

CITY OF SAN JOSE, CALIFORNIA

DOWNTOWN PARKING BOARD

Meeting Minutes April 4, 2007

1. Call to Order 8:08 AM

Roll Call

Board Members Elizabeth Monley, Jim Renelle, Sal Saglimbeni, Diana Beechie, Andrew Bales, Troy Tibbils (8:16)

Members Absent: Janis Gemignani

Staff: Jim Ortbal, Joe Garcia, Nita Rabe-Uyeno, Abi Maghamfar, Jessica Garcia-Kohl, Angelique Nedrow, DeAnna Stuth

Guests: Scott Knies, Bob Carlson, Jay Slotnick, Lou Fresquez, Dave Dunham

Vice Chair Monley called the meeting to order at 8:08 a.m. in the absence of Chair Gemignani. Board Member Saglimbeni moved to approve the March 12, 2007 community meeting notes. Board Member Renelle seconded. Motion was carried unanimously. Board Member Renelle made a correction to the March 14, 2007 minutes, and stated that the administrative cost of dismissing a parking ticket is \$5 versus \$10. Board Member Saglimbeni moved to approve the March 14, 2007 special meeting minutes with the changes proposed. Board Member Renelle seconded. Motion was carried unanimously.

2. Chairperson Report

No Report

3. Operations

A. Report by Operations Committee Chair, 2/21/07 Meeting

Committee Chair Monley reported that the Joint Capital/Finance and Operations Committees met on February 21st and discussed the Semiannual Work Plan, 2nd Quarter Occupancy Report, Parking Guidance System (PGS) Phase II, Legacy Partners/AboveNet lease, and the Parking Management Plan (PMP).

Chair Gemignani and Operations Committee Chair Monley continued their dialogue with DOT to refine the Semiannual Work Plan in its purpose to provide the Board with advance notice of contract renewals and other issues that the Board should be making informed recommendations on.

The 2nd quarter Occupancy Report was provided by Joe Garcia (DOT). Details of that report are in the minutes of February 21st. The key points of the report were the increased evening use of the 3rd Street Garage Thursday through Saturday evening as it provides parking for many of the club goers in that part of the downtown. The Convention Center Garage had improvements in the 3rd and 4th quarters of this year

mainly due to an improvement in the business cycle and the particularly heavy Convention Center event calendar for January through March. The I-280 lot does not seem to be increasing in usage with the Market/San Salvador lot closed.

Discussion of the PGS Phase II program followed with a recommendation of approval of TCS International as the selected vendor. The item was scheduled for presentation to City Council on March 20. Following discussion by the DPB committees, DOT and SJRA staff, Board Member Tibbils moved to approve PGS Phase II. Board Member Saglimbeni seconded. The motion was carried unanimously.

Jim Ortbal stated that staff is in support of the Legacy Partners/AboveNet 50-space lease recommendation by the Board and it will be presented along with the staff's recommendation to the City Council on March 13th.

The remainder of the meeting was devoted to further discussion of refining the Parking Management Plan Update.

B. Central Parking Systems

Joe Garcia (DOT) introduced Nita-Rabe Uyeno (DOT) who is in charge of parking operations, and Lou Fresquez, the General Manager in charge of the properties in San Jose for Central Parking Systems. Mr. Garcia stated that there have been 3 major events that have taken place within the last month since Central Parking has taken over operations. The events were Cinequest, State of the City Address, and NCAA Finals and all these events proceeded efficiently. Jim Ortbal (DOT) thanked Central Parking and City staff for their hard work and efforts to make this transition efficient.

C. Enhanced Security & Enhanced Maintenance Plans

Jim Ortbal stated that the DPB packet included a status report for the enhanced security and maintenance plans. The final report will be presented to the Board at the next monthly meeting and the report is anticipated to be distributed in advance of the meeting. Mr. Ortbal mentioned that staff is working with Central Parking and the Police Department to determine safety challenges for the parking facilities. Staff is implementing operational changes within their resources such as security control schedules and revamped protocol between the police, security and parking operator. Staff is also evaluating the condition of the facilities as well as determining the capability that Central Parking may have in raising the level of performance in reference to cleaning and maintenance. He stated that staff will also present the Proposed Operating/Capital Budget FY 2007-08 in May 2007 which will include the expenses for the enhanced security and maintenance plans.

Mr. Ortbal added that the Downtown Working Group (DWG) presented its security plan to the Public Safety Finance and Strategic Support Committee on March 15th and then to the City Council on March 27th. This plan was accepted by the committee and City Council. Staff has sixty days to work on the recommended areas within the report and develop details to implement the DWG's recommendations. Mr. Ortbal indicated that at the Public Safety Finance and Strategic Support Committee meeting,

Councilmember Williams and Councilmember Constant asked a series of questions about the parking facilities late night security issues. Councilmember Williams asked how the DPB would mitigate security issues since the \$5 fee after 10pm was rejected. Mr. Ortbal said he would forward the March 15th video clip from the Public Safety, Finance and Strategic Support Committee on the DWG discussion to the DPB members.

