

# **ANNUAL REPORT**

*For 2006-07 and 2007-08 Fiscal Year*

**Parking Revenue Bonds  
2002 Series A**

---

*South Tahoe Joint Powers Parking Financing Authority*

*March 2008*

## Section A - Introduction

---

In July 2002, the South Tahoe Joint Powers Parking Financing Authority (Authority) issued its Parking Revenue Bonds Series A in the amount of \$9,000,000. The Bonds are secured by and payable from Gross Revenues and amounts held in certain funds and accounts established by the Indenture dated June 1, 2002, that was entered into as part of the issuance of the Bonds. Gross Revenues include:

1. Revenues from operation of the parking garage;
2. Surplus Special Tax Revenues from Community Facilities District No. 2001-1 that are available after debt service on the District's Series 2001 Special Tax Bonds.

---

As part of the issuance of the Bonds, the Authority executed a Continuing Disclosure Certificate. The Disclosure Certificate was executed and delivered by the Authority for the benefit of the holders and beneficial owners of the bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

The Disclosure Certificate for the Bonds requires the Authority to file both a Semi-Annual and an Annual Report with each National Repository and each State Repository (if any) no later than September 30 (Semi-Annual Report) and March 31 (Annual Report) of each year. At this time there are no State Repositories in California. With the filing of this Annual Report, the Authority will meet this obligation.

The following terms are defined as follows:

*“Annual Bond Service”* means, as of any date of calculation, the sum of (1) the interest falling due on Bonds then Outstanding (assuming that all Serial Bonds then Outstanding are retired on their respective maturity dates and that all Term Bonds then Outstanding are retired at the times of and in the amounts provided for by Mandatory Sinking Account Payments), (2) the principal installments for Serial Bonds then Outstanding falling due by their terms, and (3) the amount of all Mandatory Sinking Account Payments required.

*“Gross Revenues”* means (i) Operating Revenues; and (ii) so long as it is pledged under the Indenture, Surplus Special Tax Revenues.

*“Maintenance and Operation Expenses”* means necessary operating expenses, maintenance charges, expenses of reasonable upkeep and repairs, a properly allocated share of charges for insurance, direct or special administrative expenses directly chargeable to the Project and all other expenses incident to the operation of the Project, but shall not include debt service, depreciation or any general administrative expenses of the Authority, the City or the Agency.

*“Maximum Annual Bond Service”* means as of any date of calculation, an amount equal to the Annual Bond Service for that Bond Year in which such Annual Bond Service shall be the largest.

*“Net Maximum Annual Bond Service”* means as of any date of calculation, an amount equal to (a) Maximum Annual Bond Service for such date minus (b) the quotient derived from dividing (i) the amount of Surplus Special Tax Revenues deposited by the Agency with the Authority pursuant to the Parking Facilities Agreement during the preceding Bond Year, by (ii) 1.10.

*“Operating Revenues”* means any and all income, rents, rates, fees, charges, insurance and condemnation proceeds or other moneys received or receivable in connection with, or derived by the Authority from the ownership or operation of, or arising from, the Project, including without limitation any such revenues or moneys received by the City or the Agency pursuant to the Parking Facility Agreement, but excluding any refundable deposits or fines and forfeitures.

*“Project”* means, collectively, (1) the approximately 420-space parking facility more fully described in Exhibit A to the Indenture and (2) any Completion Project.

*“Prospective Coverage Test”* means Operating Revenues at least sufficient (i) to pay all Maintenance and Operation Expenses in such Fiscal Year, and (ii) to provide Net Operating Revenues (Operating Revenues less Maintenance and Operation Expenses) in such Fiscal Year equal to at least 1.3 times Net Maximum Annual Bond Service.

*“Renewal and Replacement Annual Contribution”* means, as of any date, the amount that, in the opinion of the City Engineer of the City or a Parking Consultant, should be set aside in each Fiscal Year in order to provide for the Renewal and Replacement Requirement, and which amount shall be set forth in the current annual budget for the Project filed by the authority with the Trustee in accordance with the Indenture.

*“Renewal and Replacement Requirement”* means, as of any date, the amount that is necessary, in the opinion of the City Engineer of the City or a Parking Consultant, to provide during the next five years (or such longer period not to exceed ten years as such City Engineer or Parking Consultant may specify) for the reasonably anticipated costs of repair, replacement and renewal of the Project in order to maintain the Project in good repair, working order and condition, as required by the Indenture, and which amount shall be set forth in the current annual budget for the Project filed by the Authority with the Trustee in accordance with the Indenture.

*“Surplus Special Tax Revenues”* means the special tax revenues on deposit in the Community Facilities Fund under the CFD No. 2001-1 Indenture and paid by the Agency to the Authority pursuant to the Parking Facility Agreement, which payment shall be subordinate in all respects to the use of the proceeds of the Special Tax as defined in and required by the CFD No. 2001-1 Indenture, and shall not exceed the

maximum annual amount, and otherwise subject to the terms and conditions, set forth in the Parking Facility Agreement.

The Annual Report needs to contain or incorporate by reference the following information and data:

(a) The Authority's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, and as further modified according to applicable State law. If the Authority's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the usual format utilized by the Authority, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The following additional items:

- (1) Principal amount of Bonds outstanding
- (2) Balance in the Revenue Fund.
- (3) Balance in the Bond Interest Account, and any sub account therein.
- (4) Balance in the Bond Principal Account, and any sub account therein.
- (5) Balance in the Bond Reserve Account.
- (6) Balance in the Supplemental Reserve Account.
- (7) Balance in the Bond Redemption Fund, and any sub account therein.
- (8) Annual operating budget of the Project for the current fiscal year including analysis of whether the Prospective Coverage Test is satisfied by such budget. Such budget shall describe for each month during the Fiscal Year the anticipated receipts of Gross Revenues, costs and expenses for the Project and such other matters as the Authority shall deem necessary or appropriate, and shall include all anticipated Gross Revenues, Maintenance and operation Expenses, Annual Bond Service Payments, the Renewal and Replacement Requirement and the Renewal and Replacement Annual Contribution for such Fiscal Year.
- (9) Status of any significant legislative, administrative and judicial challenges to the construction of the Project known to the Authority's Executive Director, without independent inquiry, for any year in which construction activity has occurred in the Project Area.
- (10) To the extent not otherwise provided pursuant to the preceding items 1-8, annual information required to be filed by the Authority with the California Debt and Investment Advisory Commission pursuant to Sections 50075.1, 50075.3, 53359.5(b), 53410(d) or 53411 of the California Government Code.

- (11) An analysis of the Authority's financial statements showing whether the Actual Coverage Test has been satisfied during the fiscal year presented in such financial statements.
  - (12) An explanation of any variance between the operating budget provided in the prior year's Annual Report and actual operating results, as reflected in the Authority's audited financial statements, if such variance (i) equals or exceeds 5% of aggregate Gross Revenues or Maintenance and Operating Expenses or (ii) equals or exceeds 10% of any individual operating budget line item.
- (c) The Annual Report of the South Tahoe Redevelopment Agency required by the South Tahoe Redevelopment Agency Community Facilities District No. 2001-1 (Park Avenue Project) Special Tax Bonds, Series 2001 Continuing Disclosure Agreement dated December 19, 2001.

---

All capitalized terms shown above that are not otherwise defined herein have the meaning found in the Indenture.

This Annual Report provides the required information for the Authority's 2006-07 fiscal year and budget estimates for the 2007-08 fiscal year. The balance of this Report shows the required information and data. The revenue and expense estimates contained in the following sections of this Report are based upon information and data which we believe to be reasonable and accurate. To a certain extent, the estimates of revenue and expenditures are based on assumptions that are subject to a degree of uncertainty and variation and therefore are not represented as results that will actually be achieved.

### **Information and Data**

---

The following is the information and data required by this report. The italic section is the information required by the Indenture with the information following.

*(a) The Authority's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, and as further modified according to applicable State law. If the Authority's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the usual format utilized by the Authority, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.*

The Authority's audited financial statements for fiscal year ending September 30, 2007, is attached as Exhibit A. The information is in a summarized format.

In order to provide more detailed information to bond holders, attached as Exhibit B is the Parking Garage Operations, Parking Enforcement and Parking Authority Debt Service Financial Analysis for Fiscal Year 2006/2007. This includes a budget to actual comparison.

Please note that these statements include parking enforcement revenues and expenditures. As discussed below in the Operations Update section under Parking Enforcement, the Authority is obligated to implement parking controls within the area of the garage. This is not only to protect the parking resources of others, such as the Village Center, (formerly known as the Crescent V Center) and the Laurel Avenue business community, but also to protect the Authority's revenue stream. In preparing the Prospective Coverage Test and the Actual Coverage Test shown later in this Report, we have excluded enforcement revenues and operating expenses that are paid from enforcement revenues.

The Authority contracts with Standard Parking to operate and maintain the garage. At the end of each fiscal year Standard Parking is required to submit an Annual Financial Report of the preceding fiscal year to be prepared by a certified public accountant. A copy of the report is attached as Exhibit D.

*The following items are for (b) (1) through (7) as of October 1, 2007, which represents the start of the Authority Fiscal Year.*

**Table 1**

(1) Principal amount of Bonds outstanding	\$8,660,000
(2) Balance in the Revenue Fund.	\$ 346,711
(3) Balance in the Bond Interest Account, and any sub account therein.	\$ 592
(4) Balance in the Bond Principal Account, and any sub account therein.	\$ 104,259
(5) Balance in the Bond Reserve Account.	\$ 813,037
(6) Balance in the Supplemental Reserve Account.	\$ 157,723
(7) Balance in the Bond Redemption Fund, and any sub account therein	\$ 94,312*

\*The balance in the Redemption Fund reflects money in the Maintenance & Operation Fund .

*(8) Annual operating budget of the Project for the current fiscal year including analysis of whether the Prospective Coverage Test is satisfied by such budget. Such budget shall describe for each month during the Fiscal Year the anticipated receipts of Gross Revenues, costs and expenses for the Project and such other matters as the Authority shall deem necessary or appropriate, and shall include all anticipated Gross Revenues, Maintenance & Operation Expenses, Annual Bond Service Payments, the Renewal and Replacement Requirement and the Renewal and Replacement Annual Contribution for such Fiscal Year.*

Attached as Exhibit C is the Parking Garage Operations Budget and Parking Enforcement Budget for Fiscal Year 2007-08 as approved by the South Tahoe Financing Authority on October 17, 2007. Exhibit E shows monthly estimates of Revenue and Expense Projections from October 1, 2007 through September 30, 2008. The data in Exhibit E incorporates actual data through February 2008 and is a more accurate estimate of the financial status of the Project than the approved budget (Exhibit C). For purposes of the Prospective Coverage Test, both sets of data have been used as show in Table 2 below.

Table 2 Calculation of Prospective Coverage Test		
	2007-08 Approved Budget	2007-08 Revised Estimate
Operating Revenues	\$870,000	\$953,262
Less: M&O Expenses (1)	494,190	525,491
Net Operating Revenues	375,810	427,771
Maximum Annual Bond Service	802,500	802,500
Less: Special Tax Revenue	300,000	300,000
Net Maximum Annual Bond Service	502,500	502,500
Prospective Coverage Test	75%	85%
<u>Cash Flow Coverage</u>		
Beginning Balance (2)	419,363	419,363
Net Operating Revenues	375,810	427,771
Total Resources	795,173	847,134
Coverage on Net Maximum Annual Bond Service	158%	169%

- (1) Operating expenses per Exhibit C, reduced by enforcement revenues. Operating expenses for revised estimate per Exhibit E, inclusive of fiscal agent fees.
- (2) From ending balance on Exhibit C.

As shown above, neither the adopted budget, nor the current financial projections shown in Exhibit E meet this test. For 2007-08, the Authority has carry over funds available to meet Annual Bond Service payments. When these are included, there is coverage of 169 percent for 2007-08 on Net Maximum Annual Bond Service when the revised estimates are used.

