



COUNCIL REPORT

DATE: May 26, 2026

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Lot 5 Parking Structure, Study and Preliminary Design, Project 23-33– Funding Appropriation**

RECOMMENDATION

Transfer and appropriate \$9,500,000 from the In-Lieu Parking Fund to Lot 5 Parking Structure, Study and Preliminary Design, Project 23-33, increasing the project budget from \$1,000,000 to \$10,500,000. (Five votes required)

BACKGROUND

City parking Lot 5 is located on Hope Street, between Dana Street and Villa Street. This is a surface parking lot with 94 existing parking spaces with a 2-hour time limit. It is centrally located and surrounded by commercial uses, except for a multi-family development across Hope Street (see Figure 1).

On [August 24, 2021](#), the City Council reviewed the Downtown Parking Garage Framework study and authorized staff to:

- Study a new five-level parking garage, with approximately 400 stalls, at Lot 5 with no underground parking and no ground-floor commercial, and explore additional partnerships with developers to fund the new garage;
- Explore additional parking garage levels, a rooftop garden and use of low-carbon concrete; and
- Explore design options that allow for repurposing the building in the future and explore a solar component.

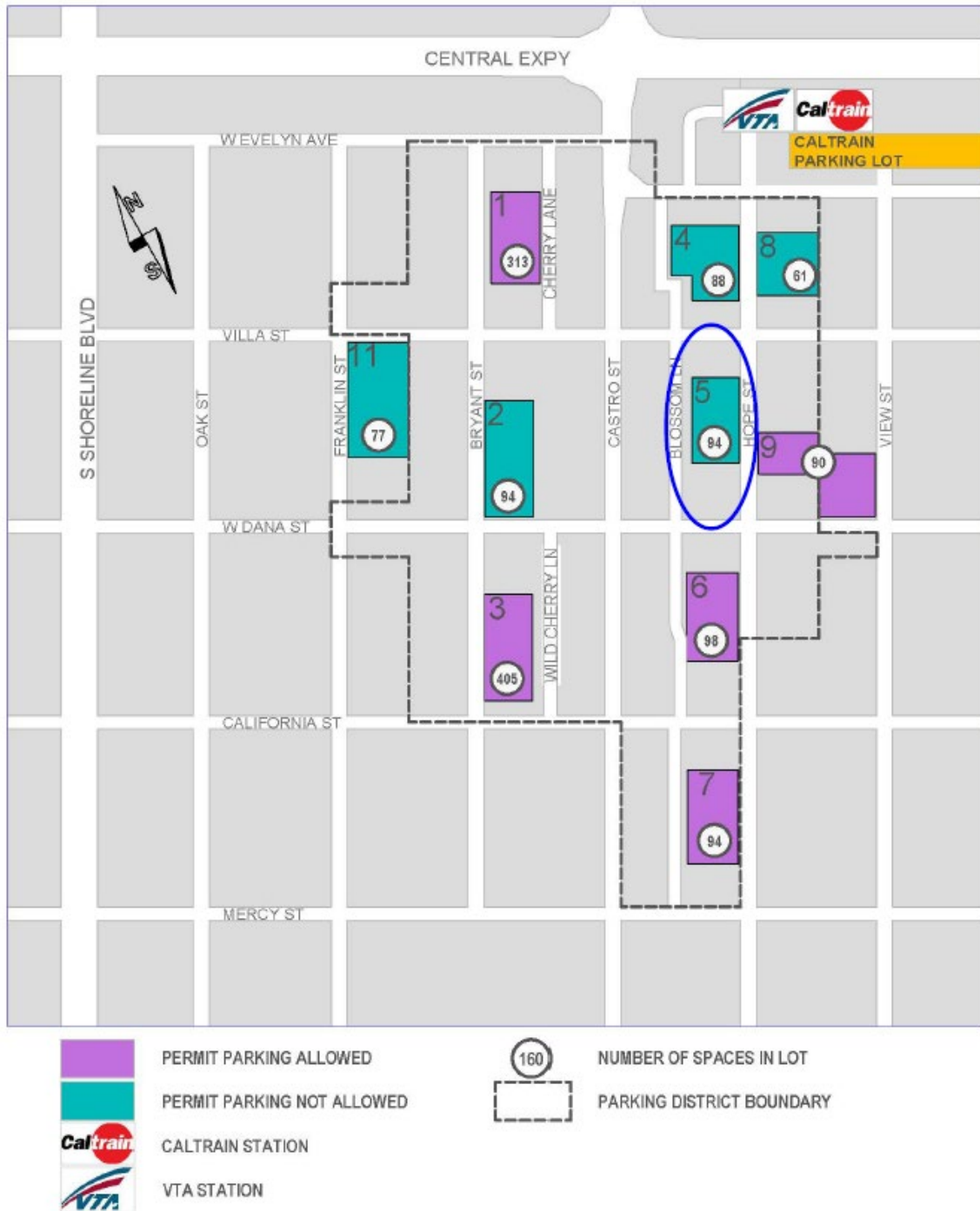


Figure 1: Downtown Parking District Facilities

Lot 5 was chosen as the optimal location for a future public parking structure due to its central location, efficient configuration, and minimal constraints. The parking garage will serve as a major component of the long-term strategy to address projected parking deficits of 400–700 spaces in the Downtown Parking District.

