



# CITY OF SAN MATEO

City Hall  
330 W. 20th Avenue  
San Mateo CA 94403  
[www.cityofsanmateo.org](http://www.cityofsanmateo.org)

## Agenda Report

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Agenda Number: 7

Section Name: {{section.name}}

File ID: {{item.tracking\_number}}

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**TO:** City Council  
**FROM:** Drew Corbett, City Manager  
**PREPARED BY:** Public Works Department  
**MEETING DATE:** August 17, 2020

**SUBJECT:**  
710 S. B Street Parking In-Lieu Fee – Agreement

**RECOMMENDATION:**

Approve a parking in-lieu fee agreement with Lawrence H. Shane for fourteen (14) parking spaces for the 710 S. B Street property and authorize the City Manager to execute the agreement in substantially the form presented.

**BACKGROUND:**

The City of San Mateo offers applicants within the Central Parking Improvement District (CPID), located in downtown San Mateo, the option to pay a fee in lieu of providing parking as required by the City's Municipal Code. The property owner of 710 S. B Street entered into an "Agreement for Parking Spaces" with the City on April 3, 2007 for these 14 spaces.

The building permit for 710 S. B Street was issued during May 2007 for an 8,000 square foot restaurant. Based on the parking requirements in the City of San Mateo Municipal Code, the project was required to provide 32 parking spaces to support the use. The applicant opted to execute a long-term CPID parking lease agreement with the City for 14 parking spaces to partially fulfill the required parking for the project. The terms of the agreement provided for the long-term lease of 14 City-owned, non-assigned, parking spaces within the CPID for such time as those spaces are required based on the type of use located at the property with no end of term for the agreement. Pursuant to the agreement, the property owner has paid the lease fees totaling approximately \$189,000.

Property management for this site contacted the City in March 2020 regarding the existing agreement, and requested the City evaluate the agreement and the payment terms. At the time of project approval, the parking in-lieu fee was \$9,000. If the project had paid for the 14 parking spaces through in-lieu fees, a total payment of \$126,000 would have been required at the time of project approval. Based on this information, the City's Finance Department assessed the net present value of the payments made over the life of the project. Through that analysis, staff determined that the in-lieu fee payment has been made in full through payments already received.

Therefore, in coordination with the property manager, the City has developed a new agreement for the property that rescinds the former agreement, confirms that the property has paid in full the value of the 14 parking spaces, and establishes a new parking in-lieu fee agreement for the required parking spaces at no additional cost to the property owner. If approved by City Council, the City Manager will execute the agreement with the property owner, and the agreement will be recorded with the County of San Mateo.

**BUDGET IMPACT:**

The agreement reflects fulfillment of the parking in-lieu fee through annual parking lease payments already received by the City. Approval of this agreement will result in no additional annual parking lease payments for this project.

**ENVIRONMENTAL DETERMINATION:**

Approval of the parking in-lieu fee agreement is not a project subject to CEQA, because it is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (CEQA Guidelines Section 15378(b)(4).)

**NOTICE PROVIDED**

All meeting noticing requirements were met.

**ATTACHMENTS**

Att 1 – Parking In-Lieu Fee Agreement

**STAFF CONTACT**

Sue-Ellen Atkinson, Principal Transportation Planner  
seatkinson@cityofsanmateo.org  
(650) 522-7288