It should be noted that a portion of the cash balance of \$419,363 consisted of the Supplemental Reserve. As allowed under the Indenture, the Authority has used the amount in the Supplemental Reserve during 2007-08 to pay for Maintenance & Operation expenses. It is expected that the Supplemental Reserve Fund will be depleted by the end of 2007-08.

The Heavenly Village Parking Garage opened to the public on Monday, June 30, 2003. When the FY 2007/08 budget was adopted the garage had four years of operation. Parking garages typically do not generate their full potential financial return in the first few years. This can be seen from the fact that the Operating Revenues increased from \$637,968 in 2003-04 to \$791,075 in 2006/07. The increase between these years is largely due to the ramp up period. It should be noted that the actual Operating Revenues for 2006-07 were actually lower than the 2005-06 amount of \$867,425. The decrease in 2006/07 can be attributed to a winter snow season that was not as good as the previous two years, an increase in validation purchases by the merchants, an increase in the movie validation time (this is discussed below under operations) and a less aggressive enforcement profile in the neighboring Village Center. The entire City's transit occupancy tax has been down which correlates to fewer visitors in the community.

To date for fiscal year 2007/08 it has been a very good winter season compared to the previous year. In addition the parking enforcement profile has been reevaluated with several changes made. These changes are discussed under operations update below. For 2007-08, Operating Revenues are estimated at \$953,000. The Garage operating expenses are on track.

In order to strengthen the financial position of the Garage, the South Tahoe Redevelopment Agency refunded its outstanding bonds for CFD No. 2001-1 on January 30, 2007. The refunding resulted in lower debt service over the next ten years and will allow the Agency to increase the transfer of Surplus Special Tax Revenue to the Authority to pay debt service on the Authority Bonds. For 2006-07, the transfer of Surplus Special Tax Revenue was \$240,000, compared to prior transfers of up to \$190,000. For 2007/08 the transfer will be \$330,000 and is projected to remain at the same rate through fiscal year 2011-12. In fiscal year 2012-13 the transfer is projected to return to \$190,000.

Although not required as part of the Annual Report, the Authority is providing projections for the Garage for 2008-09 and 2009/2010. Exhibit F shows revenue and expense projections for fiscal year 2008/2009, and Exhibit G shows the same data for 2009-10. The estimate of Operating Revenues for FY 2008-09 are the same as the actual and projections from FY 2007/08. For FY 2009-10 a three percent increase has been added to the operating revenues. Operating expenses are projected to be higher because of employee salary increases, incorporation of deferred maintenance costs and utility (gas and electric) increases. Surplus Special Tax Revenues have been estimated by the City's Finance Department at \$330,000 annually in each year.

The Authority is hopeful that Operating Revenues will be greater in 2008-09 and 2009-10, than that shown on Exhibit F and G. The Authority is continuously reviewing operating costs to determine if any savings can be derived from these. For comparative purposes, about \$1.3 million is needed per year to cover operating expenses and bond service. It is estimated that the Authority will be able to meet the bond service payments and Maintenance & Operating expenses with the benefit of remaining cash balances through fiscal year 2007-08. However, without the fund balances the revenue gap is estimated to be approximately \$39,800 (see Exhibit E Annual Balance column for the calculation). If current revenue and expense patterns continue, it is estimated that the Gross Revenues will be sufficient to meet both Maintenance & Operation costs and Annual Bond Service through 2011-12 . The Authority anticipates that the Bond Reserve Account may need to be partially drawn to make the Annual Bond Service due in 2012-13 and future years.

*(9) Status of any significant legislative, administrative and judicial challenges to the construction of the Project known to the Authority's Executive Director, without independent inquiry, for any year in which construction activity has occurred in the Project Area.*

The Authority is not aware of any significant legislative, administrative or judicial challenges to the construction of the Project. Construction of the garage is complete.

*(10) To the extent not otherwise provided pursuant to the preceding items 1-8, annual information required to be filed by the Authority with the California Debt and Investment Advisory Commission pursuant to Sections 50075.1, 50075.3, 53359.5(b), 53410(d) or 53411 of the California Government Code.*

Enclosed as Exhibit H is a copy of the Continuing Disclosure Report of the South Tahoe Redevelopment Agency, dated March 2008, relating to the South Tahoe Redevelopment Agency Community Facilities District No. 2001-1 (Park Avenue Project) Special Tax Bonds, Series 2001. This additional Continuing Disclosure Report contains additional operating and financial data with respect to this District and the special tax revenues, including the Surplus Special Tax Revenues pledged to secure the Bonds and, together with this Report provides all material information described in the forgoing sections of the California Government Code.

*(11) An analysis of the Authority's financial statements showing whether the Actual Coverage Test has been satisfied during the fiscal year presented in such financial statements.*

The Actual Coverage Test has been derived from data shown on Exhibit A as shown on the following page:

Table 3  
**Calculation of Actual Coverage Test**

	2006-07 Actual
Operating Revenues	791,076
Less: M&O Expenses	442,499
Net Operating Revenues	348,577
Maximum Annual Bond Service	802,500
Less: Special Tax Revenue	218,000
Net Maximum Annual Bond Service	584,318
Actual Coverage	60%
<u>Cash Flow Coverage</u>	
Beginning Balance (1)	568,271
Net Operating Revenues	348,577
Total Resources	916,848
Coverage on Net Maximum Annual Bond Service	157%
(1) Includes Beginning Balance from 10/1/06, less bond reserves.	

Because the Authority has not been meeting the Actual Coverage Test in the past, the bond documents required the South Tahoe Parking Financing Authority to manage the garage according to the recommendations of a third party parking consultant. At the October 16, 2007, City Council meeting the Parking Authority adopted Resolution No. 2007-04 amending rates for vehicle parking in the parking garage. The rate increase recommendations were made by Standard Parking. A copy of the minutes and staff report is attached as Exhibit I.

*(12) An explanation of any variance between the operating budget provided in the prior year's Annual Report and actual operating results, as reflected in the Authority's audited financial statements, if such variance (i) equals or exceeds 5% of aggregate Gross Revenues or Maintenance and Operating Expenses or (ii) equals or exceeds 10% of any individual operating budget line item.*

The tourist industry is very cyclical, based on changes in the economy and weather conditions. Because of this it is difficult to project revenues for a business dependent on

tourism. At the close of FY 2006/07 revenues were at 87% of the projections while operating expenses were under projections by approximately 9%. These numbers include garage and enforcement revenue and expenses.

*(c) The Annual Report of the South Tahoe Redevelopment Agency required by the South Tahoe Redevelopment Agency Community Facilities District No. 2001-1 (Park Avenue Project) Special Tax Bonds, Series 2001 Continuing Disclosure Agreement dated December 19, 2001.*

A copy of this report is attached as Exhibit H.

### **Operations Update**

**Garage Rates:** Because the Authority has not been meeting the Actual Coverage Test in the past, the bond documents required the South Tahoe Parking Financing Authority to manage the garage according to the recommendations of a third party parking consultant. At the October 16, 2007, City Council meeting the Parking Authority adopted Resolution No. 2007-04 amending rates for vehicle parking in the parking garage. The rate increase recommendations were made by Standard Parking. A copy of the minutes and staff report is attached as Exhibit I. The following is a summary of the rate increase.

There are several revenue sources for the Garage. They include: Basic Rate; Monthly Parking Passes; and the Validation Program. They all work together and need to be reviewed comprehensively in order to meet the revenue target and provide a public facility to meet the goals and expectations of local constituents and visitors.

**Basic Rate:** The basic transient rate was changed to \$1.75 per half hour with a ceiling rate of \$23 for a 24-hour period. The transient rate was \$1.50 per half hour with a ceiling rate of \$20 for a 24-hour period.

The transient parking rate was constant for the last three years while the cost to maintain and operate the garage increased. It is projected that increasing the half hour rate to \$1.75 would recognize a net annual increase of approximately \$111,000.

Raising the ceiling rate to \$23 will mainly have an impact on the winter month visitors (skiers) that park in the Garage 6 to 8 hours. The financial impact of this rate change would increase yearly revenue by approximately \$20,000 - \$24,000.

**Monthly Parking Passes:** The Authority continues the sales of monthly passes until such time as capacity problems occur within the garage. At that point the Authority will either raise the price of monthly passes or limit their use to weekdays. Capacity has not been an issue during the months of April through October when the average visitor stay is approximately 2 to 4 hours. However during the winter season, November through March the Garage reaches its capacity level on weekends. During

this period the volume of vehicles may be lower but the average stay increases to approximately 6 to 8 hours.

Prior to the rate change, the monthly rates are \$50 for a weekday (five day) pass and \$150 for a full week total access pass. It was recommended to do away with the discounted weekday pass and only sell a full access monthly pass. Rates for this would be \$50 per month for the months of April through October and \$175 per month November through March. In conjunction with these rates it was recommended offering of a \$75 Winter Weekday Special. The financial impact of this rate change would result in an additional \$11,250 - \$13,500 increase annually. This rate change increases rates during the off-season while giving greater access to the Garage. It also gives greater accessibility to the Garage during ski season with the weekday special but only use when space is readily available and not at a premium.

**Validation Program:** The validation program continues to sell validation coupons at half price. This program has been successful with approximately half of the Village tenants choosing to participate in the program.

**Cinema:** At the December 12, 2006, City Council Meeting, the South Tahoe Joint Powers Parking Financing Authority considered recommendations on findings of the Parking Garage Fee Structure Analysis and Operations Analysis prepared by Standard Parking. The Authority made a motion to change the cinema validation rate in the Parking Garage from two and one-half (2 ½) hours to four (4) hours for a six (6) month experimental period. On June 19, 2007, the Authority extended this rate for an additional six months ending January 31, 2008. It was felt that increasing the validation time up to four (4) hours would be of particular benefit to the local community to allow time for parking and possible shopping, eating, etc. in the Village.

On average the net revenue loss per month by offering the 4 hour validation is approximately \$2,207 per month or \$26,484 per year. However, the increase to the four hour validation has provided a local benefit. Approximately 83% of the customers using the movie validation are from the local community. A verbal survey of customers has been on-going. This is a very positive story. Staff believes that this is the best local benefit that the Public Parking Garage can provide to the local community. It is the easiest to implement and overall probably the least expensive. Therefore, staff recommended continuation of the 4 hour validation. The 4 hour validation is included in the revised fee schedule Resolution.

### **Garage Operations**

**Parking Controls:** The Authority is obligated to implement parking controls within the area, not only to protect the parking resources of others, such as the Village Center and the Laurel Avenue business community, but also to protect the Authority's revenue stream. The Authority has engaged the services of High Sierra Patrol to provide parking enforcement services to meet our contractual obligations. The terms of the

Parking Management Agreement require that we implement a two-hour parking limitation at The Village Center, which has been done. It also requires that we enforce a prohibition on parking on Montreal, Park Avenue and Bellamy Court. The Authority entered into a new three (3) year Agreement with two (2), one (1) year renewal options with High Sierra Patrol on November 6, 2007. Attached, as Exhibit K is the staff report and contract with High Sierra Patrol.

**Deferred Maintenance:** The Garage Budget has not included a Renewal and Replacement Annual Contribution line item. Since the Garage is not making excess revenue to establish a renewal and replacement account a detailed analysis has not been completed. For fiscal year 2006/07, \$10,000 was budgeted to seal a wall area that was overlooked during construction. An annual cost estimate of \$20,000 is incorporated into the Monthly Cash Flow Projections to cover potential large capital expenses.

**Reimbursement Agreements:** On December 9, 2003, a Reimbursement Agreement was entered into between the South Tahoe Redevelopment Agency and South Tahoe Joint Powers Parking Financing Authority. (Exhibit J). This obligation of \$585,000 is subordinate to payments required to be made under the Indenture, including bond payments and the operations and maintenance of the Garage.

**Advertising:** The Authority has entered into a contract with Rogers Media Company (RMC) to be the sole vendor to manage, install, and maintain advertising for the Garage. It is estimated that approximately ten internal displays could be sold for \$350 - \$500 per month per display. The compensation for the Parking Garage would be 35% of the net advertising revenue. The financial impact is estimated to result in an additional \$11,000 - \$20,000 annually.

