

1 [Management Agreement - LAZ Parking California, LLC - Garage Management Services - Not
2 to Exceed \$180,000,000]

3 **Resolution approving an agreement with LAZ Parking California, LLC, for the**
4 **management of seven parking garages and two lots operated by the San Francisco**
5 **Municipal Transportation Agency (SFMTA), for an amount not to exceed \$180,000,000**
6 **and a term of five years, with two two-year options to extend, and with said options the**
7 **SFMTA may exercise without further approval by the Board of Supervisors, effective**
8 **upon approval of this Resolution.**

9
10 WHEREAS, Proposition D in 1987 created the Department of Parking and Traffic
11 (DPT), and gave DPT authority over parking garages not owned by the Airport or the Port; the
12 SFMTA succeeded to that authority when DPT merged with the SFMTA on July 1, 2002
13 (Charter, Sections 8A.112(a), 8A.113(a); Administrative Code, Sections 17.7, 17.8, 17.17);
14 and, the SFMTA manages public parking garages the Recreation and Park Department owns
15 (Charter Section 4.113.2); and

16 WHEREAS, The SFMTA, Streets Division, like its predecessor agency the Department
17 of Parking and Traffic, has always contracted with garage management companies to operate
18 and maintain access-controlled off-street parking garages under its jurisdiction; and

19 WHEREAS, The SFMTA manages 21 access-controlled off-street parking facilities:
20 11½ parking garages and one lot the SFMTA owns, four parking garages the San Francisco
21 Parking Authority owns, and 3 1/2 garages and one lot the Recreation and Park Department
22 owns (collectively “the Parking Facilities”); and

23 WHEREAS, The terms of the current contracts to manage the Parking Facilities
24 commenced in 2012, the terms of those contracts have been extended three times, and those
25 contracts will finally expire on January 31, 2023; and

1 WHEREAS, On January 27, 2022, the SFMTA issued a Request for Proposals to solicit
2 proposals from qualified parking management firms to operate the Parking Facilities; and

3 WHEREAS, The Parking Facilities are divided into two groups of roughly equal parking
4 spaces and revenues: Garage Group A, consisting of the Ellis O’Farrell Garage, Fifth &
5 Mission Garage, Kezar Lot, Mission Bartlett Garage, Moscone Center Garage, 7th & Harrison
6 Lot, General Hospital Garage, 16th & Hoff Garage, Union Square Garage; and,
7 Garage Group B, consisting of Japan Center Garages, Civic Center Garage, Golden Gateway
8 Garage, Lombard Garage, North Beach Garage, Performing Arts Garage, Pierce Garage,
9 Polk Bush Garage, Portsmouth Square Garage, St. Mary’s Square Garage, Sutter Stockton
10 Garage, and Vallejo Garage; and

11 WHEREAS, The Agency received four proposals, which the SFMTA evaluated using
12 best value criteria of each proposer’s experience, expertise, proposed operating budget, and
13 proposed management, operations, marketing and security plans for the Parking Facilities;
14 and

15 WHEREAS, LAZ Parking’s proposal received the highest score; and

16 WHEREAS, Under the proposed contract, the SFMTA will pay LAZ a \$10,000 monthly
17 management fee, and the SFMTA will reimburse LAZ its costs to operate the Group A Parking
18 Facilities, in accordance with SFMTA-approved annual operating budgets, which practice
19 accords with accepted parking industry best practices; and

20 WHEREAS, The not-to-exceed value of the proposed contract is \$180,000,000 which
21 includes the \$10,000 monthly management fees and the reimbursed garage operating costs,
22 totaling approximately \$20,000,000 per year over the nine-year term of the contract (an initial
23 term of five years, plus two two-year options to extend); and

24 WHEREAS, The SFMTA’s Contract Compliance Division has set a Local Business
25 Enterprise participation goal for Garage Group A to be 16 percent of contract value; and

1 WHEREAS, On August 10, 2022, the SFMTA, under authority delegated by the
2 Planning Department, determined that awarding contract #SFMTA-2021-64/1 is not a “project”
3 under the California Environmental Quality Act (CEQA) pursuant Title 14 of the California
4 Code of Regulations, Sections 15060(c) and 15378(b); said determination is on file with the
5 Clerk of the Board of Supervisors in File No. 221073 and is incorporated herein by reference;
6 the Board affirms this determination; now, therefore, be it

7 RESOLVED, That the Board of Supervisors authorizes the Municipal Transportation
8 Agency to execute contract #SFMTA-2021-64/1 for operation and management of the Group
9 A parking facilities (consisting of the Ellis O’Farrell Garage, Fifth & Mission Garage, Kezar Lot,
10 Mission Bartlett Garage, Moscone Center Garage, 7th & Harrison Lot, General Hospital
11 Garage, 16th & Hoff Garage, Union Square Garage) with LAZ Parking California, LLC for a
12 total amount not to exceed \$180,000,000, and a term not to exceed nine years (an initial term
13 of five years, plus two options to extend the term for two-years each option), which options the
14 SFMTA may exercise without further approval by the Board of Supervisors, effective upon
15 approval of this Resolution; and, be it

16 FURTHER RESOLVED, That within thirty (30) days of the agreement being fully
17 executed by all parties, the Municipal Transportation Agency shall provide the final agreement
18 to the Clerk of the Board for inclusion into the official file.

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