SFMTA

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January 5, 2026

The Honorable Members of the Board of Supervisors
City and County of San Francisco
1 Dr. Carlton Goodlett Place, Room 244
San Francisco, CA 94102

Subject: Request for Approval – Second Amendment to Contract No. 2021-64/1 with LAZ Parking California, LLC for Operation and Management of the Group A Off-Street Parking Facilities for $9 million; and the Third Amendment to Contract No. 2021-64/2 with IMCO Parking, LLC for Operation and Management of the Group B Off-Street Parking Facilities for $12 million

Honorable Members of the Board of Supervisors:

The San Francisco Municipal Transportation Agency (SFMTA) requests that the San Francisco Board of Supervisors authorize the Director of Transportation to execute the Second Amendment to Contract No. SFMTA-2021-64/1, for operation and management of the Group A off-street parking facilities, with LAZ Parking California, LLC, to add operation of two off-street parking facilities under the jurisdiction of the Port of San Francisco to the contract scope of work and to increase the contract amount by $9 million, for an amended total contract amount not to exceed $189 million and the Third Amendment to Contract No. SFMTA-2021-64/2, for operation and management of the Group B off-street parking facilities, with IMCO Parking, LLC, to add operation of two off-street parking facilities under the jurisdiction of the Port of San Francisco to the contract scope of work and to increase the contract amount by $12 million, for an amended total contract amount not to exceed $219 million.

BACKGROUND

The Port of San Francisco (Port) manages a large portfolio of paid parking, including both on-street parking meters and off-street parking facilities.

On-Street Parking
Port has for many years collaborated with the SFMTA to manage paid parking on-street (e.g. along The Embarcadero). On-street parking meters on Port property are managed and operated by the SFMTA. Work completed by the SFMTA and its contracted vendors includes installation of parking meters and related signage, coin collection, meter repair and maintenance, processing of credit-card payments, parking enforcement and issuance of related citations, and tracking and reporting on meter utilization and revenues. Port reimburses the SFMTA for vendor and staff costs related to

the SFMTA's management of Port's on-street parking, and Port receives the net income from parking fees and parking citations.

Expansion into Off-Street Parking
Port has existing contracts with private parking operators that manage paid parking at many Port off-street parking facilities. These contractual relationships no longer meet Port's operational needs. Therefore, Port approached SFMTA Off-Street Parking staff to discuss the potential for expanding the existing parking-management relationship to include off-street parking facilities in addition to on-street parking.

New Port-SFMTA Memorandum of Understanding
Port and SFMTA staff completed a detailed operational review of off-street parking facilities under Port jurisdiction and then created an operational plan for how the SFMTA could manage paid parking at a designated group of off-street parking facilities. The operational plan was agreed to, and the terms and conditions of the SFMTA's management of these facilities was included within an updated Memorandum of Understanding (MOU) that details SFMTA's operation and management of both on-street and off-street paid parking for Port.

Within the group of Port off-street parking facilities that the SFMTA has agreed to manage are four facilities that require more detailed and sophisticated oversight. Port and the SFMTA agree that these four facilities would benefit from being managed by a professional parking operations company. The new Port-SFMTA MOU authorizes the SFMTA to contract out the day-to-day management of these four off-street parking facilities – Triangle Lot, Seawall 321, Pier 30-32, and Pier 70 – to SFMTA-contracted parking operators.

Garage Operator Contracts

The SFMTA has agreed to add the four Port facilities to the scope of work of two existing contracts the SFMTA has with two parking operators, LAZ Parking California, LLC (LAZ), and IMCO Parking, LLC (IMCO).

The SFMTA has divided the parking garages under its jurisdiction into Groups A and B, which are relatively equal in size as measured by the total number of parking spaces in those facilities. On January 27, 2022, the SFMTA issued a Request for Proposal and commenced a competitive selection process for two contracts for garage management and operations services for the Groups A and B parking garages. Following that competitive selection process, on September 20, 2022, the SFMTA Board of Directors approved contract No. SFMTA-2021-64/1 with LAZ Parking California, LLC (LAZ) and No. SFMTA-2021-64/2 with IMCO Parking, LLC (IMCO) for operation and management of the Group A and Group B garages, respectively. These two contracts were awarded for a term of nine years each (five-year base term, and two two-year extension options), and an amount not to exceed $180 Million each. The Board of Supervisors approved the contracts on November 8, 2022, and the terms of the contracts commenced on February 1, 2023.

On June 4, 2024, the SFMTA Board of Directors approved the Second Amendment to the Group B contract with IMCO that added one additional facility and added $27 million to the contract budget. Subsequently, the Board of Supervisors approved the Second Amendment on September 24, 2024. Thus, the current total budget for the Group B contract is $207 million.

The Group A contract with LAZ has had no amendments to its group of managed facilities or to its contract budget since its initial approval.

Adding new Off-Street Parking Facilities to the IMCO and LAZ Contracts

The LAZ and IMCO contracts contain specific terms and conditions by which the SFMTA may add or delete parking garages from the contract scope of work. Pursuant to these existing contract terms, it is proposed to add two off-street parking facilities under Port jurisdiction to the LAZ contract and two to the IMCO contract.