**Signs:** There are fifteen (15) off premise directional signs on the surrounding streets directing customers to the Public Parking Garage. Attached is Exhibit E1 Map showing location of directional signs and Exhibit E2 picture of the two different types of signs. In addition, the Garage can have an identification sign not to exceed 40 square feet. It is permissible to locate the identification sign for the Garage on the Cinema building facing Heavenly Village Way. The owner of the building is agreeable with the sign, but would like to work with staff on location and appearance. A conceptual rendering is being produced for approvals.

**Garage Operator:** Standard Parking continues to manage the operations of the Garage for the Authority. Revenue and expense reports along with average daily use information is provided to the Authority by Standard Parking on the 10<sup>th</sup> of each month. Standard Parking continues to make recommendations on the rate structure and maintenance and operations issues. The contract with Standard Parking was approved with a three (3) term; with up to two (2) one-year extensions by mutual consent of both parties.

The last extension to the existing Agreement was approved spring of 2007. In January 2008, Staff will prepare a request for proposal (RFP) to evaluate other management services.

**Monthly Reporting:** The Authority reports monthly to the Board on revenues and expenses for the Garage and recommends any changes to the operation or rate structure.

**Surveillance Cameras:** Seven surveillance cameras have been installed at the parking garage. The total cost for the equipment and installation totaled \$14,657.24. This expense was not paid from the Parking Authority budget.

### **Attachments**

- Exhibit A: Audited Financial Statement for Fiscal Year 2006/2007.
- Exhibit B: Parking Garage Operations, Parking Enforcement and Parking Authority Debt Service Financial Analysis for Fiscal Year 2006/2007.
- Exhibit C: Parking Garage Operations, Parking Enforcement and Parking Authority Debt Service Financial Analysis for Fiscal Year 2007/2008.
- Exhibit D: Standard Parking Financial Statement September 30, 2007.
- Exhibit E: Monthly Cash Flow Projections for Fiscal Year 2007/2008.
- Exhibit F: Monthly Cash Flow Projections for fiscal year 2008/2009
- Exhibit G: Monthly Cash Flow Projections for fiscal year 2009/2010
- Exhibit H: The Annual Report of the South Tahoe Redevelopment Agency required by the South Tahoe Redevelopment Agency Community Facilities District No. 2001-1 (Park Avenue Project). 2006/2007
- Exhibit I: October 16, 2007 Minutes and Staff Report Regarding: Discussion and Direction Regarding Report and Recommendations on Findings of the Parking Garage Fee Structure Analysis and Operations Analysis Proposed by Standard Parking.
- Exhibit J: Reimbursement Agreement: December 9, 2003.
- Exhibit K: High Sierra Patrol Agreement

*Parking Garage Fund*

The Parking Garage Fund accounts for the administration, operations, capital improvements, maintenance, financing and related debt service activities of the parking garage. This was the fourth full year of operations for the parking garage, and the fund ended the year with net assets of \$0.3 million, an increase of \$0.2 million over the prior year.

The fund had operating revenues of \$0.8 million, down 13% from the prior year. This reduction in revenue is due to decreased parking enforcement generated revenues, and is a trend that began in 2006 when revenues decreased 10% over the prior year.

Operating expenses increased \$0.1 million, primarily in the areas of salaries, contracted services and general expenses. Non-operating expenses which represent the net sum of interest expense on outstanding debt and supplemental revenues, totaled \$0.2 million. A transfer of \$0.3 was received from the Redevelopment Debt Service fund to reimburse for the payment made in the prior fiscal year to Marriott International, Inc. for the loading dock.

Parking Garage Fund	September 30 (in millions)			
	2007	2006	\$ Change	% Change
Total Assets	\$10.0	\$10.3	(\$0.3)	-3%
Total Liabilities	\$ 9.7	\$10.2	(0.5)	-5%
Net Assets:				
Invested in capital assets, net of debt	(\$0.3)	-	(\$0.3)	-
Restricted for debt service and operations	1.5	1.7	(0.2)	-11%
Unrestricted	(1.0)	(\$1.6)	0.6	-38%
<b>Total Net Assets</b>	<b>\$0.3</b>	<b>\$0.1</b>	<b>\$0.2</b>	<b>200%</b>
Operating Revenues	\$0.8	\$0.9	(\$0.1)	-13%
Operating Expenses	0.9	0.8	0.1	7%
Operating Income/(Loss)	(\$0.1)	\$0.1	(\$0.2)	-107%
Non-operating Revenues/(Expenses)	(\$0.1)	(\$0.4)	\$0.3	-75%
Income/(Loss) before transfers	(\$0.1)	(\$0.2)	\$0.1	-50%
Net Transfers	\$0.3	-	\$0.3	-
Change in Net Assets and Restatements/Adjustments	\$0.2	(\$0.2)	-	200%
Beginning Net Assets	0.1	0.3	(0.2)	-67%
<b>Ending Net Assets</b>	<b>\$0.3</b>	<b>\$0.1</b>	<b>\$0.2</b>	<b>200%</b>

*Fiduciary Funds*

Fiduciary funds account for the assets of others held by the City as an agent. The financial activities of these funds are excluded from the City-wide financial statements. They are presented separately in the Fiduciary Fund financial statements.

**City of South Lake Tahoe  
Fiscal Year 10/1/06 to 9/30/07  
Parking Garage Operations, Parking Enforcement and  
Parking Authority Debt Service Financial Analysis  
September, 2007**

Account Name	Budget	Unaudited Actuals Y-T-D	Actuals as a % of Budget
<b>Operating Revenue:</b>			
Garage Operating Revenues	\$869,624.00	\$791,075.36	90.97%
Enforcement Revenues	<u>\$80,000.00</u>	<u>\$32,673.00</u>	40.84%
<b>Total Operating Revenue</b>	<b>\$949,624.00</b>	<b>\$823,748.36</b>	<b>86.74%</b>
<b>Operating Expense:</b>			
Technical Services	\$318,250.00	\$307,386.79	96.59%
Temporary Employee	\$0.00	\$0.00	0.00%
Insurance Other than EE	\$17,000.00	\$16,727.89	98.40%
Professional Services	\$86,400.00	\$80,095.41	92.70%
Communications	\$2,100.00	\$1,787.75	85.13%
Printing & Binding	\$200.00	\$0.00	0.00%
Advertising	\$2,200.00	\$75.00	3.41%
Utilities	\$63,700.00	\$52,549.67	82.50%
Parking Citation Exp	\$15,000.00	\$9,278.43	61.86%
Furniture/Fixtures	\$10,000.00	\$0.00	0.00%
Fiscal Agent Fees	<u>\$7,400.00</u>	<u>\$7,270.64</u>	98.25%
<b>Total Operating Expense</b>	<b>\$522,250.00</b>	<b>\$475,171.58</b>	<b>90.99%</b>
<b>NET OPERATING REVENUE/(EXPENSE)</b>	<b>\$427,374.00</b>	<b>\$348,576.78</b>	
<b>Non-Operating Revenue:</b>			
Special Tax Revenue	\$240,000.00	\$240,000.00	100.00%
Interest/Dividends Rev	\$15,000.00	\$59,877.84	399.19%
<b>Non-Operating Expense:</b>			
Transfer-out to CIP Garage Sealing	\$10,000.00	\$10,000.00	
Annual Bond Debt Service	<u>\$800,938.00</u>	<u>\$794,162.50</u>	99.15%
<b>NET REVENUE/(EXPENSE)</b>	<u><b>(\$128,564.00)</b></u>	<u><b>(\$145,707.88)</b></u>	<b>113.33%</b>

Fund Balance at 10/1/2006	\$1,367,571.00	\$1,367,571.00
Add: Net revenue/(expense)	<u>(\$128,564.00)</u>	<u>(\$145,707.88)</u>
Ending Fund Balance at 9/30/07	\$1,239,007.00	\$1,221,863.12
Less: Debt Service Reserve Required Balance	<u>\$802,500.00</u>	<u>\$802,500.00</u>
<b>Ending Fund Balance, net of Debt Service Reserve fund, at 9/30/2007</b>	<u><b>\$436,507.00</b></u>	<u><b>\$419,363.12</b></u>

City of South Lake Tahoe  
Fiscal Year 10/1/07 to 9/30/08  
Parking Garage Operations, Parking Enforcement and  
Parking Authority Debt Service Financial Analysis  
October, 2007

Account Name	Budget	Unaudited Actuals Y-T-D	Actuals as a % of Budget
<b>Operating Revenue:</b>			
Garage Operating Revenues	\$870,000.00	\$32,082.55	3.69%
Enforcement Revenues	\$40,000.00	\$1,166.00	2.92%
<b>Total Operating Revenue</b>	<b>\$910,000.00</b>	<b>\$33,248.55</b>	<b>3.65%</b>
<b>Operating Expense:</b>			
Technical Services	\$338,550.00	\$0.00	0.00%
Temporary Employee	\$0.00	\$0.00	0.00%
Insurance Other than EE	\$18,000.00	\$9,535.97	52.98%
Professional Services	\$86,400.00	\$0.00	0.00%
Communications	\$2,000.00	\$0.00	0.00%
Printing & Binding	\$0.00	\$0.00	#DIV/0!
Advertising	\$1,700.00	\$0.00	0.00%
Utilities	\$58,100.00	\$0.00	0.00%
Parking Citation Exp	\$15,000.00	\$0.00	0.00%
Furniture/Fixtures	\$5,000.00	\$0.00	0.00%
Fiscal Agent Fees	\$9,440.00	\$3,427.59	36.31%
<b>Total Operating Expense</b>	<b>\$534,190.00</b>	<b>\$12,963.56</b>	<b>2.43%</b>
<b>NET OPERATING REVENUE/(EXPENSE)</b>	<b>\$375,810.00</b>	<b>\$20,284.99</b>	
<b>Non-Operating Revenue:</b>			
Special Tax Revenue	\$330,000.00	\$0.00	0.00%
Interest/Dividends Rev	\$25,000.00	\$3,226.85	12.91%
<b>Non-Operating Expense:</b>			
Transfer-out to CIP Garage Sealing	\$0.00	\$0.00	
Annual Bond Debt Service	\$802,388.00	\$0.00	0.00%
<b>NET REVENUE/(EXPENSE)</b>	<b>(\$71,578.00)</b>	<b>\$23,511.84</b>	<b>-32.85%</b>

Fund Balance at 10/1/2006	\$1,223,773.47	\$1,223,773.47
Add: Net revenue/(expense)	<u>(\$71,578.00)</u>	<u>\$23,511.84</u>
Ending Fund Balance at 9/30/07	\$1,152,195.47	\$1,247,285.31
Less: Debt Service Reserve Required Balance	<u>\$802,500.00</u>	<u>\$802,500.00</u>
<b>Ending Fund Balance, net of Debt Service Reserve fund, at 9/30/2008</b>	<u><u>\$349,695.47</u></u>	<u><u>\$444,785.31</u></u>

