



City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

www.cityofsacramento.org

File ID: 2017-00935

July 25, 2017

Consent Item 20

Title: SacPark Parking Application and Marketing Agreement

Location: Citywide

Recommendation: Pass a Motion authorizing the City Manager, or his designee, to execute an agreement with Sacramento Downtown Arena, LLC to market, reserve and sell parking spaces via the City's online parking reservation program, SacPark, to attendees of Golden 1 Center events. The term of the agreement will be three years with two, three-year options to extend.

Contact: Matt Eierman, Parking Services Manager (916) 808-5849; Department of Public Works

Presenter: None

Attachments:

1-Description/Analysis

2-Contract

Description/Analysis

Issue Detail: In 2016, the City partnered with Parkeon USA to develop an online parking application (“SacPark”) that allows users to locate and reserve parking spaces for special events. Future features will include a mobile app that will provide direct GPS guidance to available parking spaces and allow the City to provide real-time push notifications to alert motorists of travel conditions. Additional features may be added as needed.

Sacramento Downtown Arena, LLC (“Kings”) operates several parking garages near the Golden 1 Center. An estimated 6,500 vehicles enter the downtown area during large events. The City would like to market and sell parking spaces to Golden 1 Center attendees by using the SacPark reservation platform. In addition to the City’s website, customers will be able to access SacPark registered parking garages via the Kings’ website, the Kings’ mobile app, or Ticketmaster (collectively “Kings Ticketing Service”).

Under the proposed agreement, the City will make available up to 1,000 parking spaces in City-owned parking garages to Sacramento Kings preferred ticket holders. These parking spaces will be available after 6:00 p.m. when garages have low occupancy and sold at market rates. These parking spaces will be allocated as follows:

- City Hall Garage – 400 parking spaces
- Capitol Garage – 400 parking spaces
- Old Sacramento Garage – 200 parking spaces

The Kings will partner with the City to market SacPark reservation platform for events at the Golden 1 Center by using social media, the Kings website or mobile application.

Policy Considerations: This recommended action is consistent with:

1. City Council’s motion directing staff to pursue parking modernization through technology and rate enhancements.
2. 2014 City of Sacramento Selected Parking Assets, Parking System Assessment.
3. The Central City Parking Master plan goal to leverage technology to use time limits, rates and enforcement to manage parking supply efficiently.

Economic Impacts: None

Environmental Considerations: The project is categorically exempt from CEQA pursuant to CEQA Guidelines sections 15301. The project involves the development and marketing of a

mobile parking guidance application that would facilitate use of existing downtown parking facilities by patrons of events at downtown facilities. The action would result in no new construction or expansion of use, and would promote the efficient operation of existing public facilities.

Sustainability: This action supports the City of Sacramento's sustainability goals to improve and optimize the transportation infrastructure.

Commission/Committee Action: None

Rationale for Recommendation: It is estimated that up to 6,500 vehicles enter the downtown area during large events at the Golden 1 Center. To guide motorists to available parking, the City developed the SacPark reservation platform to maximize traffic flow near the event epicenter. The proposed agreement increases customer access and marketing to available parking information, by linking SacPark through the Kings Ticketing Service. In October of 2016, the City signed a Letter of Intent (LOI) with the Kings to pilot the SacPark reservation platform with the Kings and other private garage owners. To date, over 225,000 parking reservations have been processed using SacPark therefore significantly reducing wait times and traffic congestion in the downtown area. Per the LOI, the proposed agreement will commence October 1, 2016, the date the pilot started. Under this contract the City will be the exclusive external parking vendor approved or permitted to sell parking reservations using the Kings Ticketing Service.

Financial Considerations: The City receives five percent commission of all paid parking transactions processed using the SacPark reservation platform, except for those reservations made for parking garages controlled by the City or the Kings. For those paid parking transactions marketed using the Kings Ticketing Service, the City and the Kings will each receive two and a half percent commission.

Local Business Enterprise (LBE): There are no LBE considerations associated with the requested action.



