



# CITY OF SAN MATEO

City Hall  
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## Agenda Report

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**TO:** City Council  
**FROM:** Alex Khojikian, City Manager  
**PREPARED BY:** City Manager's Office  
**MEETING DATE:** June 16, 2025  
**SUBJECT:**  
2nd and El Camino Public Garage — Licensing Agreement

**RECOMMENDATION:**

Approve a licensing agreement, substantially in the form presented, between the City of San Mateo and Sutter Bay Hospital (dba Mills-Peninsula Medical Center) to permit use of 60 City-owned parking spaces on the 5th floor of the 2nd Avenue and El Camino Real public garage for hospital staff parking.

**BACKGROUND:**

Sutter Bay Hospital, doing business as Mills-Peninsula Medical Center (MPMC), located at 100 South San Mateo Drive, has formally requested the exclusive use of 60 City-owned parking spaces on the fifth floor of the 2nd Avenue and El Camino Real City-owned garage.

Mills-Peninsula Medical Center request is rooted to in their desire to improving safe and convenient access to parking for their employees as the facility has undergone expansion. Services at the 100 South San Mateo campus grew by 12 percent in 2024 and are on pace for an additional 7 percent increase in 2025. By the end of 2025, an additional 10 physicians will be providing services at the 50 South San Mateo building, with plans to add 7-9 more physicians in 2026 and 2027. These providers will offer much-needed services to the City and region, including expanded access to primary care, family medicine, oncology, cardiac care, and more.

As one the largest private employers in Downtown San Mateo, MPMC's expansion is expected to create new job opportunities and contribute to patronage of local businesses and restaurants adjacent to the campus. To support this anticipated growth, MPMC seeks to use its on-site parking garage for patient use and requests that the City allow hospital staff and affiliates to utilize dedicated spaces at the 2nd Avenue Garage.

While the lower floors of the 2nd and El Camino public garage generally utilized have a high degree of permit holders and spaces are well utilized during peak hours, the parking spaces on the fifth floor are consistently underused. Allocating these spaces for the hospital's exclusive use is not expected to significantly impact public parking availability at this garage and frees up spaces at other nearby public garages from current and future hospital staff. If Council grants this request, the dedicated parking spaces will increase the hospital's operational efficiency while maintaining adequate public parking access at this and other public garages. Furthermore, consolidating hospital employee parking on the top floor reduces vehicle circulation and congestion in the Downtown area by providing close guaranteed parking stalls, and improves overall traffic flow in the area.

Based on the above, staff recommends the City enter into a licensing agreement with MPMC. Key terms of the agreement include:

- Term: 12 months, commencing on July 1, 2025
- Renewal Option: 4 additional one-year renewals
- Termination: Can be terminated by either party with 60 days' notice
- License Fee: \$150 per month, per space for 60 spaces; will increase annually by the Consumer Price Index
- Use: Hospital staff, tenants, and authorized personnel only

**BUDGET IMPACT:**

The City will receive \$108,000 annually in parking fees, which will support the maintenance, security, and upkeep of the Downtown public garages.

**ENVIRONMENTAL DETERMINATION:**

This agreement is categorically exempt from CEQA as an “existing facility,” because it consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use. (CEQA Guidelines Section 15301.)

**NOTICE PROVIDED**

All meeting noticing requirements were met.

**ATTACHMENTS**

Att 1 – Proposed Licensing Agreement

**STAFF CONTACT**

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