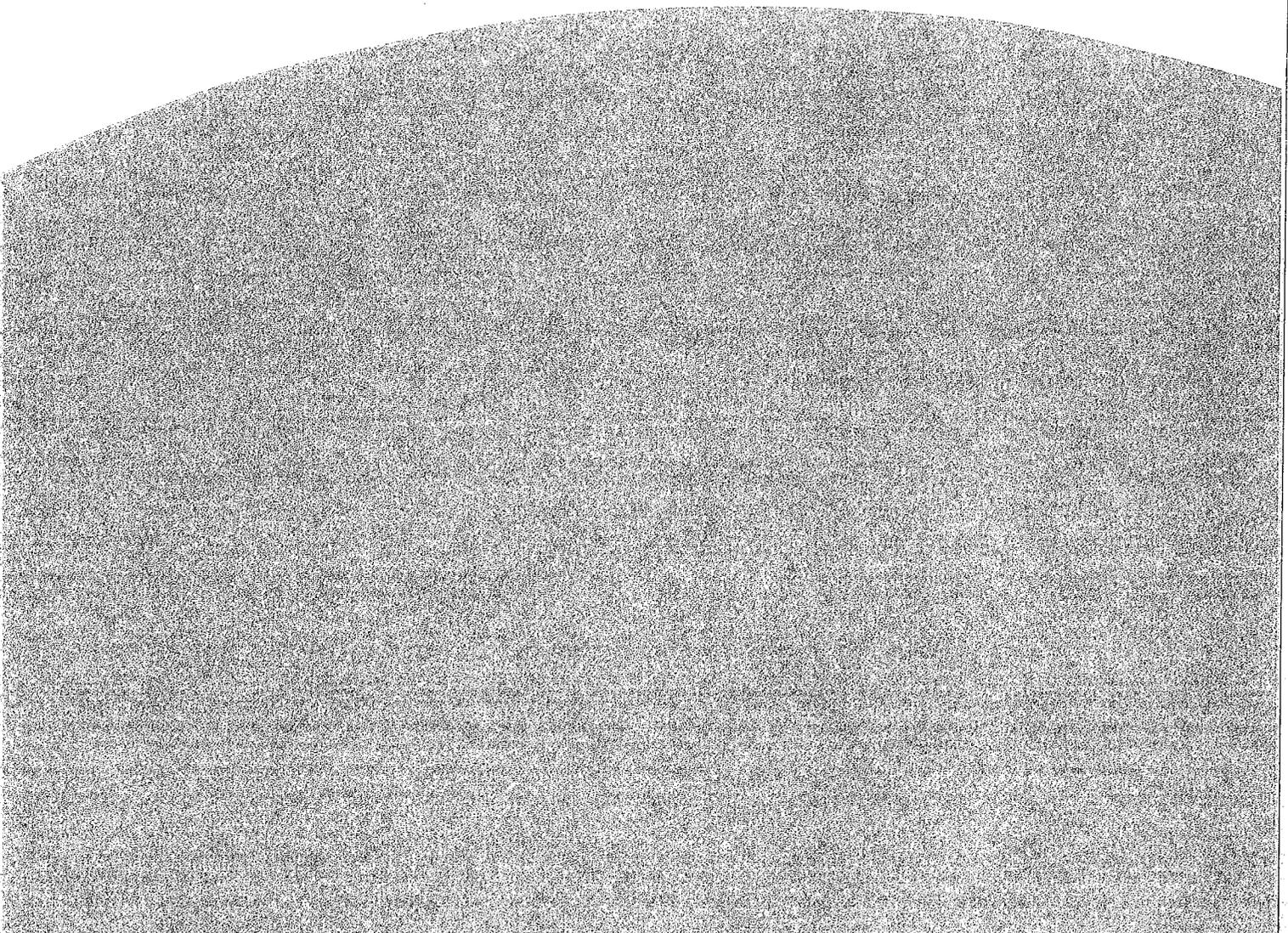
# McGladrey & Pullen

Certified Public Accountants

## Standard Parking Corporation Park Avenue Garage South Lake Tahoe, California

Financial Report

September 30, 2007



# Standard Parking Corporation

## Table of Contents

September 30, 2007

---

	Page
<b>Independent Auditors' Report</b>	1
<b>Financial Report</b>	
Statement of Gross Receipts, Reimbursable Expenses and Management Fees	2
Notes to the Financial Statement	3

# McGladrey & Pullen

Certified Public Accountants

## Independent Auditors' Report

Boards of Directors of  
Standard Parking Corporation and  
South Tahoe Joint Powers Parking Authority

We have audited the accompanying statement of gross receipts, reimbursable expenses and management fees for the year ended September 30, 2007 of the Park Avenue Garage, located in South Lake Tahoe, California. This statement is the responsibility of Standard Parking Corporation's management. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the accompanying statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared for the purpose of presenting the gross receipts, reimbursable expenses and management fees of the Park Avenue Garage, pursuant to the management agreement entered into between Standard Parking Corporation and South Tahoe Joint Powers Parking Authority, and is not intended to be a complete presentation of Standard Parking Corporation's gross receipts, reimbursable expenses and management fees.

As described in the notes to the statement of gross receipts, reimbursable expenses and management fees, the statement was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, in accordance with the terms of the management agreement.

In our opinion, the statement referred to above presents fairly, in all material respects, the gross receipts, reimbursable expenses and management fees for the year ended September 30, 2007 of the Park Avenue Garage, located in South Lake Tahoe, California, on the basis of accounting described in the notes to the financial statement.

This report is intended solely for the information and use of the Boards of Directors and management of Standard Parking Corporation and South Tahoe Joint Powers Parking Authority in conjunction with the operation of the parking facilities at Park Avenue Garage, South Lake Tahoe, California, and is not intended to be and should not be used by anyone other than these specified parties.

*McGladrey & Pullen, LLP*

Chicago, Illinois  
December 4, 2007

# Standard Parking Corporation

## Park Avenue Garage

### Statement of Gross Receipts, Reimbursable Expenses and Management Fees

Year Ended September 30, 2007

---

Gross receipts	
Monthly and transient parking	\$ 732,928
Parking validations	47,528
Miscellaneous	(4)
<b>Total gross receipts</b>	<u>780,452</u>
Reimbursable expenses and management fees	
Reimbursable expenses	
Salaries and wages	145,845
Payroll taxes	24,028
Health and other benefits	31,550
Uniforms and laundry	5,474
Repairs and maintenance	11,311
Ticket expense	1,119
Liability insurance	29,974
Miscellaneous expense	371
Stationery and office supplies	8,665
Postage and freight	444
Professional fees	531
Licenses and fees	129
Garage supplies	6,471
Travel and lodging	39
Accounting and audit	5,100
Recruiting expense	119
Refunds	500
Telephone	240
Cleaning	470
Parking equipment	1,986
Auto damage and other claims	1,000
	<u>275,366</u>
Management fees	<u>24,168</u>
<b>Total reimbursable expenses and management fees</b>	<u>299,534</u>
<b>Gross receipts in excess of reimbursable expenses and management fees</b>	<u>\$ 480,918</u>

# Standard Parking Corporation

## Park Avenue Garage

### Notes to the Financial Statement

Year Ended September 30, 2007

---

#### Note 1 Summary of Significant Accounting Policies

**Basis of Accounting**—The statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, in accordance with the terms of the management agreement. As such, revenue is recognized when collected and expenses are recognized when the obligation is paid.

**Income Taxes**—No provision has been made for income taxes in this statement since income derived from the management of the facility is included in the taxable income of Standard Parking Corporation ("Company").

**Estimates**—In preparing this statement in accordance with the terms of the management agreement, the Company makes estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### Note 2 Operations

The Company operates the parking facility at One Bellamy Court, located in South Lake Tahoe, California pursuant to the management agreement ("Agreement") with the South Tahoe Joint Powers Parking Authority ("Authority") dated June 20, 2003. The term of the Agreement is for three years expiring June 19, 2006, with two one-year renewal options. The agreement provides for (i) the Company to be initially paid a monthly management fee of \$1,825 with annual increases of 3 percent; (ii) the Authority to reimburse for expenses which are customary in the operation of a parking facility and included in the annual operating budget; and (iii) for the Authority to reimburse for the costs of repair, replacement or maintenance of the parking facility which have not been included in the annual operating budget, provided prior written authorization is obtained from the Authority.

Effective June 20, 2006, the Agreement was extended to June 19, 2007 and thereafter continues on a month-to-month basis.

Exhibit E - Monthly Cash Flow Projections - FY 2007-08

	OCTOBER 2007	NOVEMBER 2007	DECEMBER 2007	JANUARY 2008	FEBRUARY 2008	MARCH 2008	APRIL 2008	MAY 2008	JUNE 2008	JULY 2008	AUG 2008	SEPT 2008	TOTAL	Annual Balance
Beginning Balance (1)	\$ 419,363	\$ 404,567	\$ 407,066	\$ (8,593)	\$ 238,777	\$ 313,992	\$ 378,870	\$ 405,218	\$ 556,992	\$ 267,994	\$ 313,338	\$ 364,729	\$ 419,363	
Operating Revenues	\$ 28,149	\$ 36,315	\$ 131,731	\$ 115,164	\$ 117,435	\$ 106,347	\$ 67,817	\$ 28,243	\$ 46,296	\$ 86,813	\$ 96,360	\$ 56,356	\$ 917,026	\$ 917,026
Surplus Special Tax Rev.				\$ 165,000			\$ 165,000						\$ 330,000	\$ 330,000
Parking Enforcement	\$ 1,166	\$ 2,541	\$ 2,666	\$ 5,515	\$ 3,076	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 32,464	\$ 32,464
Interest	\$ 3,227	\$ 1,985	\$ 10,962	\$ 10,982	\$ 330	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 36,236	\$ 36,236
<b>Over all Cash Balance</b>	<b>\$ 451,905</b>	<b>\$ 445,408</b>	<b>\$ 552,425</b>	<b>\$ 288,068</b>	<b>\$ 359,618</b>	<b>\$ 424,089</b>	<b>\$ 450,437</b>	<b>\$ 602,211</b>	<b>\$ 607,038</b>	<b>\$ 358,557</b>	<b>\$ 413,448</b>	<b>\$ 424,835</b>	<b>\$ 1,735,089</b>	<b>\$ 1,315,726</b>
<b>Expenses</b>														
Parking Enforcement Exp	\$ 7,585	\$ 8,277	\$ 8,647	\$ 8,431	\$ 9,221	\$ 10,004	\$ 10,004	\$ 10,004	\$ 10,004	\$ 10,004	\$ 10,004	\$ 10,004	\$ 112,189	\$ 112,189
Operating Expenses	\$ 39,753	\$ 30,065	\$ 48,678	\$ 40,860	\$ 36,405	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 442,266	\$ 442,266
Annual Bonds Service								\$ 293,825					\$ 797,518	\$ 797,518
Fiscal Agent Fees										\$ 3,500			\$ 3,500	\$ 3,500
Deferred Maintenance											\$ 20,000		\$ 20,000	\$ 20,000
<b>Total Expenses</b>	<b>\$ 47,338</b>	<b>\$ 38,342</b>	<b>\$ 561,018</b>	<b>\$ 49,291</b>	<b>\$ 45,626</b>	<b>\$ 45,219</b>	<b>\$ 45,219</b>	<b>\$ 45,219</b>	<b>\$ 339,044</b>	<b>\$ 45,219</b>	<b>\$ 48,719</b>	<b>\$ 65,219</b>	<b>\$ 1,375,473</b>	<b>\$ 1,355,473</b>
<b>Ending Balance</b>	<b>\$ 404,567</b>	<b>\$ 407,066</b>	<b>\$ (8,593)</b>	<b>\$ 238,777</b>	<b>\$ 313,992</b>	<b>\$ 378,870</b>	<b>\$ 405,218</b>	<b>\$ 556,992</b>	<b>\$ 267,994</b>	<b>\$ 313,338</b>	<b>\$ 364,729</b>	<b>\$ 359,616</b>	<b>\$ 359,616</b>	<b>\$ (39,747)</b>