City of Sacramento

Tax ID # if applicable:

Requires Council Approval:

No



YES

Meeting: 07/25/17

Real Estate

Other Party Signature Needed

Recording Requested

General Information

Type: Select Contract Type	PO Type: Select PO Type	Attachment: Original No.:
\$ Not to Exceed: N/A		Original Doc Number:
Other Party: Sacramento Downtown Arena, LLC		Certified Copies of Document:
Project Name: Parking Application and Marketing Agreement		Deed: <input type="checkbox"/> None <input type="checkbox"/> Included <input type="checkbox"/> Separate
Project Number:	Bid Transaction #:	E/SBE-DBE-M/WBE:

Department Information

Department: Public Works

Division: Parking Services

Project Mgr:

Supervisor:

Contract Services: Paul Sheridan Date:

Section Manager:

Phone Number:



Division Manager: Matt Eierman

Comment:

Org Number:

Review and Signature Routing

Department

Signature or Initial	Date
Contract Services: 	7/13/17
Project Manager:	
Supervisor:	
Section Manager:	
Division Manager: 	7.13.17

City Attorney

Signature or Initial	Date
City Attorney (MC: 09300): 	7/14/2017

Send Interoffice Mail

Notify for Pick Up

Authorization

Signature or Initial	Date
Department Director, Hector Barron <i>Concurrence Here and Sign Inside:</i>	
City Manager (MC 09200): Yes <input type="checkbox"/> No <input type="checkbox"/>	
City Clerk (MC: 09400):	

Contract Cover/Routing Form: Must Accompany ALL Contracts; (01-01-09)

For City Clerk Processing

Finalized:

Initial:

Date:

Imaged:

Initial:

Date:

Received:

(City Clerk Stamp Here)

**CITY OF SACRAMENTO
PARKING APPLICATION and MARKETING AGREEMENT**

THIS AGREEMENT is made as of _____, 2017 ("Effective Date") by and between the **CITY OF SACRAMENTO**, a municipal corporation ("City") and Sacramento Downtown Arena, LLC, a for profit corporation ("**SDA**" or "**Kings**") (collectively "Parties" or individually each as a "Party").

BACKGROUND

- A. The City owns and operates parking garages and surface parking lots located in the downtown area ("City Lots").
- B. The City has developed a mobile application ("SacPark") that allows users to locate, reserve, and pay for parking throughout the downtown area.
- C. Kings control several parking garages located in Downtown Commons next to the Golden 1 Center.
- D. The City and Kings would like to enter into an agreement to allocate, market and sell parking spaces via the City's parking application ("parking app") to attendees of events at the Golden 1 Center.

NOW THEREFORE, City and Kings hereby agree as follows:

1. **Term**— The Initial Term of this Agreement is for three years, commencing October 1, 2016 and expiring September 30, 2019, unless terminated earlier pursuant to section 19. Kings have two, three-year options to extend this Agreement by providing written notice to City of its intent to exercise an option to extend, no later than 180 days prior to the expiration of the term in effect at the time of notice.
2. **Kings Lots**—Kings operate the following parking lots (collectively "Kings Lots" and further defined in Exhibit "A"):
 - a. Downtown Plaza West (Lot G)
 - b. Downtown Plaza Central (Lot U)
 - c. Downtown Plaza East – Hotel
 - d. Downtown Plaza East – 660 J Street
 - e. Downtown Plaza East – Area A
3. **Revenue Sharing**

Booking Fee—For all paid parking transactions for garages not controlled by Kings or owned by the City and completed using the following methods of sale (collectively "Kings Ticketing Service"), Kings will receive 2.5 percent ("Booking Fee") of the total parking fee. The Kings Ticketing Service includes:

 - a. Ticketmaster

- b. Sacramento Kings mobile application
- c. Sacramento Kings website

The Kings will not receive a Booking Fee for the following transactions:

- a. Those completed not using the Sacramento Kings Ticketing Service
- b. Any booking made for City-owned facilities or
- c. For parking transactions not involving scheduled events at Golden 1 Center
- d. All on-street parking transactions
- e. Any booking made for Kings controlled lots.

Parking App Fee—For each paid parking transaction processed using the Sacramento Kings Ticketing Service or SacPark for parking lots not controlled by the City, a 10 percent transaction fee will be deducted. This 10 percent fee is equal to the fee charged to the City by the third-party parking app provider. In the event the third-party parking app provider alters the fee; the Parking App fee shall be adjusted accordingly.