Since that time, progress on the Lot 5 parking garage preliminary design has not moved forward due to limited staff capacity and ongoing uncertainty surrounding the potential redevelopment of Lots 4 and 8. Recently, the City continued planning for downtown development, including the significant mixed-use redevelopment of City parking Lots 4 and 8 located on the 100 block of Hope Street, between Evelyn Avenue and Villa Street (Hope Street Lots 4 and 8).

On [March 24, 2026](#), Council approved amendments to the Disposition and Development Agreement (DDA) and ground leases with RGC Mountain View I, LLC, for the development of Hope Street Lots 4 and 8. Under the amended DDA, a hotel will be constructed on Lot 4 without on-site parking and the developer will contribute \$6.6 million to the City towards the cost of replacing Lot 4's existing 88 public parking spaces when the building permit is issued for the hotel. The Lot 5 parking structure will serve as the primary replacement location.

To advance the City's planning and design work, the Lot 5 Parking Structure, Study and Preliminary Design, Project 23-33, was established in the Fiscal Year 2022-23 CIP with an initial \$1,000,000 appropriation. The initial phase of the project will study feasible alternatives and prepare concept designs for a new multi-level, approximately 400-space parking structure on Hope Street.

ANALYSIS

The Lot 5 Parking Structure project is intended to provide additional public parking capacity to serve downtown businesses, residents, and visitors. It will also provide enough parking to replace the Lot 12 public parking displaced by an affordable housing project and the parking to be displaced by the planned hotel on Lot 4.

Staff recommends transferring and appropriating \$9.5 million from the in-Lieu Parking Fund to support the development of the Lot 5 structure. These funds are designated for public parking improvements within the Downtown Parking District and were originally committed to expanding the amount of public parking to be available on Lot 4 as part of the hotel project, which is no longer applicable under the amended DDA.W. This action will increase the Project 23-33 budget from \$1,000,000 to \$10,500,000, providing sufficient funding for consultant services, concept design, technical studies, and environmental review preparation.

While the recommended appropriation will allow the project to advance through the study, environmental review, and design phase, additional funding will be required to proceed with the construction phase. At a future Council meeting, staff will be requesting Council appropriate the \$6.6 million to be received from the development of Hope Street Lots 4 and 8 to the Lot 5 Parking Structure project. Staff will evaluate available funding options and present recommendations to Council at future milestones.

The project is currently in the pre-study/design phase. City staff is preparing to issue a Request for Proposals to retain a qualified consulting team. This consultant will assist with advancing the project's scope by preparing a study of alternatives and concept designs of the parking structure. The project scoping will begin in fall 2026, and staff and the consultant team will refine project requirements, finalize design criteria, and develop a comprehensive design-build or other alternative delivery package to select a qualified parking lot design specialist. This effort establishes the foundation for the next stages of design and eventual construction. In the spring of 2027, public outreach and engagement for the project will occur during the conceptual design phases of the design-build process, including community meetings to gather input.

FISCAL IMPACT

Lot 5 Parking Structure, Study and Preliminary Design, Project 23-33, is funded with \$1.0 million from the In-Lieu Parking Fund. An additional appropriation of \$9.5 million is requested to further fund the project. Staff recommends that Council transfer and appropriate \$9.5 million from the In-Lieu Parking Fund to Lot 5 Parking Structure, Study and Preliminary Design, Project 23-33, increasing the total project budget to \$10.5 million. The recommended action would utilize in-lieu parking fees for an eligible parking-related capital project, consistent with the intended use of these funds. Sufficient funding is available in the In-Lieu Parking Fund to support the recommended appropriation.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a "license, permit, or other entitlement for use" if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

EXEMPT FROM THE LEVINE ACT

General policy and legislative actions

ALTERNATIVES

1. Do not transfer and appropriate \$9,500 000 from the In-Lieu Parking Fund and direct staff to appropriate a different amount.
2. Provide other direction.

PUBLIC NOTICING - Agenda posting.

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(23-33)