(1) From Unaudited Financial

Exhibit F - Monthly Cash Flow Projections - FY 2008-09

	Projected OCTOBER 2008	Projected NOVEMBER 2008	Projected DECEMBER 2008	Projected JANUARY 2009	Projected FEBRUARY 2009	Projected MARCH 2009	Projected APRIL 2009	Projected MAY 2009	Projected JUNE 2009	Projected JULY 2009	Projected AUG 2009	Projected SEPT 2009	TOTAL
Beginning Balance (1)	\$ 359,616	\$ 345,450	\$ 339,450	\$ 90,041	\$ 162,890	\$ 238,010	\$ 302,042	\$ 327,544	\$ 478,472	\$ 193,878	\$ 238,376	\$ 292,421	\$ 359,616
Operating Revenues (2)	\$ 28,149	\$ 36,315	\$ 131,731	\$ 115,164	\$ 117,435	\$ 106,347	\$ 67,817	\$ 28,243	\$ 46,296	\$ 86,813	\$ 96,360	\$ 56,356	\$ 917,026
Surplus Special Tax Rev.			\$ 165,000					\$ 165,000					\$ 330,000
Parking Enforcement	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 30,000
Interest	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 4,800
<b>Over all Cash Balance</b>	<b>\$ 390,665</b>	<b>\$ 384,665</b>	<b>\$ 639,081</b>	<b>\$ 208,105</b>	<b>\$ 283,225</b>	<b>\$ 347,257</b>	<b>\$ 372,759</b>	<b>\$ 523,687</b>	<b>\$ 527,668</b>	<b>\$ 283,591</b>	<b>\$ 337,636</b>	<b>\$ 351,677</b>	<b>\$ 1,641,442</b>
<b>Expenses</b>													
Parking Enforcement Exp	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 120,000
Operating Expenses	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 422,580
Annual Bonds Service			\$ 503,825					\$ 288,575					\$ 792,400
Fiscal Agent Fees												\$ 20,000	\$ 20,000
Deferred Maintenance	\$ 45,215	\$ 45,215	\$ 549,040	\$ 45,215	\$ 45,215	\$ 45,215	\$ 45,215	\$ 45,215	\$ 333,790	\$ 45,215	\$ 45,215	\$ 65,215	\$ 1,354,980
<b>Total Expenses</b>	<b>\$ 45,215</b>	<b>\$ 45,215</b>	<b>\$ 549,040</b>	<b>\$ 45,215</b>	<b>\$ 45,215</b>	<b>\$ 45,215</b>	<b>\$ 45,215</b>	<b>\$ 45,215</b>	<b>\$ 333,790</b>	<b>\$ 45,215</b>	<b>\$ 45,215</b>	<b>\$ 65,215</b>	<b>\$ 1,354,980</b>
<b>Ending Balance</b>	<b>\$ 345,450</b>	<b>\$ 339,450</b>	<b>\$ 90,041</b>	<b>\$ 162,890</b>	<b>\$ 238,010</b>	<b>\$ 302,042</b>	<b>\$ 327,544</b>	<b>\$ 478,472</b>	<b>\$ 193,878</b>	<b>\$ 238,376</b>	<b>\$ 292,421</b>	<b>\$ 286,462</b>	<b>\$ 286,462</b>

(1) From Exhibit E

**Exhibit G - Monthly Cash Flow Projections: FY 2009-2010**

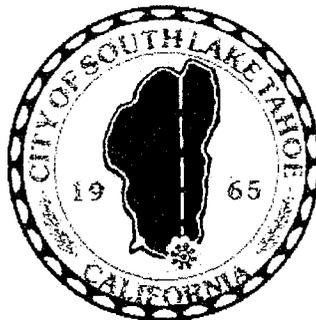
	Projected OCTOBER 2008	Projected NOVEMBER 2008	Projected DECEMBER 2008	Projected JANUARY 2009	Projected FEBRUARY 2009	Projected MARCH 2009	Projected APRIL 2009	Projected MAY 2009	Projected JUNE 2009	Projected JULY 2009	Projected AUG 2009	Projected SEPT 2009	TOTAL
Beginning Balance (1)	\$ 286,462	\$ 272,159	\$ 266,267	\$ 19,828	\$ 95,150	\$ 172,812	\$ 239,053	\$ 265,608	\$ 416,402	\$ 132,215	\$ 178,336	\$ 234,290	\$ 286,462
Operating Revenues (2)	\$ 28,993	\$ 37,404	\$ 135,682	\$ 118,618	\$ 120,958	\$ 109,537	\$ 69,851	\$ 29,090	\$ 47,684	\$ 89,417	\$ 99,250	\$ 58,046	\$ 944,530
Surplus Special Tax Rev.			\$ 165,000					\$ 165,000					\$ 330,000
Parking Enforcement (2)	\$ 2,575	\$ 2,575	\$ 2,575	\$ 2,575	\$ 2,575	\$ 2,575	\$ 2,575	\$ 2,575	\$ 2,575	\$ 2,575	\$ 2,575	\$ 2,575	\$ 30,900
Interest	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 4,800
<b>Over all Cash Balance</b>	<b>\$ 318,430</b>	<b>\$ 312,538</b>	<b>\$ 569,924</b>	<b>\$ 141,421</b>	<b>\$ 219,083</b>	<b>\$ 285,324</b>	<b>\$ 311,879</b>	<b>\$ 462,673</b>	<b>\$ 467,061</b>	<b>\$ 224,607</b>	<b>\$ 280,561</b>	<b>\$ 295,311</b>	<b>\$ 1,596,692</b>
<b>Expenses</b>													
Parking Enforcement Exp	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 120,000
Operating Expenses (2)	\$ 36,271	\$ 36,271	\$ 36,271	\$ 36,271	\$ 36,271	\$ 36,271	\$ 36,271	\$ 36,271	\$ 36,271	\$ 36,271	\$ 36,271	\$ 36,271	\$ 435,252
Annual Bonds Service			\$ 503,825						\$ 288,575				\$ 792,400
Fiscal Agent Fees												\$ 20,000	\$ 20,000
Deferred Maintenance												\$ 66,271	\$ 1,367,652
<b>Total Expenses</b>	<b>\$ 46,271</b>	<b>\$ 46,271</b>	<b>\$ 550,096</b>	<b>\$ 46,271</b>	<b>\$ 46,271</b>	<b>\$ 46,271</b>	<b>\$ 46,271</b>	<b>\$ 46,271</b>	<b>\$ 334,846</b>	<b>\$ 46,271</b>	<b>\$ 46,271</b>	<b>\$ 66,271</b>	<b>\$ 1,367,652</b>
<b>Ending Balance</b>	<b>\$ 272,159</b>	<b>\$ 266,267</b>	<b>\$ 19,828</b>	<b>\$ 95,150</b>	<b>\$ 172,812</b>	<b>\$ 239,053</b>	<b>\$ 265,608</b>	<b>\$ 416,402</b>	<b>\$ 132,215</b>	<b>\$ 178,336</b>	<b>\$ 234,290</b>	<b>\$ 229,040</b>	<b>\$ 229,040</b>

(1) From Exhibit F

(2) = 3% increase from Exhibit F

**SOUTH TAHOE REDEVELOPMENT AGENCY  
COMMUNITY FACILITIES DISTRICT NO. 2001-1  
(PARK AVENUE PROJECT)  
\$7,200,000 SERIES 2007  
SPECIAL TAX REFUNDING BONDS**

**El Dorado, California  
Dated: February 13, 2007  
CUSIP: 840530**



**2006/07 ANNUAL CONTINUING DISCLOSURE  
INFORMATION STATEMENT**

**March 27, 2008**



Also available at:  
**MuniFinancial**  
[www.muni.com](http://www.muni.com)

# LIST OF PARTICIPANTS

## SOUTH TAHOE REDEVELOPMENT AGENCY

Eugene Palazzo  
Redevelopment Manager  
South Tahoe Redevelopment Agency  
1901 Airport Road, Suite 108  
South Lake Tahoe, CA 96150

Christine Vuletich  
Finance Officer  
South Tahoe Redevelopment Agency  
1901 Airport Road, Suite 210  
South Lake Tahoe, CA 96150

## DISTRICT ADMINISTRATION, DISCLOSURE CONSULTANT & DISSEMINATION AGENT

MuniFinancial\*  
Temecula, California 92590  
(951) 587-3500  
[www.muni.com](http://www.muni.com)

## UNDERWRITER

PiperJaffray  
San Francisco, California 94104

## BOND COUNSEL

Stradling Yocca Carlson & Rauth  
Newport Beach, California 92660

## TRUSTEE & DISSEMINATION AGENT

Jacqueline M. Nowak  
The Bank of New York Trust Company, N.A.  
700 South Flower Street, Suite 500  
Los Angeles, California 90017  
(213) 630-6408

\* In its role as Disclosure Consultant and Dissemination Agent, MuniFinancial has not passed upon the accuracy, completeness or fairness of the statements contained herein.



Also available at:  
**MuniFinancial**  
[www.muni.com](http://www.muni.com)

## ***I. INTRODUCTION***

---

Pursuant to an Official Statement dated January 30, 2007 the South Tahoe Redevelopment Agency (the "Agency") issued \$7,200,000 Community Facilities District No. 2001-1 (the "District") (Park Avenue Project) Series 2007 Special Tax Refunding Bonds (the "Bonds"). The proceeds of the Bonds primarily will be used to refund the \$6,870,000 South Tahoe Redevelopment Agency Community Facilities District No. 2001-1 (the "District") (Park Avenue Project) Series 2001 Special Tax Bonds.

The City of South Lake Tahoe (the "City") is located at the Southwest corner of Lake Tahoe adjacent to the Nevada state line and is approximately 190 miles northeast of San Francisco and 100 miles east of Sacramento. The District boundaries presently encompass an area of approximately 9.32 acres which includes approximately 5.38 acres of private development property that is subject to Special Tax levies and approximately 3.94 acres of property that has been used for perimeter landscaping, an ice rink, open space and a public parking garage, all of which will be exempt from Special Taxes of the District.

The Bonds are payable solely from the proceeds of the special tax to be levied annually on the real property within the District. Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The Bonds are not in any way a debt, liability or obligation of the City.

This Annual Continuing Disclosure Information Statement is being provided pursuant to a covenant made by the Agency and the City for the benefit of the holders of the Bonds and includes the information specified in the Continuing Disclosure Agreement. For further information and a more complete description of the District, the Agency the City, and the Bonds, reference is made to the Official Statement.

The information set forth herein has been furnished by the Agency and the City and by sources, which are believed to be accurate and reliable but is not guaranteed as to accuracy or completeness. Statements contained in this Annual Continuing Disclosure Information Statement which involve estimates, forecasts, or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, the information and expressions of opinion contained herein are subject to change without notice and the delivery of this Annual Continuing Disclosure Information Statement will not, under any circumstances, create any implication that there has been no change in the affairs of the Agency and the City or any other parties described herein.

## **II. BOND INFORMATION**

---

### **A. PRINCIPAL OUTSTANDING**

<b>Bond Name</b>	<b>As of October 2, 2007</b>
South Tahoe Redevelopment Agency Community Facilities District No. 2001-1 Series 2007	\$7,025,000

### **B. FUND INFORMATION**

<b>Fund Name</b>	<b>As of October 2, 2007</b>
Bond Reserve Fund	\$546,000
Reserve Requirement	546,000
Special Tax Fund	\$0.00
Acquisition & Construction Fund	263,563
Surplus Fund	110,933
Rebate Fund	N/A

Source: The Bank of New York Trust Company, N.A.

## **III. FINANCIAL INFORMATION**

---

The audited financial statements for the Agency for the Fiscal Year Ended September 30, 2007 will be separately filed with the Nationally Recognized Municipal Securities Information Repositories and are hereby incorporated by reference into this Annual Continuing Disclosure Information Statement.

## **IV. OPERATING INFORMATION**

---

### **A. PRINCIPAL PROPERTY OWNERS**

The following table sets forth a summary of the assessed values and value-to-bonded debt ratios of the principle property owners in the District on which the Special Tax will be levied. The information in this table is based on the El Dorado County 2007/2008 Secured Property Roll and does not reflect any subsequent development or change of ownership.

Property Owner	Number of Parcels	2007/08 Assessed Values			FY 2007/2008 Special Tax	Percent of FY 2007/2008 Special Tax	Bonded Debt <sup>(1)</sup>	Value to Bonded Debt
		Land	Structure	Total Value				
TSI Investments A Nevada L	3	\$6,780,420	\$15,377,791	\$22,158,211	\$37,260	5.42%	\$390,568	56.73:1
Trans-Sierra Investments I	5	3,049,821	10,759,319	13,809,140	38,092	5.55%	399,289	34.58:1
Heavenly Valley Ltd Ptnshp	1	2,229,314	9,884,929	12,114,243	148,440	21.61%	1,555,982	7.79:1
Marriott Ownership Resorts	39	1,440,489	5,788,539	7,229,028	15,109	2.20%	158,376	45.64:1
Cecilis LLC	1	788,371	5,763,624	6,551,995	19,954	2.91%	209,162	31.32:1
Heavenly Resort Properties	23	977,442	5,021,429	5,998,871	10,643	1.55%	111,562	53.77:1
Various owners	7,169	49,497,816	198,536,946	248,034,762	417,379	60.76%	4,375,061	56.69:1
<b>Total</b>	<b>7,241</b>	<b>\$64,763,673</b>	<b>\$251,132,577</b>	<b>\$315,896,250</b>	<b>\$686,877</b>	<b>100.00%</b>	<b>\$7,200,000</b>	<b>43.87:1</b>

Source: El Dorado County, as compiled by MuniFinancial

<sup>(1)</sup> Bonded Indebtedness is the proportionate share, based on the 2007/08 Special Tax, of the total principal amount of the Bonds outstanding.

