpose Reserve Fund (1750), Transportation Services Organization (30261), Major Facilities Modifications Account (56212), Project (to be determined) in the amount of \$250,000 for planned capital improvement projects at off-street parking facilities located outside of Oakland's Central District Redevelopment Project Area; and be it

**FURTHER RESOLVED:** That the Council hereby amends the FY2013-2015 Policy Budget to allocate total annual revenues of \$2,600,000 to Multipurpose Reserve Fund (1750), Transportation Services Organization (30261), Parking Fee: Off-Street Parking Account (45312) and expenses of \$937,000 to Multipurpose Reserve Fund (1750), Parking Meter Operations



(08931), Miscellaneous Contract Services Account (54919) for City-owned parking facilities including the Clay Street, Dalziel, Franklin Plaza, and Harrison Street garages, and the Dimond, Grand Avenue, Henry J. Kaiser Convention Center, Lakepark, Parkway, and Piedmont Avenue lots; and be it

**FURTHER RESOLVED:** That the Council authorizes and directs the City Administrator to allocate total annual revenues of \$3,587,000 in Multipurpose Reserve Fund (1750), Transportation Services Organization (30261), Parking Fee: Off-Street Parking Account (45312) and expenses of \$1,746,013, Parking Meter Operations (08931), Miscellaneous Contract Services Account (54919) for City Center West, Franklin 88, Telegraph Plaza and UCOP garages and 1800 San Pablo and Webster-Valdez lots; and be it

**FURTHER RESOLVED** That future revenue and expenditure appropriations for the outer years of the contract duration from Fiscal Year 2015-2019 and beyond shall be discussed and included during the budget process and will be contingent upon actual revenues received; ~~and be it~~

**FURTHER RESOLVED:** That the Council ~~authorizes the creation of~~ directs the City Administrator to include in the mid-cycle budget for further deliberation a Program Analyst III position in the Public Works Agency's Transportation Services Division responsible for overseeing the City's off-street parking program including the operation, management, maintenance and improvement of all municipal parking lots and garages and serving as a resource for parking-related programs City-wide at a full-loaded annual cost of \$180,000.80 to Multipurpose Reserve Fund (1750), Transportation Services Organization (30261) using the number of parking spaces as a percentage of the entire off-street parking program as the basis of cost allocation across City- and ORSA-facilities, without returning to Council.

IN COUNCIL, OAKLAND, CALIFORNIA, MAY 20 2014

**PASSED BY THE FOLLOWING VOTE:**

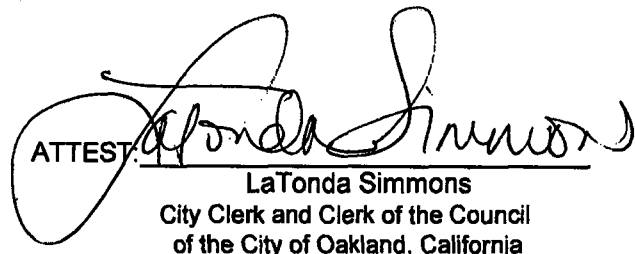
AYES - BROOKS, ~~GALLO~~, GIBSON-MCELHANEY, KALB, KAPLAN, REID, SCHAAF and PRESIDENT KERNIGHAN - 7

NOES - 0

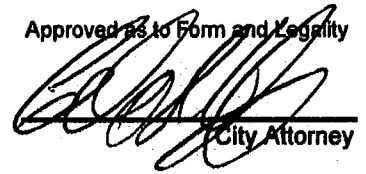
ABSENT - 0

ABSTENTION - 0

Recused - Gallo

ATTEST:   
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

**ATTACHMENT B**

  
City Attorney

# OAKLAND CITY COUNCIL

RESOLUTION No. 85105 C.M.S.

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2014 JUN 26 PM 3:11

**RESOLUTION 1) AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH MONTCLAIR VILLAGE ASSOCIATION FOR THE OPERATION AND MANAGEMENT OF MONTCLAIR GARAGE, LOCATED AT 6235 LA SALLE AVENUE AND SCOUT LOT, LOCATED ON 2250 MOUNTAIN BOULEVARD FOR AN INITIAL PERIOD OF THREE YEARS, WITH A TWO-YEAR EXTENSION, CONTINGENT UPON SATISFACTORY EVALUATION OF PERFORMANCE, AT A COMPENSATION RATE OF UP TO \$17,100 (INCLUDING A MANAGEMENT FEE OF \$790 AND UP TO \$16,310 IN OPERATING EXPENSES) A MONTH PLUS INCENTIVE FEES OF UP TO \$4,000 A YEAR FOR A TOTAL ANNUAL CONTRACT AMOUNT OF \$209,200; AND, 2) AMENDING THE FY 2014-15 BUDGET BY APPROPRIATING AN ADDITIONAL \$18,400 TO COVER THE INCREASED COSTS OF THE NEW CONTRACT**

**WHEREAS, the Montclair Village Association ("MVA") is a merchant-based Business Improvement District made up of approximately 230 retail and service businesses located in Oakland's Montclair District City; and**

**WHEREAS, the MVA's predecessor organizations, the Montclair Garage Commission and the Montclair Business Association, were instrumental in getting the garage built in 1976, and expanded in 1988; and**

**WHEREAS, the MVA has satisfactorily managed the Montclair Garage and Scout Lot, both in the Montclair neighborhood and City-owned parking facilities, since 1990; and**

**WHEREAS, Resolution No. 84742 C.M.S. found that it was in the best interests of the City to waive the formal advertising and competitive selection requirement of the Oakland Municipal Code, and to enter into a new contract with MVA for parking management; and**