Kings Lots—For all paid transactions processed using the Sacramento Kings Ticketing Service or SacPark for parking lots controlled or owned by Kings or a related entity (“Parking Fee”), only the following fees shall be deducted from parking revenue:

—Parking App Fee; and

—Credit Card/Gateway Fees

4. **Payment**—After deducting the above fees set forth in Section 3, the City shall pay to Kings the remaining Parking Fee and Booking Fee within 35 days of the end of each calendar month in which such parking services were provided. The City shall include a detailed accounting of both revenue and costs. The City shall also use good-faith efforts to work with the parking app provider (currently Parking Panda) to develop a faster turn-around payment period.

5. **Parking for Season Ticket Holders**

City-owned Garages

City will offer a total of 1,000 parking spaces in City-owned parking garages to Sacramento Kings preferred season ticket holders. The parking spaces will be available after 6:00 p.m. and allocated as follows:

- a. City Hall Garage (1000 I Street), 400 spaces (Market Rate)
- b. Capitol Garage (1126 11th Street), 400 spaces (Market Rate)
- c. Old Sacramento Garage (200 I Street), 200 spaces (Market Rate)

6. **Exclusive Parking Agent**—City shall be the exclusive external parking vendor approved or permitted to access parking reservations using the Sacramento Kings booking service, mobile application or website, with the exception that the

Sacramento Kings may book or otherwise manage Kings owned or controlled spaces as desired and separate from this Agreement.

7. **Marketing**—At no charge to the City, the Kings shall assist City to market the SacPark parking app and the City's preferred parking options for events at Golden 1 Center by using one or more of the following methods:
- a. All social media
 - b. The Kings website
 - c. The Kings mobile app

The Kings Ticketing Service will promote SacPark pre-reservations at the time of event ticket purchase. The Kings shall retain sole discretion as to how best utilize the methods set forth above to market SacPark to its customers and guests of Golden 1 Center outside of the City's marketing efforts.

8. **Use of Marks**—The City acknowledges that it will not use the name, trade name, trademarks, service marks, logos, or other identification of the Sacramento Kings without the Kings consent.

Notwithstanding any provision herein to the contrary, this Agreement is subject to the constitution and by-laws, and other rules and regulations of the National Basketball Association ("NBA") as they presently exist or as they may from time to time be amended. Kings represents that, to the best of its knowledge, nothing contained herein violates any rule or regulation of the NBA as they presently exist. Kings further agree to notify the City in writing of any changes in NBA rules and/or regulations, which affect either Party's rights hereunder. Kings acknowledge the NBA rules described herein, have not been made available to City for its review.

The Parties acknowledge that NBA Properties, Inc. ("NBAP") has the exclusive right to license NBA trademarks, statistics, logos, game-action photographs, video and audio (the "NBA Content") nationally and internationally. All information, content, logos, messages or other writing contained on any form of advertising or promotional medium shall at all times remain subject to Kings prior written approval. Notwithstanding the foregoing, Kings has been authorized by NBAP to license the use of certain NBA content "on-line" so long as: (i) this Agreement and all of the rights hereunder are subject to all of the rules, regulations, and agreements of the National Basketball Association as they presently exist and as they may, from time to time, be entered into, created or amended; (ii) this Agreement (and any amendment hereto) is submitted to NBAP within 10 days of execution and is expressly approved by NBAP; and (iii) the inclusion of NBA Content on the site of any third party, and the team's affiliation or association with the site of such third party, are not promoted or advertised outside the team's territory.

9. **City Right to Market**—The Parties understand the City intends to market SacPark and its services to other private garage owners, operators and general public.