## B. DEBT SERVICE COVERAGE

FY 2007/08 Special Tax	Amount Available for Debt Service	2007/08 Debt Service	Debt Service Coverage
\$686,877.22	\$686,877.22 <sup>(1)(2)</sup>	\$410,340.00	1.67

(1) Assumes there are no delinquencies in regards to the Special Tax.

(2) FY 2007/08 Special Tax shown does not include \$119,918.73 billed to Marriott for Special Tax on unsold intervals.

## C. DELINQUENCY SUMMARIES

Fiscal Year	Number of Parcels	Number of Parcels Delinquent	Annual Special Tax	Amount Delinquent <sup>(1)</sup>	Percent Delinquent
2003/04	2,429	323	\$549,924.90	\$14,229.81	2.59%
2004/05	4,340	346	687,747.80	20,936.17	3.04%
2005/06	5,189	418	646,476.02	30,551.01	4.73%
2006/07	6,696	711	670,216.44	38,215.12	5.70%

(1) Delinquent amount as of May 17, 2007

Source: El Dorado County and South Tahoe Redevelopment Agency as compiled by MuniFinancial

## D. PRINCIPAL PROPERTY OWNER DELINQUENCIES

There are no delinquent property owners responsible for more than 10% of the aggregate Special Tax levy within the District.

**E. FORECLOSURE COVENANT**

The covenant requires the Agency to institute foreclosure proceedings against all parcels that are delinquent in the payment of the Special Tax by \$1,000 or more in the fiscal year and if the total amount collected is less than 90% of the total amount of the Special Tax levied in the fiscal year.

**F. PENDING LITIGATION**

There is no pending litigation which would adversely affect the ability of the owner of sell its property or pay the Special Taxes levied on their property.

**G. SIGNIFICANT AMENDMENTS TO LAND USE ENTITLEMENTS**

There have been no significant amendments to land use entitlements for property in the District.

**H. BUILDING PERMITS ISSUED**

The Agency reports that there were four permits issued during the 2006/07 fiscal year.

## RESOLUTION NO. 2007-4

A RESOLUTION OF THE SOUTH TAHOE JOINT POWERS PARKING AUTHORITY  
AMENDING RATES FOR VEHICLE PARKING IN THE PARKING GARAGE

RECITALS:

A. The governing board of the South Tahoe Joint Powers Parking Authority is in receipt of the staff report prepared which analyzes the establishment of certain rates at the Parking Garage to increase revenues from vehicle parking.

B. The governing board of the Authority desires to establish the rates analyzed by Standard Parking.

NOW, THEREFORE, the governing board of the South Tahoe Joint Powers Parking Authority hereby finds, determines, resolves and orders as follows:

**Section 1: Rate Structure.** The following rate structure shall apply to the Parking Garage.

A. Basic Charge. Except as modified by the following paragraphs, each vehicle parking in the Parking Garage shall pay \$1.75 per half-hour to a maximum of \$23.00 per day.

B. Volume Discounts.

(1) Parking Passes. The following rates would be effective as of November 1, 2007.

Any person paying \$75.00 in advance to the Authority may obtain a parking pass and park a vehicle in the Parking Garage on weekdays and weekend days during a calendar month for the months of April through October. Such \$75.00 parking passes shall be limited in number to no more than 200 in any calendar month, and shall be available on a first come, first served basis.

Any person paying \$175.00 in advance to the Authority may obtain a parking pass and park a vehicle in the Parking Garage at any time on weekdays and weekend days during a calendar month for the months of November through March. Such \$175.00 parking passes shall be limited in number to no more than 100 in any calendar month and shall be available on a first come, first served basis.

Any person paying \$75.00 in advance to the Authority may obtain a Winter Special weekday parking pass and park a vehicle in the Parking Garage during the weekdays during a calendar month for the months of November through March. Such \$75.00 Winter Special pass shall be limited in number to no more than 100 in any calendar month and shall be available on a first come, first served basis.

Any person paying \$50.00 in advance to the Authority may obtain a parking pass and park a vehicle along Lake Parkway on weekdays and weekends during any calendar month. Such \$50.00 parking passes shall be limited to the number of spaces available.

Oversize parking and overflow parking will be offered on Lake Parkway to Garage customers for a flat rate of \$10.00 per day. Oversized vehicles include, but are not limited to, vehicles too big to fit in the Garage or vehicles towing a boat or trailer. The parking will be valid until Midnight of the date stamped.

(2) Commercial Uses. (a) The Authority shall provide four hours of free parking in the Parking Garage between Noon and Midnight for patrons of any commercial use, if that commercial use:

(i) averages during a calendar month 500 or more patrons each day after 5:00 p.m.; (ii) offers four hours of validated free parking in the Parking Garage to its patrons; (iii) pays to the Authority \$.35 for each four hour validation provided to a patron, regardless of whether the patron parks in the Parking Garage or parks in the Parking Garage for a full four hours; and (iv) at the expense of the commercial use, installs and maintains a data cable acceptable to the Authority which links the validation system at the commercial use to the validation tracking system at the Parking Garage. For purposes of clause (i), above, the number of patrons of any commercial use may be determined by the Authority by any reasonable method, including the estimates of a parking consultant employed by the Authority or the examination by the Authority of receipts and other records of any commercial use.

(b) Any commercial use paying \$75.00 in advance to the Authority may obtain 100 half-hour validations for vehicle parking in the Parking Garage. A validation may not be used by a commercial use to satisfy its obligation under clause (iii) of subparagraph (2) (a), above.

**Section 2: Implementation.** City staff may implement such further policies and procedures to maximize revenue from the parking garage, including periodic audits, security systems, procedures relating to the sale of parking passes and validations, validation systems, assignment of parking spaces to certain classes of vehicles or patrons, and any other policies or procedures which are not inconsistent with the provisions of this Resolution.

**Section 3: Availability.** The Parking Garage shall be available to the general public on a first come, first served basis. The sale by the Authority of parking passes pursuant to Section 1.B(1) hereof and validations pursuant to Section 1.B(2)(b), and the provision of free parking pursuant to Section 1.B(2)(a) hereof, shall not provide any assurance or guarantee that space will be available in the Parking Garage on any particular day or at any particular time.

**Section 4: Effective Date.** This Resolution shall take effect immediately upon adoption. This Resolution and any of the terms hereof may be changed at any time upon adoption of a resolution by the governing board of the Authority.

PASSED AND ADOPTED by the South Tahoe Joint Powers Parking Authority of the City of South Lake Tahoe on October 16, 2007.

AYES: Councilmembers LOVELL, WEBER, BIRDWELL, CRAWFORD & LONG

NOES: Councilmembers \_\_\_\_\_

ABSENT: Councilmembers \_\_\_\_\_

ABSTAIN: Councilmembers \_\_\_\_\_

ATTEST:

  
Susan Alessi, City Clerk

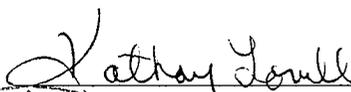
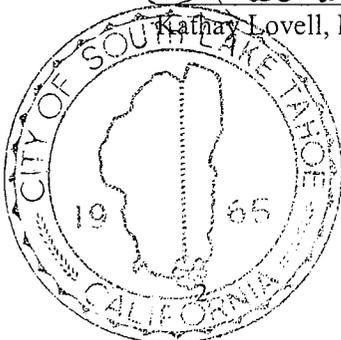
  
Kathy Lovell, Mayor  


Exhibit E - Monthly Cash Flow Projections - FY 2006-07

	OCTOBER 2006	NOVEMBER 2006	DECEMBER 2006	JANUARY 2007	FEBRUARY 2007	MARCH 2007	APRIL 2007	MAY 2007	JUNE 2007	JULY 2007	AUG 2007	Projected SEPT 2007	TOTAL
Beginning Balance (1)	\$ 568,271	\$ 558,895	\$ 590,727	\$ 196,893	\$ 247,127	\$ 318,139	\$ 363,746	\$ 386,608	\$ 405,945	\$ 96,541	\$ 127,177	\$ 409,904	\$ 568,271
Operating Revenues	\$ 30,596	\$ 42,395	\$ 141,759	\$ 88,989	\$ 100,711	\$ 93,941	\$ 51,367	\$ 23,501	\$ 34,766	\$ 63,128	\$ 74,946	\$ 55,535	\$ 802,134
Surplus Special Tax Rev.										\$ 240,000			\$ 240,000
Parking Enforcement	\$ 6,465	\$ 2,349	\$ 6,248	\$ 2,918	\$ 2,898	\$ 1,378	\$ 2,049	\$ 1,900	\$ 1,558	\$ 3,450	\$ 2,500	\$ 2,500	\$ 36,213
Interest	\$ 2,764	\$ 14,121	\$ (863)	\$ 2,389	\$ 2,393	\$ 2,178	\$ 537	\$ 25,821	\$ (6,028)	\$ 3,414	\$ 3,703	\$ 1,250	\$ 51,679
Over all Cash Balance	\$ 608,096	\$ 617,760	\$ 737,871	\$ 291,189	\$ 353,129	\$ 415,636	\$ 418,199	\$ 437,830	\$ 436,241	\$ 166,533	\$ 448,326	\$ 469,189	\$ 1,698,297
<b>Expenses</b>													
Parking Enforcement Exp	\$ 7,884	\$ 7,160	\$ 7,783	\$ 7,399	\$ 7,067	\$ 7,251	\$ 6,814	\$ 7,352	\$ 7,323	\$ 7,204	\$ 7,416	\$ 9,008	\$ 89,661
Operating Expenses	\$ 41,317	\$ 19,873	\$ 40,226	\$ 36,663	\$ 27,923	\$ 44,639	\$ 24,777	\$ 24,533	\$ 33,683	\$ 32,152	\$ 31,006	\$ 29,795	\$ 386,587
Annual Bonds Service									\$ 298,694				\$ 298,694
Fiscal Agent Fees			\$ 492,969										\$ 492,969
Deferred Maintenance/Sealing													\$ -
<b>Total Expenses</b>	\$ 49,201	\$ 27,033	\$ 540,978	\$ 44,062	\$ 34,990	\$ 51,890	\$ 31,591	\$ 31,885	\$ 339,700	\$ 39,356	\$ 38,422	\$ 48,803	\$ 1,277,911
<b>Ending Balance</b>	\$ 558,895	\$ 590,727	\$ 196,893	\$ 247,127	\$ 318,139	\$ 363,746	\$ 386,608	\$ 405,945	\$ 96,541	\$ 127,177	\$ 409,904	\$ 420,386	\$ 420,386