D. City Hall Employee (4th/St. John) Garage

Joe Garcia stated that the City Hall Employee Garage is scheduled to be open to the public on April 9th. The parking message sign on 4th Street is anticipated to be functional by the opening, and the message sign on 5th Street has been delayed 3 weeks. The basement rolling gates may not be operational until mid-July. The pay machines will be installed by January 2008 to accommodate the \$2 rate increase. Central Parking has a parking plan in place to staff and operate the garage to monitor the public usage for the week of April 9th, although the garage will generally not be staffed.

Scott Knies (SJDA) asked what the hours of operation will be and how many parking spaces will be available to the public. Mr. Garcia stated that weekday hours will be 6pm – 10pm entry, and exit by 1am, and the weekends will be 6am – 10pm, and exit by 1am. There will be approximately 750 – 900 parking spaces available to the public depending on whether the top levels will be closed.

Board Member Bales asked if the Market Street garage top floor is closed every night and if it is he stated that the message sign should be adjusted to accurately reflect the number of parking spaces available. Mr. Garcia appreciated his feedback and said that the top floor is closed at night due to security concerns.

4. Capital/Finance

A. Report by Capital/Finance Committee Chair, 2/21/07 Meeting

Board Member Bales stated that the 2nd Quarter Financial Statement was included in the packet and that it was agendized for acceptance. He stated that there is no new information to report.

B. FY 2006-07, 2nd Quarter Financial Statement

Board Member Bales moved to accept the FY 2006-07, 2nd Quarter Financial Statement. Board Member Saglimbeni seconded. Motion was carried unanimously.

C. PGS Phase II

Joe Garcia reported that the PGS Phase II contract with TCS was presented to the City Council on March 27th and it was approved. He reminded the Board that he sent an e-mail informing them that it would be presented to the City Council on March 27th versus March 20th. The Council approved the PGS Phase II with no questions.

D. CIP

Jim Ortbal stated that the two largest projects in the Capital Improvement Program are

the PGS and the 2nd/San Carlos Seismic Upgrade. The PGS was discussed above, and the 2nd/San Carlos project is completed. In reference to the 2nd/San Carlos project, he mentioned that there was good construction management between Public Works, Transportation staff and customers. The facility will be able to withstand a more substantial earthquake, and we will see a return to the utilities, rent and insurance line item of the Parking Fund for the earthquake insurance premium that is no longer needed due to the upgrade.

5. Parking Management Plan

A. Council Action & Implementation Plan

Abi Maghamfar (SJRA) stated that the Parking Management Plan (PMP) Update is tentatively scheduled to be presented to the City Council on April 24th, and the report is scheduled to be released April 14th. Staff has asked KAKU Associates to take the recommendations approved by the Board and prepare a final draft which will be distributed to the Board and the City Council. The item will be a joint action by the Agency Board and the City Council. The Agency's agenda begins at approximately 3:30pm and Mr. Maghamfar suggested that the Board be present to answer any questions the Council may have.

Mr. Ortbal said that April 24th may be too early to present the PMP to the Council because staff is working on the Master Rate Resolution and the Enhanced Security and Maintenance plans. Staff would like the Board to have reviewed the security and maintenance plans prior to presenting the PMP to the Council because it may affect the overall finances, and he would like to have the funding and finance plans in place to support the recommendations in the PMP. Staff is scheduled to present the Enhanced Security and Maintenance plans to the Board at the next monthly meeting as well as the Proposed Operating/Capital Budget FY 2007-08. He said that alternatively, the PMP may be presented to the Council on May 8th. Board Member Bales feels that these are implementation items versus policy and these items should not push the date back to May 8th. Vice Chair Monley supports the extended date if need be to review the items before presenting the PMP to the Council. Board Member Saglimbeni supports moving forward with the PMP as soon as possible.

Mr. Maghamfar added that staff cannot move forward with negotiations with Greyhound until the Council approves the PMP. In respect to the Greyhound funding, he said that at the previous meeting Mr. Ortbal proposed to use the Living Tomorrow funds to purchase Greyhound and to fund Living Tomorrow from future net surplus.

Mr. Maghamfar said that staff will keep the Board informed as to when the PMP will be presented to the Council. Mr. Ortbal clarified that staff will prepare the staff report with the 3 main goals of the PMP (Convenient and Available Parking Supply, Clean, Safe, and Inviting Parking Facilities, and Parking Incentives to Expand Business Downtown) and KAKU will prepare the final PMP Update with the Board's approved recommendations.

6. Reports/Coordination

A. City Council Agenda Items

Jim Ortbal stated that PGS and Legacy Partners/AboveNet long term parking lease were approved by the City Council in March.

