


(R-88-1107)

RESOLUTION NUMBER R- 269854

ADOPTED ON NOV 30 1987

BE IT RESOLVED, by the Council of The City of San Diego, that the City Manager is hereby authorized and empowered to execute, for and on behalf of The City of San Diego, a 7-year contract with ACE PARKING, INC., for operation of the Community Concourse Parkade, as described in the attached City Manager's Report and as more particularly described in that Operating Contract on file in the office of the City Clerk as Document No. RR- 269854.

APPROVED: JOHN W. WITT, City Attorney

By   
Harold O. Valderhaug  
Deputy City Attorney

HOV:ps  
11/17/87  
Or.Dept:Prop.  
Job:200011  
R-88-1107  
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DATE ISSUED:

REPORT NO.

ATTENTION: Council Docket of

SUBJECT: Contract for Management of the Community Concourse Parkade

REFERENCE: Manager's Report 87-467, Issued September 18, 1987

SUMMARY

Issue - Should the City Manager be authorized to execute a contract with Ace Parking, Inc., for operation of the Community Concourse Parkade?

Manager's Recommendation - Authorize execution of the contract.

Other Recommendations - None.

Fiscal Impact - For normal operations, a cost to the City of \$199,161 is estimated for the first year of the contract, including Ace's \$7,500 annual management fee. The cost for subsequent years will be determined by an annual budget. For special event operations, the City will reimburse Ace additional monies for any overtime hours. The City will also reimburse Ace for \$135,440 in new equipment for the Parkade, the cost to be spread over 5 years of the contract. Gross revenue to the City from Parkade operations is estimated at \$1,125,000 for Fiscal Year 1988.

BACKGROUND

On September 23, 1987, the PF&R Committee authorized the City Manager to enter into exclusive contract negotiations with Ace Parking, Inc., to manage the Community Concourse Parkade. The Parkade was built in 1964 and Ace has always operated it for the City under various lease and contract arrangements. The current 3-year contract expired September 30 and is now on holdover. Also discussed at the PF&R meeting was Ace's proposal to install a new system of parking control equipment, since much of the existing equipment is original to the Parkade and is nearly worn out.

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## DISCUSSION

Like the present contract, Ace will continue under the new contract to operate the Parkade for only a management fee above the actual cost of operation. The management fee is now \$6,900 per year and will be \$7,500 under the new contract. Ace does not share in the Parkade revenues.

The present contract specified a fixed reimbursement to Ace to cover operating expenses with annual Consumer Price Index adjustments. However, unforeseen increases in the expense categories of security and insurance caused Ace's expenses to outpace the reimbursements from the City provided for in the contract. Thus it was necessary for the City to twice amend the contract to increase the reimbursements so that Ace could recover its operating costs.

The proposed contract utilizes a more flexible approach. Each year Ace will submit to the City a budget of estimated operating expenses for the upcoming year. Upon mutual agreement of the budget, the budgeted amounts become the basis for monthly reimbursements to Ace to cover operating expenses. The budget will be reviewed again at midyear. Any expenditures above the budgeted amounts will require prior City approval. At year's end, Ace will refund the difference to the City if actual costs were less than the budgeted monthly reimbursements. If an impasse results during the budgetary review process, Ace will continue to operate the Parkade at the existing reimbursement rate for 90 days to allow the City to find a different operator. The expense budget proposed for the first year of the new contract, commencing January 1, is \$199,161. This figure includes the \$7,500 yearly management fee but does not include the cost of special event operations, estimated to be \$40,573. Projected first year operating expenses of \$199,161 are only slightly higher than the \$196,093 in actual expenses for Fiscal Year 1987.

An arrangement between Ace and the City for purchase of a new parking equipment system is written into the proposed contract. Ace has agreed to purchase and install the new equipment at a cost of \$135,440. The City will reimburse Ace for the cost of the equipment at no interest over a 5-year term. The first payment of \$50,000 is not due until January 1989. The remaining balance will be paid to Ace in January of the following 4 years in equal installments. To help Ace recover its investment, the term of the proposed contract is 7 years. The City will reimburse Ace for the new equipment out of Parkade revenues, estimated to be \$1,125,000 for Fiscal Year 1988.

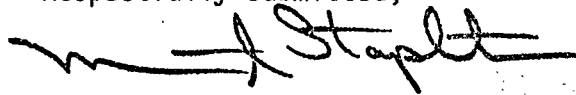
The new equipment will feature proximity card readers and barrier gates. Monthly parkers will be issued magnetic cards which will open the entrance and exit gates. Those persons not on monthly parking will pull a ticket from a ticket machine to open the entrance gate and must then stop at the cashier's booth when exiting. A computerized cash register, which will automatically compute the parking fee when a ticket is inserted, will be in

the cashier's booth. The new equipment should ensure better revenue control. The price and specifications of the new equipment have been reviewed by City staff.

ALTERNATIVES

1. Reject the contract and issue a Request for Proposals. This is not recommended for the reasons outlined in Manager's Report 87-467.
2. Operate the Parkade with City staff. This is also not recommended due to the somewhat higher costs expected and the City's lack of experience in operating parking garages.

Respectfully submitted,



Maureen A. Stapleton  
Deputy City Manager

SPOTTS:PTC:st(66-3)  
11-9-87  
Dept:Prop:MR:646

**The City of San Diego**  
**CERTIFICATE OF CITY AUDITOR AND COMPTROLLER**

CERTIFICATE OF UNALLOTTED BALANCE AC 8800482

ORIGINATING DEPT. NO.: 070

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount \$ \_\_\_\_\_ Fund \_\_\_\_\_

Purpose \_\_\_\_\_

Date \_\_\_\_\_, 19\_\_\_\_ By: \_\_\_\_\_

AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA										
ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/EQUIP	FACILITY	AMOUNT
TOTAL AMOUNT										

FUND OVERRIDE

**CERTIFICATION OF UNENCUMBERED BALANCE**

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said moneys now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Not to Exceed \$ 199,161.00

Vendor ACE PARKING

Purpose Authorizing expenditure of funds for operation of the Community Concourse

Parkade

Date November 16, 19 87 By: Lillian Pease

AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA										
ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/EQUIP	FACILITY	AMOUNT
<u>1</u>			<u>10322</u>		<u>4227</u>	<u>10322</u>				<u>\$199,161.00</u>
TOTAL AMOUNT										<u>\$199,161.00</u>

FUND OVERRIDE

*R* - 269854

NOV 30 1987

AC 8800482  
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NOV 30 1987

Passed and adopted by the Council of The City of San Diego on.....  
by the following vote:

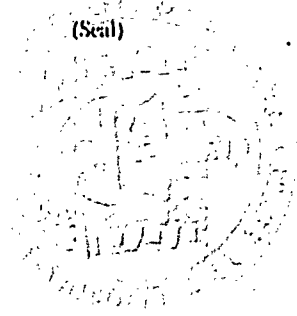
Council Members	Yeas	Nays	Not Present	Ineligible
Abbe Wolfsheimer	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gloria McColl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
District 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> VACANT
Ed Struiksmma	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Judy McCarty	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Celia Ballesteros	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Maureen O'Connor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

MAUREEN O'CONNOR  
Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR  
City Clerk of The City of San Diego, California.

By: *June G. Blackwell*, Deputy.



Office of the City Clerk, San Diego, California

Resolution Number R-269854 Adopted NOV 30 1987