Second Amendment to Group A Contract with LAZ

Under the Group A contract, the SFMTA pays LAZ a monthly management fee of $10,000 per month and additionally reimburses LAZ its expenses incurred operating and maintaining the garages, which total approximately $20,000,000 annually. Reimbursable operating expenses include labor costs (wages and benefits), and electricity, water, sewer and other utilities costs, facility maintenance, janitorial services, and security. The reimbursable operating expenses are set out in annual operating budgets for each Group A garage; LAZ prepares the budgets, and the SFMTA reviews and approves them, and includes those approved expenses in the SFMTA's regular budget process.

Under the proposed Second Amendment, commencing on March 1, 2026, the facilities below would be added to the Group A facilities:

1. Triangle Lot 66 parking stalls
2. Seawall 321 180 parking stalls

Total added parking stalls 246

The management fee paid to LAZ would be increased by $492 per month, which is calculated using the rate of $2.00 for each parking space that the SFMTA adds to the Group A garages, as provided in the LAZ Contract. LAZ would also be reimbursed for approved expenses it incurs in operating the two new facilities, which will be approximately $127,000 per month, for a total amount not to exceed $9,000,000 over the remaining 71 months of the LAZ Contract term.

Third Amendment to Group B Contract with IMCO

Under the Group B contract, the SFMTA pays IMCO a monthly management fee of $11,600 per month and additionally reimburses IMCO its expenses incurred operating and maintaining the garages, which total approximately $23,500,000 annually. Reimbursable operating expenses include labor costs (wages and benefits), and electricity, water, sewer and other utilities costs, facility maintenance, janitorial services, and security. The reimbursable operating expenses are set out in annual operating budgets for each Group B garage; IMCO prepares the budgets, and the SFMTA reviews and approves them, and includes those approved expenses in the SFMTA's regular budget process.

Under the proposed Third Amendment, commencing on March 1, 2026, the facilities below would be added to the Group B facilities:

1. Pier 30-32 1,300 parking stalls
2. Pier 70 287 parking stalls

Total added parking stalls 1,587

The management fee paid to IMCO would be increased by $3,174 per month, which is calculated using the rate of $2.00 for each parking space that the SFMTA adds to the Group B garages, as provided in the IMCO Contract. IMCO would also be reimbursed for approved expenses it incurs in operating the two new facilities, which will be approximately $167,000 per month, for a total amount not to exceed $12,000,000 over the remaining 71 months of the IMCO Contract term.

ALTERNATIVES CONSIDERED

Port could have developed a Request for Proposals (RFP) to request proposals from parking management companies that would have led to new long-term contracts for management of the described Port off-street parking facilities. The process to develop and administer an RFP would have taken a long time. Moreover, Port staff lack the operational expertise to develop the detailed specifications for an RFP that would deliver operational changes they want to see at the four parking locations. Given this and considering that the SFMTA's existing parking operations contracts contained the ability to add locations, working with the SFMTA's existing parking operators is the preferred and most efficient alternative.

STAKEHOLDER ENGAGEMENT

Stakeholders from the SFMTA's Streets Division, Parking & Curb Management, and Port Property Management provided input on the plan for Port to engage the SFMTA to add four off-street parking facilities that are under Port jurisdiction to the scope of SFMTA's parking management contracts with LAZ and IMCO.

FUNDING IMPACT

There is no funding impact to the SFMTA, because Port will pay LAZ and IMCO directly for their operating expense and Port will also reimburse the SFMTA for its costs incurred in overseeing operations and management of the four off-street parking facilities.

SFMTA BOARD ACTION

On December 2, 2025, the SFMTA Board of Directors approved Resolution No. 251202-113 and the Parking Authority Commission approved Resolution 251202-114 authorizing the Director of Transportation to execute the Second Amendment to Contract No. SFMTA-2021-64/1, for operation and management of the Group A off-street parking facilities, with LAZ Parking California, LLC, to add operation of two off-street parking facilities under the jurisdiction of the Port of San Francisco to the contract scope of work and to increase the contract amount by $9 million, for an amended total contract amount not to exceed $189 million, and the Third Amendment to Contract No. SFMTA-2021-64/2, for operation and management of the Group B off-street parking facilities, with IMCO Parking, LLC, to add operation of two off-street parking facilities under the jurisdiction of the Port of San Francisco to the contract scope of work and to increase the contract amount by $12 million, for an amended total contract amount not to exceed $219 million.

REQUEST FOR APPROVAL

The SFMTA respectfully requests that the Board of Supervisors authorize the Director of Transportation to execute the Second Amendment to Contract No. SFMTA-2021-64/1, for operation and management of the Group A off-street parking facilities, with LAZ Parking California, LLC, to add operation of two off-street parking facilities under the jurisdiction of the Port of San Francisco to the contract scope of work and to increase the contract amount by $9 million, for an amended total contract amount not to exceed $189 million, and the Third Amendment to Contract No. SFMTA-2021-64/2, for operation and management of the Group B off-street parking facilities, with IMCO Parking, LLC, to add operation of two off-street parking facilities under the jurisdiction of the Port of San Francisco to the contract scope of work and to increase the contract amount by $12 million, for an amended total contract amount not to exceed $219 million.

Sincerely,

Julie Kirschbaum
Director of Transportation