



Agenda Date: 1/9/2007
Agenda Placement: 9B

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Howard Siegel for Nancy Watt - County Executive Officer
Community Partnership Program
REPORT BY: Howard Siegel, Community Partnership Manager, 253-4621
SUBJECT: Private Participation Agreements for Parking Garage

RECOMMENDATION

County Executive Officer requests approval of and authorization for the Chair to sign the following Private Participation Agreements for the term January 9, 2007 through January 9, 2062 related to purchase of parking space licenses in the City-County Parking Garage:

1. Agreement with Napa Mill, LLC for license of approximately 46 parking spaces;
2. Agreement with Napa Riverfront, LLC for license of approximately 46 parking spaces; and
3. Agreement with Andrea Schrader for license of approximately 28 parking spaces.

EXECUTIVE SUMMARY

Today's proposed action is to approved three (3) Private Participation Agreements, one each with three local property owners/developers, in order to allow them to participate in the development and use of the City-County parking garage intended for the County Superblock.

Each party would contribute approximately \$33,000 per parking space towards the development of the structure, which is estimated to include approximately 466 parking spaces, as well as a proportionate share of the annual operational cost of the facility.

In the case of Napa Mill and Napa Riverfront, would each be allocated approximately 45 to 50 parking spaces and would contribute approximately \$1,500,000 while the third partner, Andrea Schrader would be allocated approximately 28 to 30 parking spaces and contribute approximately \$900,000.

FISCAL IMPACT

Is there a Fiscal Impact? Yes

Is it currently budgeted?	No
What is the revenue source?	This action would result in additional revenue for the parking garage project, in the amount of approximately \$3.9 million, thereby enabling the structure to be relocated and enlarged.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The County has committed to the City of Napa to develop this parking garage, and was originally intended to pay for 58% of the cost, with the City to pay for the remaining 42%. Each party also wanted to limit its financial contribution to \$6.55 Million (for the County) and \$4.75 Million for the City. With the additional contribution, the City and the County will each contribute the same dollar figure; however, in the case of the County, the percentage of the total cost of the garage has now been reduced from 58% to 45.8%, with the resulting garage being over 100 spaces larger.
Is the general fund affected?	No
Future fiscal impact:	Annual Operating & Maintenance cost is estimated to be approximately \$200,000 of which approximately 38% (or approximately \$76,000) would be the obligation of the County.
Consequences if not approved:	The County would either have to relocate the garage site to the Sullivan Block and/or build a smaller structure.
Additional Information:	None

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is exempt from the requirements of CEQA pursuant to Section 15332 (Categorical Exemptions, Class 32) of the Guidelines, which exempts infill projects.

BACKGROUND AND DISCUSSION

In October 2003, the County and the City of Napa approved a Memorandum of Understanding (MOU) regarding the reallocation of State-mandated regional housing needs from the County to the City in exchange for several commitments by the County, including a commitment to jointly develop a parking garage on County property to serve County employees, private users, and the general public.

In December 2004, the City and County entered into a Parking Garage Cooperative Agreement, describing in greater detail the respective roles, responsibilities, rights and obligations of both parties as related to the development and operation of this garage.

In May 2006, the County proposed a relocation of the development site back to the Superblock in order to accommodate the desires of two local property owners who wished to have better access to the facility - and were willing to financially participate in order to achieve that - thereby allowing an increase in the size and capacity of the garage from approximately 340 spaces to approximately 465 to 470 spaces.

In late July, the City of Napa agreed to this proposal, along with the newly enabled (via State legislation) "Design/Build" approach, which is intended to streamline the development process.

Although the solicitation package to generate proposals from "design/build" teams is prepared for release, it must first be approved by the Board of Supervisors. Staff believes that it would not be prudent to do so, however, prior to finalizing these private participation agreements, of which there are now three.

Collectively, these private parties have requested the allocation of up to approximately 130 spaces, to be located primarily on the third level of the four-level structure. The ground floor level is intended to be short-term (i.e. 2 or 3-hour) parking for the general public while the second level is intended to be all-day parking, also for the general public, which could include County employees and visitors. The top level is intended to be utilized by the County for its owned vehicles and designated employees.

Each of the three parties would contribute an amount proportional to the number of parking spaces they would be allocated, related to both capital and operating costs.

The term of the agreements is 55 years, with provisions addressing insurance, repair and replacement under different sets of circumstances. These agreements have been written with an acknowledgement of the current uncertainty as to the precise cost and number of parking spaces, along with some other details such as a better estimate of annual operations and maintenance costs. These uncertainties won't be definitively resolved until after the Design/Build proposals have been submitted and a selection has been made, most likely in the early Spring of 2007. Only then will the Operations and Use Agreement be executed, thereby finalizing some of these details. All three private participants, along with the City and the County, will be parties to that agreement. The 3 agreements being presented for approval today each defer the final determination of some of these factors to that Operations and Use Agreement.

Please note that subsequent actions will include:

- a) Requested approval of Design/Build Plans and Specifications, scheduled for 1/9/07.
- b) Requested approval of Amendment Number 2 to Cooperative Agreement with City of Napa (late January, 2007).
- c) Requested approval of Operations and Use Agreement with City of Napa, scheduled for April 2007.

However, the three parties to the agreement are committed to the above-referenced financial contributions to the extent that their allocated number of spaces falls within the range identified herein and in the agreements. Please note that the two primary criteria in the Design/Build package are a minimum number of parking spaces (466) and a maximum cost, already reflected in the agreements, including "soft costs" already incurred. Therefore, the only situation under which the private participants can choose to renegotiate and/or withdraw from this arrangement is one which generates no responsive bidders that have met at least the two primary criteria. More details about that process will be provided in today's agenda item related to the proposed release of the Design/Build package for the construction of the garage.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Karen Gratton