B. Downtown Working Group

Jim Ortbal stated that the Downtown Working Group was previously discussed under agenda item 3.C.

C. Downtown Projects Construction Coordination

Abi Maghamfar reported:

- CIM - 2nd/Santa Clara project is under inspection to receive a Certificate of Occupancy for some portions of the building. The building will be completed in 3 phases. The first phase includes 22 units. For the second and third phase, the Certificate of Completion for the entire project is expected to be received in June 2007 and the garage will be going through its inspection and final punch list soon. The revenue and control equipment is partially installed, but not tested yet. The garage is anticipated to be opened by the end of April 2007. He added that as part of obtaining the occupancy certificate it is anticipated that a sales office will open up at the building and the 2nd Street frontage will be cleaned up. The Paseo may not completely open to provide access between 2nd and 3rd Streets in the first phase. He also said that the garage will have 67 parking spaces available and he feels the garage will be kept at full occupancy with very little marketing efforts.
- CIM - Central Place project is on its 3rd floor of podium meaning that the below grade parking garage is finished. Once the 3rd floor podium level is completed, they will begin construction of the tower pouring 1 floor per week resulting in 20 floors in 20 weeks. He explained that upon opening the new Central Place garage which will have 338 available parking spaces, the current Central Place parking lot will be closed.
- The Axis Towers condominium project behind the DeAnza Hotel is on its 3rd or 4th floor of construction, and they have 300+ units for sale.
- Barry Swenson's project on St. James Street next to Pellier Park is almost completed. In the first phase they released 25 units, and 22 units are under contract. There are a total of 104 units for sale and price ranges from the upper \$400 thousands to over \$1 million per condo.
- The 360 Residences project started site preparation in early March and the ground breaking is scheduled for Thursday, April 12th at 10:00am.

D. BEA Systems – 488 Almaden Blvd. Garage

Abi Maghamfar reported that the Agency has entered into an agreement with BEA

Systems for the purchase of 488 Almaden Blvd from the Sobrato Foundation. The action between the Agency and BEA is a two-fold property use agreement. The Agency purchased parking rights in the building for 30 years in the evenings and weekends. In the evenings the market rate parking spaces that will be available to the public is 388 and on the weekends there will be 842 spaces. The Agency invested \$13.2 million in the project and 50% of parking revenues will come back to the Agency. The Agency leased 30,000 square feet of office space for the purpose of sub-leasing. The building sold for \$130 million and BEA is going to invest \$25 million in tenant improvement, so the assessed value will be approximately \$160 million, which will double the Agency's tax increment revenue from the project.

Mr. Maghamfar explained that BEA will have exclusive use of the garage during the day and then they will open to the public in the evening. A \$6 flat rate fee will be implemented for parking beginning June 2008, although BEA can adjust the rate with the Agency's approval as long as it is within market rate. He added that BEA has been given the right to use the Agency owned parking lot on Almaden and Balbach during the day, which has 45 parking spaces.

Vice Chair Monley asked if BEA was allowed to charge market rate on weekends with events when the parking facilities usually charge a higher rate. Mr. Maghamfar said that there is a process for this, but essentially, yes.

Board Member Bales asked if a PGS sign was going to be constructed on the building. Mr. Ortbal said that it is not in the approved contract, but staff will analyze it.

Mr. Maghamfar added that the overall downtown office vacancy reduces to approximately 16% including Class B with the sale of the 488 Almaden Blvd building.

7. Future Agenda Items

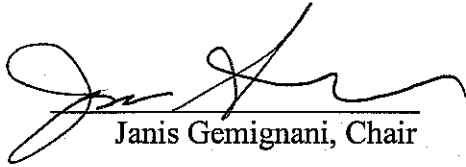
- Enhanced Security and Enhanced Maintenance Plans – May 2007
- Proposed Operating / Capital Budget FY 2007-08 – May 2007
- PGS Phase I – Amendment to contract due to S&B's inability to provide a messaging process that staff had anticipated – May or June 2007
- Hybrid/Clean air recommendation – June 2007
- DASH Contract – June 2007
- SJDA Marketing Contract – future
- Parking Citation/Enforcement – future
- Council action for reappointment of 3 DPB members – Terms expire June 30, 2007
- Board action on selection of Chair and Vice Chair for FY 2007-08 – June 2007

8. Public Comment

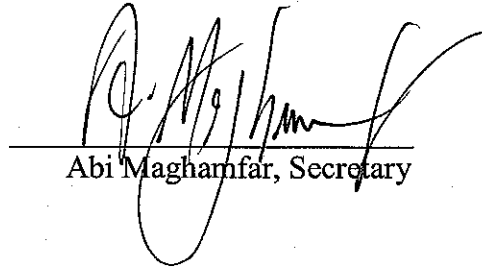
None

9. **Adjournment**

Meeting adjourned at 9:30 a.m.



Janis Gemignani, Chair



Abi Maghamfar, Secretary