10. **Quality Standards**— The City agrees, during the term of the Agreement, to reasonably maintain its parking app technologies and operations at a level consistent with latest technology standards, and updated with the latest relevant software updates to ensure technical functionality and an optimum customer experience for Golden 1 Center patrons, to the extent commercially reasonable. Any future change in platform or app functionality during the term of this Agreement shall be subject to the mutual approval of both the Kings and the City.
11. **Limitation of Liability**—In no event shall City or Kings, or any related affiliates, be liable for special, indirect, incidental, consequential, or exemplary damages, including, without limitation, any damages resulting from loss of data, interruption of business activities or failure to realize savings arising out of or in connection with the use of City's services or integration with City's PARCS network.
12. **Insurance**—Each Party, at its sole cost and expense, must carry insurance or self-insure its activities in connection with this Agreement and obtain, keep in force, and maintain insurance or equivalent programs of self-insurance, for general liability, workers' compensation, property and professional liability to cover its potential liabilities hereunder. Each Party agrees to provide 30 days advance written notice of any cancellation, termination or lapse of any of the insurance or self-insurance coverage. If either Party fails to maintain insurance as required in this Agreement.
13. **Indemnity**—Each Party hereto (hereafter "Indemnifying Party") must indemnify, defend and hold harmless the other Party, and their respective officers, elected officials, agents and employees, from and against any and all loss, cost, damage, expense, claim, suit, demand, or liability of any kind or character, including but not limited to reasonable attorney fees, arising from or relating to any negligent or intentional act or omission of the Indemnifying Party, its officers, agents or employees which occurs in the performance of or otherwise in connection with this Agreement, but only in proportion to and to the extent caused by the negligent or intentional acts or omissions of Indemnifying Party, its officers, agents or employees.
14. **Notices**—All notices and other communications under this Agreement must be in writing and are deemed to have been given (i) on the date of delivery, if delivered personally to the Party to whom notice is given, or (ii) at the earlier of actual receipt or the second business day following deposit in the United States mail, postage paid. Notices and other communications must be directed to the Parties at the addresses shown below. A Party may change its person designated to receive notice, its telecopy number, or its address from time to time by giving notice to the other Party in accordance with the procedures set forth in this Section.

To Owner: John Rinehart
 Chief Financial Officer
 660 J Street
 Suite 490

Sacramento, CA 95814

With copies to: Randy Koss
Senior Vice President, Real Estate
660 J Street
Suite 490
Sacramento, CA 95814

Jeffrey Dorso
Pioneer Law Group, LLP
1122 S Street
Sacramento, CA 95811

To City: Parking Services Division
Attn: Parking Services Manager
300 Richards Blvd
2nd Floor
Sacramento, CA 95811

15. **Integration**—This Agreement embodies the entire agreement of the Parties in relation to the scope of services herein described, and no other understanding whether verbal, written, or otherwise exists between the Parties.
16. **Governing Law**—The interpretation and enforcement of this Agreement will be governed by the laws of the State of California, the state the Agreement is signed. The Parties agree to submit any disputes arising under the Agreement to a court of competent jurisdiction located in Sacramento County, California.
17. **Severability**—If any term, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, the remainder of the Agreement will remain in effect.
18. **Waiver**—Waiver by any Party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent or any other right hereunder.
19. **Modification**—No waiver, alteration, modification, or termination of this Agreement will be valid unless made in writing signed by the authorized representatives of the Parties hereto.
20. **Captions**—The headings or captions to the Articles of this Agreement are not a part of the Agreement and will have no effect upon the construction or interpretation of any part thereof.
21. **Counterparts**—This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which together will constitute but one and the same.

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22. **Assignment**—No Party may assign its interest in the Agreement without the prior written consent of the other Party.
23. **Construction**—City and Owner have had the opportunity to participate in the drafting of, and have legal review of, this document. No portion of the document shall be construed against any Party to this Agreement.
24. **Termination**—Either Party may terminate this Agreement without cause upon 90 days written notice to the other Party. Notice shall be deemed served on the date of mailing. In the event of termination, all Booking and Parking Fees made prior to termination of this Agreement shall still be due and payable consistent with the terms of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

**SACRAMENTO DOWNTOWN ARENA
LLC, a for profit corporation**

**CITY OF SACRAMENTO, a charter
municipal corporation**

**SACRAMENTO DOWNTOWN ARENA
LLC**

CITY OF SACRAMENTO

By:



John Rinehart, Chief Financial Officer

By:



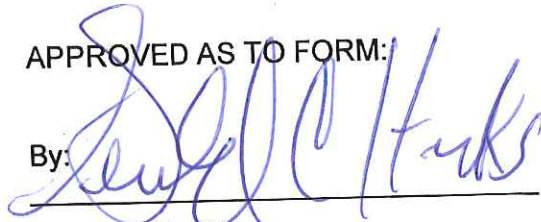
Hector Barron, Director of Public Works

Date:

