

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: KIM NADEAU, PARKING MANAGER, FINANCE DEPARTMENT  
RAISSA DE LA ROSA, ECONOMIC DEVELOPMENT MANAGER,  
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT  
SUBJECT: BLUE FOX PARTNERS PARKING AGREEMENT

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Finance and the Planning and Economic Development Departments that the Council, by resolution, approve a Parking Agreement with Blue Fox Partners, Santa Rosa, California, to provide 90 minutes of free parking at Garage 12 to Roxy Stadium movie theater patrons.

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EXECUTIVE SUMMARY

This agreement will provide for 90 minutes of free parking at Garage 12 (555 1<sup>st</sup> Street) for patrons of the Roxy Stadium movie theater, located at 85 Santa Rosa Avenue, upon commencement of construction of the theater remodel. This project furthers Council Goal 1 - Create a strong, sustainable economic base.

BACKGROUND

Blue Fox Partners (BFP) entered into an agreement with the City in August 1999, which provides 3 hours of free parking to theater patrons. That agreement expires on February 29, 2020. BFP is planning to remodel the Roxy Stadium multiplex movie theater, including upgraded screening rooms and luxury seating and requested that the City extend the term of the parking agreement.

PRIOR CITY COUNCIL REVIEW

April 27, 1999 – City Council considered a request from BFP for three hours of free parking to be provided to patrons of the theater at Garage 12.

August 17, 1999 – City Council approved, by Resolution No. 24017, a parking agreement with BFP to provide three hours of free parking to patrons of the theater.

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October 15, 2002 – City Council approved, by Resolution No. 25438, a first amendment to the parking agreement with BFP to provide for free parking after 7 p.m. on weekdays and all day on Saturdays and Sundays to all parkers at Garage 12, in addition to the three hours free parking for theater patrons on weekdays.

ANALYSIS

BFP plans to remodel its Roxy Stadium movie theater and asked the City to extend the parking agreement term. The remodeled theater will operate with fewer but upgraded reserved seats in their existing screening rooms. BFP estimates the cost of the remodel at \$3.5 million dollars. Before committing to the capital investment costs, BFP seeks a long-term parking agreement for its theater patrons.

The City's Economic Development and Parking staff have negotiated with BFP on new terms and conditions for the proposed restated parking agreement, including:

- The new agreement is contingent upon BFP commencing construction of the theater remodel. This agreement will terminate on February 29, 2020 (the existing agreement termination date) if construction has not commenced on the theater remodel by that date. If construction has commenced prior to February 29, 2020, the new agreement will terminate fifteen years from its effective date. If the Council approves the new agreement on September 19, 2017, it will terminate on September 18, 2032.
- Theater patrons will continue to receive three hours of free parking, with a validated parking ticket, until BFP has commenced construction on the remodel (Start Date). BFP will continue to pay the City for operational costs of \$50,000 per year plus CPI adjustments (paid monthly) up to the Start Date.
- The City will operate Garage 12, as it operates its other garages. Parking will no longer be free after 7 p.m. on weekdays and all day on weekends.
- The cap on number of parking permits that may be sold at Garage 12 is increased to 550 for the first year of the agreement, and may be increased by 50 permits per year thereafter, to a maximum of 750 monthly parking permits.
- Effective on the Start Date, theater patrons will receive 90 minutes of free parking at Garage 12 with theater validation. BFP will reimburse the City for costs associated with integrating software, hardware and configuration needed to enable parking validation specifically related to the theater.

Garage 12 has 727 parking spaces. Effective January 1, 2018, per Council's approval of progressive parking strategies in June 2017, the first hour of parking at Garage 1 (521 7<sup>th</sup> Street) and Garage 12 will be free for all patrons. In addition, effective September 1, 2017, the Council approved a new discounted permit at Garages 1 and 12 for low wage employees. Garage 12 is currently under-utilized with an average peak occupancy of 33%. While the goal of the progressive parking strategies is to more evenly distribute parking at the downtown parking facilities, it is expected that Garage 12 will continue to have the capacity to meet demand.

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While an economic impact analysis of the theater has not been performed, the theater employs over 100 people annually (many of those being first time jobs), provides an additional downtown cultural amenity, and is an active evening destination point in an otherwise underutilized area of the downtown.

FISCAL IMPACT

The current parking agreement provides 3 hours of free validated parking to theater patrons. It is estimated that 90 minutes of free parking to theater patrons under the new agreement will generate approximately \$200,000 in annual revenue to the Parking Fund from theater patrons who park longer than 90 minutes at Garage 12. In addition, the Parking Fund expects to collect approximately \$250,000 from non-theater parkers who previously parked for free after 7 p.m. and all day on weekends. There is no impact to the General Fund from this agreement.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

May 8, 2017 - Economic Development Subcommittee review.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution/Exhibit A

CONTACT

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