(1) From Exhibit B

Exhibit F - Monthly Cash Flow Projections - FY 2007-08

	Projected OCTOBER 2007	Projected NOVEMBER 2007	Projected DECEMBER 2007	Projected JANUARY 2008	Projected FEBRUARY 2008	Projected MARCH 2008	Projected APRIL 2008	Projected MAY 2008	Projected JUNE 2008	Projected JULY 2008	Projected AUG 2008	Projected SEPT 2008	TOTAL
Beginning Balance (1)	\$ 420,386	\$ 411,067	\$ 743,547	\$ 341,698	\$ 390,772	\$ 451,568	\$ 505,594	\$ 517,546	\$ 501,132	\$ 202,158	\$ 225,371	\$ 256,902	\$ 420,386
Operating Revenues	\$ 30,596	\$ 42,395	\$ 141,759	\$ 88,989	\$ 100,711	\$ 93,941	\$ 51,867	\$ 23,501	\$ 34,766	\$ 63,128	\$ 74,946	\$ 55,535	\$ 802,134
Surplus Special Tax Rev.	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 330,000
Parking Enforcement	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 30,000
Interest	\$ 454,732	\$ 787,212	\$ 889,056	\$ 434,437	\$ 495,233	\$ 549,259	\$ 561,211	\$ 544,797	\$ 539,648	\$ 269,036	\$ 304,067	\$ 316,187	\$ 1,597,520
Over all Cash Balance	\$ 8,450	\$ 8,450	\$ 8,450	\$ 8,450	\$ 8,450	\$ 8,450	\$ 8,450	\$ 8,450	\$ 8,450	\$ 8,450	\$ 8,450	\$ 8,450	\$ 101,400
<b>Expenses</b>	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 422,580
Parking Enforcement Exp													
Operating Expenses													
Annual Bonds Service													
Fiscal Agent Fees													
Deferred Maintenance													
<b>Total Expenses</b>	\$ 43,665	\$ 43,665	\$ 547,358	\$ 43,665	\$ 43,665	\$ 43,665	\$ 43,665	\$ 43,665	\$ 337,490	\$ 43,665	\$ 47,165	\$ 63,665	\$ 1,344,998
<b>Ending Balance</b>	\$ 411,067	\$ 743,547	\$ 341,698	\$ 390,772	\$ 451,568	\$ 505,594	\$ 517,546	\$ 501,132	\$ 202,158	\$ 225,371	\$ 256,902	\$ 252,522	\$ 252,522

(1) From Exhibit E

Exhibit G - Monthly Cash Flow Projections - FY 2008-09

	Projected OCTOBER 2008	Projected NOVEMBER 2008	Projected DECEMBER 2008	Projected JANUARY 2009	Projected FEBRUARY 2009	Projected MARCH 2009	Projected APRIL 2009	Projected MAY 2009	Projected JUNE 2009	Projected JULY 2009	Projected AUG 2009	Projected SEPT 2009	TOTAL
Beginning Balance (1)	\$ 202,496	\$ 192,360	\$ 524,023	\$ 121,225	\$ 169,482	\$ 229,461	\$ 282,670	\$ 293,805	\$ 276,574	\$ (17,967)	\$ 4,429	\$ 38,643	\$ 202,496
Operating Revenues	\$ 30,596	\$ 42,395	\$ 141,759	\$ 88,989	\$ 100,711	\$ 93,941	\$ 51,867	\$ 23,501	\$ 34,766	\$ 63,128	\$ 74,946	\$ 55,535	\$ 802,134
Surplus Special Tax Rev.	\$ -	\$ 330,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330,000
Parking Enforcement	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 30,000
Interest	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 4,800
Over all Cash Balance	\$ 235,992	\$ 567,655	\$ 668,682	\$ 213,114	\$ 273,093	\$ 326,302	\$ 337,437	\$ 320,206	\$ 314,240	\$ 48,061	\$ 82,275	\$ 97,078	\$ 1,369,430
<b>Expenses</b>													
Parking Enforcement Exp	\$ 8,417	\$ 8,417	\$ 8,417	\$ 8,417	\$ 8,417	\$ 8,417	\$ 8,417	\$ 8,417	\$ 8,417	\$ 8,417	\$ 8,417	\$ 8,417	\$ 101,004
Operating Expenses	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 422,580
Annual Bonds Service	\$ -	\$ -	\$ 503,825	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 288,575	\$ -	\$ -	\$ -	\$ 792,400
Fiscal Agent Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenses</b>	\$ 43,632	\$ 43,632	\$ 547,457	\$ 43,632	\$ 43,632	\$ 43,632	\$ 43,632	\$ 43,632	\$ 332,207	\$ 43,632	\$ 43,632	\$ 63,632	\$ 1,335,984
<b>Ending Balance</b>	\$ 192,360	\$ 524,023	\$ 121,225	\$ 169,482	\$ 229,461	\$ 282,670	\$ 293,805	\$ 276,574	\$ (17,967)	\$ 4,429	\$ 38,643	\$ 33,446	\$ 33,446

(1) From Exhibit F

William J. Kepp, Jr.  
Regional Vice President  
Park Center Plaza  
104 Park Center Plaza • Suite A  
San Jose, CA 95113

(800) 293-6115 • Fax (408) 293-6195

September 28, 2007

Mr. Eugene Palazzo  
City of South Lake Tahoe  
South Lake Tahoe, CA 96150

**RE: Automated Equipment Cost-Benefit Analysis for the Park Avenue Garage**

Dear Gene,

Per your request here is a synopsis regarding equipment upgrades to automation.

In any situation equipment changes or upgrades have costs and benefits, they are as follows:

Benefits:

1. Lower labor costs associated with the usual elimination of the Cashier position. At locations where automation makes the most sense the property usually eliminates multiple cashiers. Park Avenue Garage will see a reduction in labor costs.
2. Increased revenue through tighter controls and extended hours of operations. Park Avenue Garage should see increased revenue due the reasons stated.
3. Ability to use labor hours normally allocated to the cashier booth in other ways performing services of benefit to the garage.

Costs:

1. High purchase price related to equipment upgrades. In situations where this upgrade make the most sense an estimated three year pay back is recommended. It is not anticipated that the Park Avenue would see the investment returned within three years. This is due to the fact that the Automation will not reduce labor by a very large amount – most labor would be reallocated into other necessary positions and the likely hood of labor spikes during equipment malfunctions. The long distance the equipment provider must travel to service the equipment will also cause increased costs not normally associated with repairs, further increasing expenses.
2. Lowered sense of customer service. Automation is still looked at in the U.S. as unfriendly and inhumane. People perceive the automated machine to have removed a job that a person would have done, people have not yet understood that most jobs have been reallocated and in some cases that automation will actually create jobs at locations where paid parking was not previously possible.
3. Delays with equipment malfunctions. Automated equipment will malfunction and as a result there will be delays – in the automated environment delays will

---

increase over the traditional environment due to the decreased labor on site. In a traditional setting the cashier would be at the booth to handle problems that arise, in a cashierless system customers would generally page someone to help with a problem. This paging takes time to react too especial when employees are in another part of the facility.

In previous recommendations that Standard Parking has made we have estimated that after restructuring labor at the location labor costs have a potential to be reduced by approximately 15%. After taking in to consideration the expense of the equipment and potential problems that could arise it would not seem prudent at this time to transition into an automated environment.

It should be noted that as a labor savings tool only Automation generally does not validate the expense and usually needs another substantial benefit to the location in order to justify making this transition.

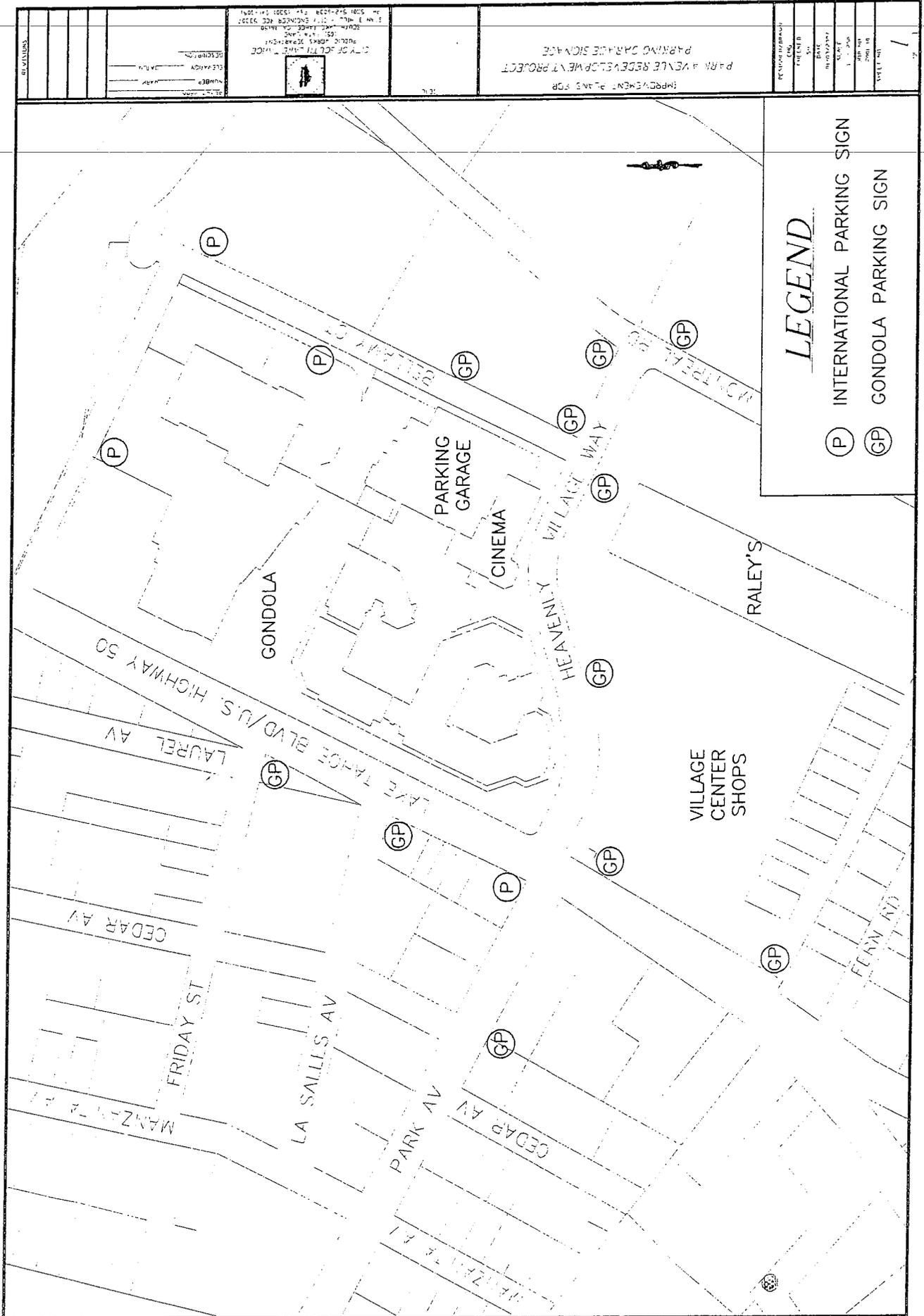
Due to the nature of the services at the location which see very large fluctuations in volume seasonally and due the political volatility of the parking in South Lake Tahoe we do not recommend this investment at this time.

Please let me know if you would like to meet or call to review this information in more detail.