4/5/17

APPROVED AS TO FORM:

By:



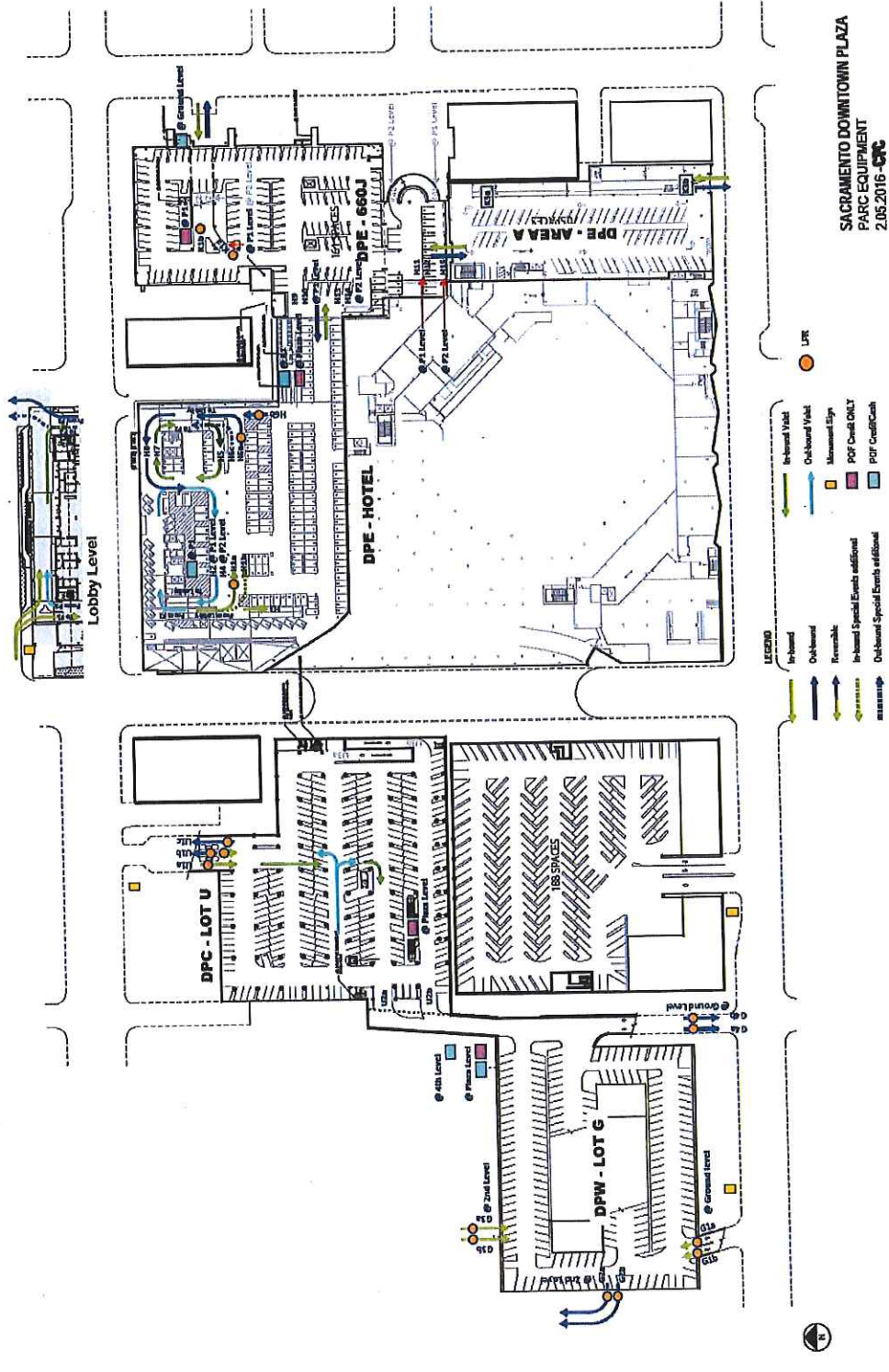
Deputy City Attorney

ATTEST:

By:



City Clerk



SACRAMENTO DOWNTOWN PLAZA
 PARC EQUIPMENT
 2.05.2016 - **DPC**