ORDINANCE No. 188706

Amend contract with Central Parking System of Washington, Inc. to extend contract term through March 31, 2019 and replace the contract incentive fee with a management fee for parking garage management services (Ordinance; amend Contract No. 30001972)

The City of Portland ordains:

Section 1. The Council finds:

- 1. In ORS 223.835, the Portland City Council has the legislative authority to set parking rates and regulate the uses of the Garage system.
- 2. The Portland Bureau of Transportation (PBOT) is responsible for managing and maintaining all official business, operations and records for the City's six SmartPark Parking Garages. PBOT is charged with managing and maintaining the City of Portland's SmartPark parking garages in a manner that is financially sound while supporting the economic vitality of the City, maximizing revenues, and prudently managing cost.
- 3. PBOT is responsible for maintaining Parking Garage Management Services for the City's six (6) owned parking garages, which total almost 3,800 spaces within the SmartPark parking portfolio.
- 4. On January 12, 2011, City Council authorized Ordinance No. 184360 awarding a Contract to Central Parking System of Washington, Inc. for Parking Garage Management Services for the SmartPark Garages.
- 5. This contract's Parking Garage Management Services include garage operations, merchant validation program, janitorial services, equipment maintenance services, network services and PCI Compliance responsibilities.
- 6. This contract is funded by receipts from the six SmartPark parking garages. Net operational revenue for FY 2017-2018 is budgeted to be \$13.2 million, which is an increase of approximately 20% over actual revenues recognized in the first fiscal year of this contract (FY 11-12). Operational expenses for FY 2017-2018 are budgeted to be \$2.8 million with an anticipated net revenue to the City of \$10.4 million.
- This contract currently provides for a monthly management fee of \$844.62 per garage. The management fee increases 2% annually on each anniversary date of the agreement. This contract also provides for an incentive fee, which is equal to 3.5% of the monthly operating surplus in excess of the operating surplus for fiscal year 2009-2010.

- 8. The 10th & Yamhill SmartPark Garage is currently scheduled for a renovation project with construction anticipated to begin in January 2018. The renovation will be paid for through parking garage receipts and tax-exempt funds.
- 9. Current bond rules prohibit utilizing tax-exempt financing when management contracts include an incentive fee.
- Section 2 of Contract No. 30001972, Effective Date and Duration, set the initial term of the Contract for three years, effective April 1, 2011 and expiring on March 31, 2014. The Contract provided for an extension, by mutual consent, for an additional two-year period for a total contractual period of not more than five (5) years.
- 11. The Contract was amended (Amendment No. 2) by mutual consent of the Parties on March 5, 2014 extending the term of the Contract for an additional two (2) years beginning April 1, 2014 through and including March 31, 2016.
- Section 2 of Contract No. 30001972, Effective Date and Duration, provides that, following Council approval, the Contract may be extended an additional five (5) years, taken individually or in multiple years, however, the total term of the Contract shall not exceed ten (10) years.
- 13. On December 30, 2015 City Council authorized Ordinance No. 187532 amending Contract No. 30001972 to extend the term of the contract through March 31, 2017 and with an option for an additional one year period, with mutual consent of the Parties, for a total contractual period of not more than seven (7) years.
- 14. The Contract was amended (Amendment No. 6) by mutual consent of the Parties on February 1, 2017 extending the term of the Contract for an additional one (1) year beginning April 1, 2017 through and including March 31, 2018.

NOW, THEREFORE, the Council directs:

 a. The Chief Procurement Officer of the City of Portland is hereby authorized to execute an amendment to Contract 30001972, in a form substantially in conformance with the contract amendment attached as Exhibit A, with Central Parking of Washington, Inc to extend the term of the contract through March 31, 2019 for a total contractual period of not more than eight (8) years and to restructure the incentive fee with a management fee.

Passed by the Council, DEC 06 2017

Commissioner Dan Saltzman Prepared by: Michael Jacobs: SP Date Prepared: October 11, 2017

Mary Hull Caballero Auditor of the City of Portland Insan Jansons By

Deputy

Page 2 of 2

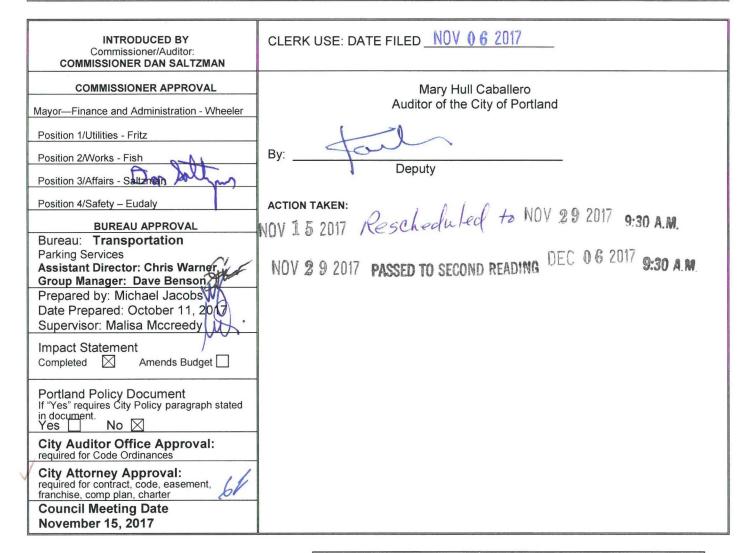
-1230= -1257 1299=

11-1

Agenda No. ORDINANCE NO. 188706

Title

Amend contract with Central Parking System of Washington, Inc. to extend contract term through March 31, 2019 and repeal and replace the contract incentive fee with a management fee for (Ordinance; amend Contract No. 30001972)



	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
Start time:			YEAS	NAYS
Total amount of time needed: (for presentation, testimony and discussion)	1. Fritz	1. Fritz	V	
	2. Fish	2. Fish	~	
REGULAR	3. Saltzman	3. Saltzman	~	
Total amount of time needed:	4. Eudaly	4. Eudaly		
la seconda de la constante de l	Wheeler	Wheeler	~	