**WHEREAS, the City finds that the new agreement shall not result in the loss of salary or employment by any person having permanent status in the competitive service; and**

**WHEREAS, the City finds that the costs of extending the hours of operation of Montclair garage to 9pm Monday through Saturday and improving the appearance, safety and security of the facility will support MVA's efforts to increase revenues without increasing parking rates; and**

**WHEREAS**, funds for the agreement in the amount of \$190,800 are available in the adopted FY 2014-2015 budget in the Multipurpose Reserve Fund (1750); Parking Citation Assistance Center (08931), Miscellaneous Contract Services Account (54919), Non-Project (0000000), Parking Management Program (IP60); and

**WHEREAS**, additional funds for the agreement in the amount of \$18,400 are available in the adopted FY 2014-2015 budget in the Multipurpose Reserve Fund (1750), Contributions to Fund Balance Account (59314); now, therefore, be it

**RESOLVED**, that the City Administrator is hereby authorized to finalize and execute a new contract with MVA for the operation and management of Montclair Garage and Scout Lot for an initial period of three years, with a two-year extension, contingent upon satisfactory evaluation of performance; and be it

**FURTHER RESOLVED**, that MVA be compensated for said parking management services at a compensation rate of up to \$17,100 a month (including a \$790 per month management fee and up to \$16,310 in garage operating expenses) in addition to incentive fees up to \$4,000 a year (including \$1,000 for net revenue incentive fees and \$3,000 for customer satisfaction incentive fees contingent on targets for either or both being met) for a total not-to-exceed annual amount of \$209,200 and a total not-to-exceed three year contract amount of \$627,600; and be it

**FURTHER RESOLVED**, that the Council amends the FY2014-15 Budget by appropriating an additional \$18,400 to Multipurpose Reserve Fund (1750), Parking Meter Operations (08931), Miscellaneous Contract Services Account (54919), Non-Project (0000000), Parking Management Program (IP60) to cover the incremental costs of the new contract; and be it

**FURTHER RESOLVED:** That the Council authorizes and directs the City Administrator to allocate total annual revenues of \$432,000 in Multipurpose Reserve Fund (1750), Transportation Services Organization (30261), Parking Fee: Off-Street Parking Account (45312) and expenses of \$209,200 to Multipurpose Reserve Fund (1750), Parking Meter Operations (08931), Miscellaneous Contract Services Account (54919), Non-Project (0000000), Parking Management Program (IP60) for Montclair garage and Scout lot; and be it

**FURTHER RESOLVED** That future revenue and expenditure appropriations for the outer years of the contract duration from Fiscal Year 2015-2017 and beyond shall be discussed and included during the budget process and will be contingent upon actual revenues received; and be it

**FURTHER RESOLVED**, that the agreement authorized hereunder is subject to City Attorney approval for form and legality and shall be placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA,                     JUL 15 2014                    


**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, GALLO, GIBSON-MCELHANEY, KALB, KAPLAN, REID, SCHAAF and PRESIDENT KERNIGHAN - 8

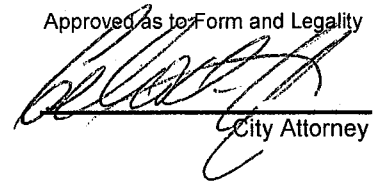
NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:  for  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

2015 OCT 29 PM 2:18



City Attorney

# OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

Introduced by Councilmember \_\_\_\_\_

**RESOLUTION AMENDING RESOLUTIONS 84993 C.M.S. AND 85105 C.M.S. AUTHORIZING THE CITY'S CONTRACTS WITH CITY OF OAKLAND PARKING PARTNERS AND MONTCLAIR VILLAGE ASSOCIATION, RESPECTIVELY, BY REMOVING ANY MONTHLY CAP AND NOT-TO-EXCEED LIMITS ON CONTRACTOR COMPENSATION.**

**WHEREAS**, the City Council passed Resolution 84993 C.M.S. on May 20, 2014 authorizing the City Administrator to finalize and execute a contract with City of Oakland Parking Partners ("COPP") to operate and management sixteen municipal parking facilities; and

**WHEREAS**, the City Council passed Resolution 85105 C.M.S. on July 15, 2014 authorizing the City Administrator to finalize and execute a contract with Montclair Village Association ("MVA") to operate and manage two municipal parking facilities located in the Montclair commercial district; and

**WHEREAS**, both Resolution 84993 C.M.S. and Resolution 85105 C.M.S. resolve to set monthly, annual and total not-to-exceed limits on the allowable compensation for the COPP and MVA contracts; and

**WHEREAS**, the contingencies of day-to-day operations, seasonal variations and uncontrollable events make it unreasonably difficult for City staff and the City's contractors to work within the monthly not-to-exceed limits; and

**WHEREAS**, the removal of the monthly cap or not-to-exceed limits from the authorizing legislation would be consistent with the terms of the COPP and MVA contracts, which only stipulate that actual costs will be "Capped" annually and for the initial terms of the contracts; therefore be it

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PUBLIC WORKS CMTE.

NOV 10 2015

**RESOLVED:** That Resolution 84993 C.M.S. and Resolution 85105 C.M.S. be amended to support the effective operation and management of the City's municipal parking garages and lots under the COPP and MVA contracts by removing any reference to a monthly limit, cap and not-to-exceed amount.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, GALLO, GUILLEN, KALB, KAPLAN, REID, CAMPBELL WASHINGTON and PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

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**PUBLIC WORKS CMTE.**

NOV 10 2015