

APPROVED

DEC 11 2013

**BOARD OF RECREATION
& PARK COMMISSIONERS**

REPORT OF GENERAL MANAGER

NO. 13-311

DATE December 11, 2013

C.D. 9

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PERSHING SQUARE PARKING GARAGE AMENDMENT NO. 2 TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF RECREATION AND PARKS AND THE DEPARTMENT OF GENERAL SERVICES FOR OPERATION AND EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

R. Adams _____
H. Fujita _____
*N. Williams NDW

K. Regan _____
V. Israel _____



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve a proposed Amendment No. 2 to the Memorandum of Understanding (MOU) between the Department of Recreation and Parks (RAP) and the Department of General Services (GSD), for the management, operation, maintenance and security of the Pershing Square Parking Garage (Garage), extending the term for an additional three (3) years, to terminate on December 12, 2016, with two options to extend the term for two additional one (1) year extensions, at the discretion of RAP, substantially in the form on file in the Board Office, subject to the approval of the City Attorney as to form;
2. Direct the Board Secretary to transmit the Amendment to the City Attorney for review as to form;
3. Authorize the Board President and Secretary to execute Amendment No. 2 to the MOU upon receipt of approval from the Mayor and the City Attorney.

SUMMARY:

On January 19, 2000, the Board adopted Report No. 00-42, approving the concept of City self-operation of the Pershing Square Parking Garage and the enhancement of maintenance, security

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and recreational services at Pershing Square Park. Staff was directed to negotiate a Memorandum of Understanding (MOU) between the Department of Recreation and Parks (RAP) and the Department of General Services (GSD) for the management of the parking garage. The MOU was negotiated for a term of three years and the City took over garage operations on September 22, 2000. The MOU provides for an option to extend the term of the MOU at the discretion of RAP.

Amendment No. 1 to the MOU, Section II, approved by the Board on November 19, 2003, provided an option for extension of five (5) years, with an option to extend the term for an additional five (5) years at the discretion of RAP. (Board Report No. 03-365) On December 11, 2008, the Board authorized RAP to exercise the option to extend the term of the MOU for an additional five (5) years, to terminate on December 12, 2013 (Board Report No. 08-345).

RAP is in the process of evaluating the option of complete RAP self-operation of the Garage, with RAP assuming duties currently handled by GSD. RAP anticipates that bringing all garage operations within RAP, in combination with further automation and streamlining of garage operations will result in lower operation costs and increased net revenue.

Amendment No. 2 to the MOU will allow continued garage operations under the MOU while RAP completes its study of, and makes final determinations regarding, the proposed operational transition, to be presented for Board review and approval, and will allow time for a well-ordered transition of operations from GSD to RAP.

GSD currently provides management services for the Garage, handling parking operation, building repair and maintenance, security and capital improvement needs and any other garage facility needs. They work cooperatively with RAP to provide parking and services for park programs. Revenue beyond garage expenses is allocated to RAP to create new and enhanced recreation programs and park services for the Pershing Square community. The revenue also provides funding for the continued repair, maintenance and capital improvement needs of the garage and the park facility. Gross revenue for Fiscal Year 2012-2013 was \$3,225,4278.00.

EVALUATION:

RAP anticipates that full self-operation by RAP will result in increased net revenues for RAP and that the Garage will continue to provide a consistent financial return. GSD has created a positive relationship with garage customers and the surrounding community, and have received many compliments from customers about their customer-friendly management style and facility improvements. The garage has earned a reputation for cleanliness, quality service, and safety in the community. While garage operations will always be subject to market conditions, RAP expects that garage operations will continue to return reliable net revenue to RAP.

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ENVIRONMENTAL IMPACT STATEMENT:

Staff has determined that the proposed amendment to the MOU for Operation of the Pershing Square Parking Garage is an amendment to an agreement to use, operate, repair, maintain, and perform minor alterations of an existing Department facility involving negligible or no expansion of use. Therefore, the approval of the amendment is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 1 (3, 14) of the City CEQA Guidelines.

FISCAL IMPACT STATEMENT:

Amendment No. 2 to the MOU with GSD for operation of the Pershing Square Parking Garage will have a positive fiscal impact to the Department by continuing current operations and continuing to provide revenue for payment of garage operations, enhanced RAP facility operations, and community programming.

This report was prepared by Carol Jacobsen, Senior Management Analyst I.