Sincerely,

David Venancio  
Senior Manager, Operations

cc: Bill Kepp, Standard Parking  
Matthew Bryant, Standard Parking



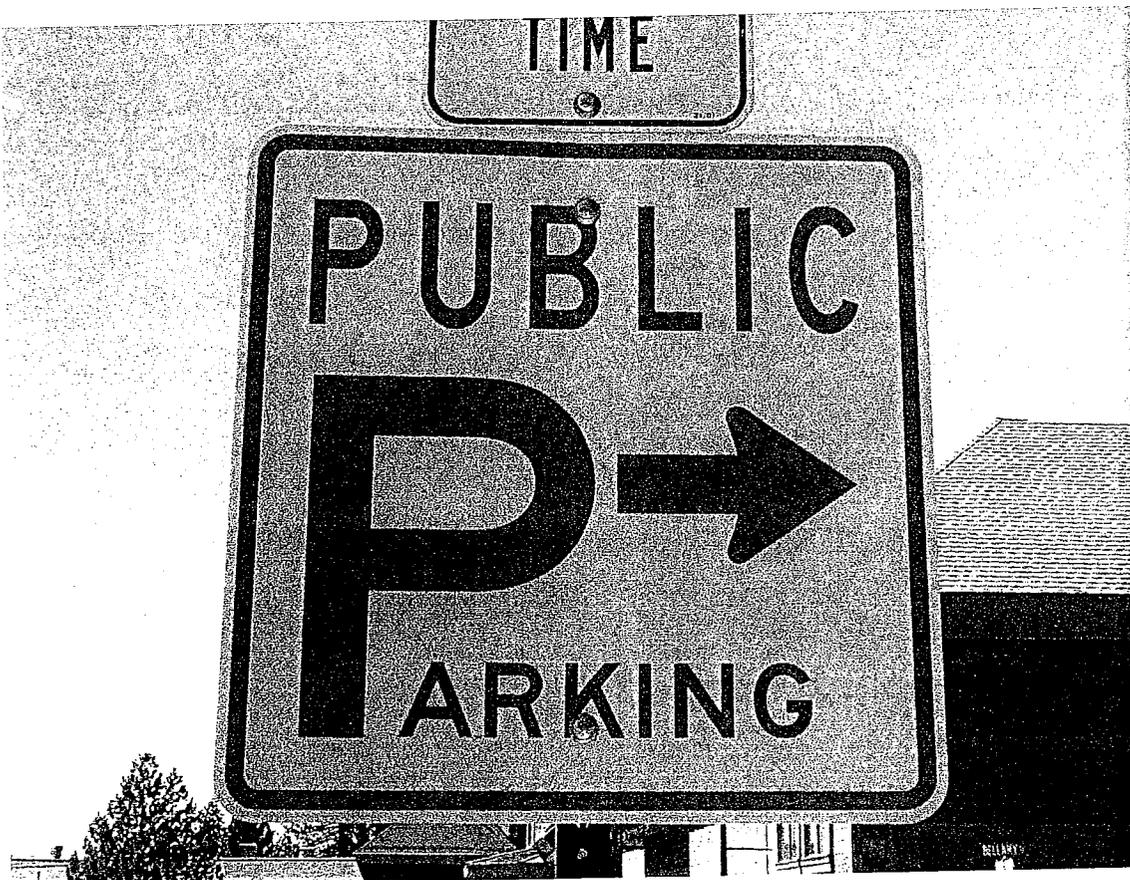
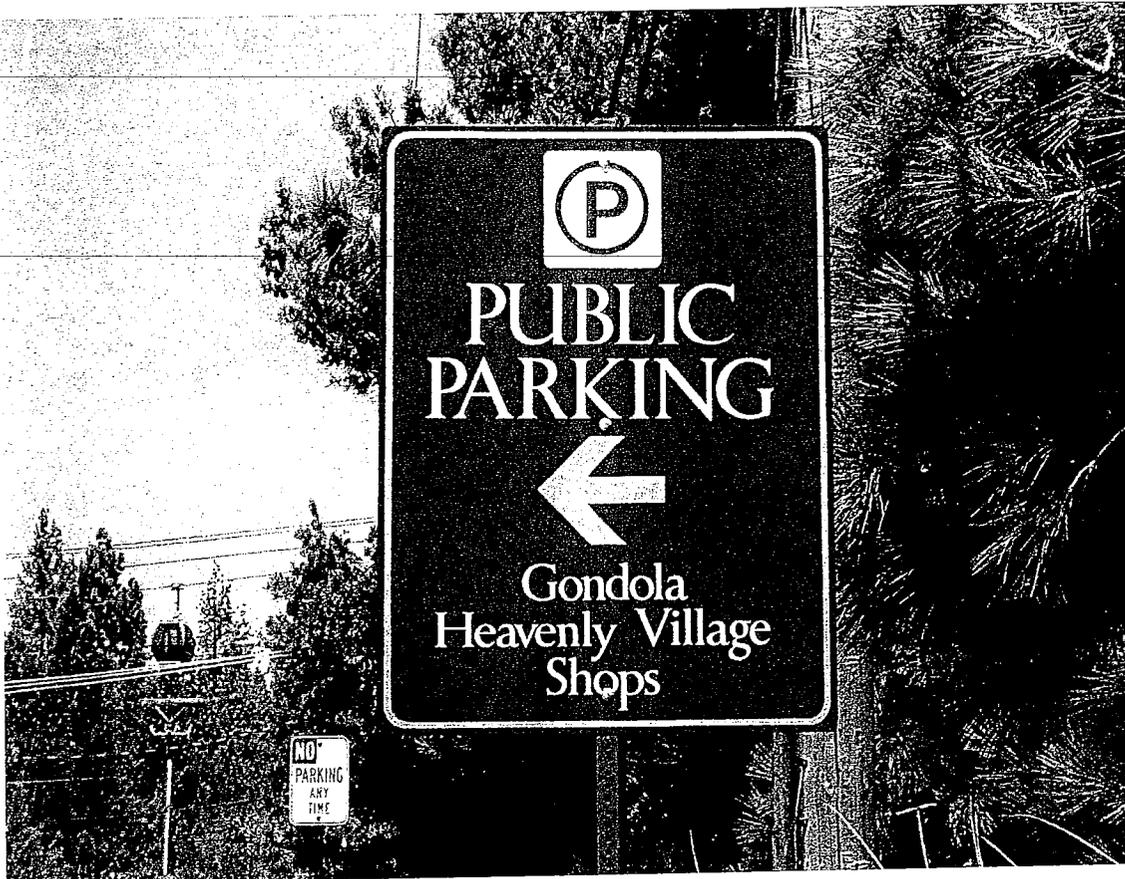
**LEGEND**

- P INTERNATIONAL PARKING SIGN
- GP GONDOLA PARKING SIGN

IMPROVEMENT PLANS FOR  
 PARK & VENUE REDEVELOPMENT PROJECT  
 PARKING GARAGE SIGNAGE

CITY OF LOS ANGELES  
 PUBLIC WORKS DEPARTMENT  
 1200 N. GARDEN ST.  
 LOS ANGELES, CA 90012  
 TEL: (213) 473-3333  
 FAX: (213) 473-3334

DATE	1/11/11
SCALE	AS SHOWN
DRAWN BY	...
CHECKED BY	...
APPROVED BY	...
DATE	...
SCALE	...
DRAWN BY	...
CHECKED BY	...
APPROVED BY	...
DATE	...



**9. SOUTH TAHOE JOINT POWERS PARKING AUTHORITY UNFINISHED BUSINESS:****(a) Discussion/Direction and Possible Action Report and Recommendations on the Public Parking Garage Financial Status and Operations; and Proposed Resolution Amending Rates for Vehicle Parking in the Public Parking Garage**

Redevelopment Director Palazzo provided his October 16, 2007, staff report to the Authority Members and explained that the recommended action was to meet the obligation to bondholders and to balance revenues and expenses. He advised the Agency Members and public of an error on page four (4) of his report regarding Monthly Parking Passes, Paragraph Two (2). Palazzo stated that the full access pass between April and October should be \$75 per month rather than \$50 per month and he extended his apology for this error.

Authority Member Weber stated for the record that the parking garage was built as part of a quid pro quo to appease the League to Save Lake Tahoe who had threatened to sue to stop this project, or at a minimum, delay this in an effort to make it unfeasible. He added that the decision to construct a parking garage was not initiated by the City.

Authority Members and staff conducted discussion.

At 10:47 a.m., Authority Chair Lovell asked if anyone in the audience wished to provide comment.

Lew Feldman, Esq. addressed the Authority Members and noted his concurrence with Authority Member Weber regarding enhancing the tourist's ability to identify and locate the public parking garage. He encouraged the Authority Members to review a signage plan and stated that he believed more robust signage was vital to the long-term success of this facility.

At 10:49 a.m., Authority Chair Lovell closed the public comment period.

**IT WAS MOVED BY AUTHORITY MEMBER WEBER AND SECONDED BY AUTHORITY MEMBER LONG TO APPROVE STJPPA RESOLUTION NO. 2007-4, AMENDING THE RATES FOR VEHICLE PARKING IN THE PUBLIC PARKING GARAGE.**

Feldman stated that staff's report indicated that Authority representatives were to meet and confer with the Park Avenue Developers Management Association (PADMA) partners prior to modifying the rate structure and added that he did not think that had yet occurred. He requested that the Authority temporarily delay adoption of this resolution.

City Manager Jinkens stated that all PADMA partners had been provided a copy of the staff report via email and the U.S. postal service. He noted that he thought the requirement had been satisfied and added that the Authority had specific legal obligations under the bond indenture to either accept this recommendation or face default.

Feldman reiterated his request for the Authority to defer this until their November 6<sup>th</sup> meeting.

Lovell clarified for the record that the garage owners were the STJPPA and were not the PADMA partnership.

Palazzo concurred and added that the STJPPA's main obligation at that time was to the bondholders.

Authority Members and staff conducted brief discussion.

**AUTHORITY MEMBER LONG WITHDREW HIS SECOND TO THE MOTION.**

Finance Director Vuletich addressed the Authority and noted that delaying approval of this resolution would move the Authority from a technical default into an actual default situation which could have serious credit implications for the City in terms of any bond issuance in the future. Vuletich recommended adoption of this resolution.

**9. SOUTH TAHOE JOINT POWERS PARKING AUTHORITY UNFINISHED BUSINESS –  
Item (a): (Continued)**

**AUTHORITY MEMBER WEBER WITHDREW HIS MOTION ON THE FLOOR.**

**IT WAS MOVED BY AUTHORITY MEMBER WEBER, SECONDED BY AUTHORITY MEMBER LONG AND UNANIMOUSLY CARRIED TO APPROVE STJPPA RESOLUTION NO. 2007-4, AMENDING THE RATES FOR VEHICLE PARKING IN THE PUBLIC PARKING GARAGE AS RECOMMENDED BY STAFF, AND TO INCLUDE THE MODIFICATION TO THE FULL ACCESS PASS BETWEEN APRIL AND OCTOBER OF \$75 PER MONTH; AND TO DIRECT STAFF TO MEET WITH THE PADMA PARTNERS TO ADVISE OF THE PREVAILING CIRCUMSTANCE SO AS TO MAINTAIN FIDUCIARY RESPONSIBILITY TO THE BONDHOLDERS.**

1273

**10. CITY COUNCIL NEW BUSINESS:**

- (a) **Ordinance Amending South Lake Tahoe City Code Chapter 28A – TRANSIENT LODGING, by Amending Sections 28A-3, 28-A-4, 28A-13 through 28A-15, 28A-18 through 28A-21, 28A-23, and 28A-24, Regarding Implementation of Uniform Transient Occupancy Tax Exemption Forms and Qualifying Rental Agreements**

City Attorney DiCamillo stated for the record that the sections being changed were Sections 28A-13 through 28A-15; and 28A-18 through 28A-21. She provided her October 5, 2007, staff report to the Council on behalf of the Finance Department and noted that these amendments were intended to modify the manner in which motels and lodging properties would be required to note any exemptions for individuals staying on those properties longer than 30-days.

Councilmember Birdwell inquired whether he needed to recuse himself on this item.

DiCamillo stated that she did not think that was necessary, but it was Birdwell's decision.

Birdwell remarked that while President of the Lodging Association he had conducted discussions with previous Councils on some of the issues being presented and that he thought it appropriate to recuse himself.

**At 11:10 a.m., Councilmember Birdwell exited the dais.**

Councilmembers and staff conducted discussion.

At 11:15 a.m., Mayor Lovell asked if anyone in the audience wished to provide comment. No one appeared in order to be heard and Mayor Lovell closed the public comment period at 11:16 a.m.

**IT WAS MOVED BY COUNCILMEMBER WEBER, SECONDED BY COUNCILMEMBER CRAWFORD, AND CARRIED AS FOLLOWS TO WAIVE THE FIRST READING INCLUSIVE OF THE CORRECTED SECTIONS AND READ TITLE ONLY; AND TO REFER TO THE SECOND READING WITH CORRECTED SECTIONS, AND ADOPTION AT THE NOVEMBER 6, 2007, CITY COUNCIL MEETING.**

**AYES: CRAWFORD, LONG, LOVELL & WEBER  
RECUSE: BIRDWELL**

1020

**At 11:17 a.m., Councilmember Birdwell returned to the dais.**

---

**SOUTH TAHOE REDEVELOPMENT AGENCY**

Participating in Public-Private Partnerships  
for a Better Future

---

**STAFF REPORT**  
**City of South Lake Tahoe City Council/Parking Authority**  
**Meeting of October 16, 2007**

**TO:** David M. Jinkens, City Manager/Executive Director

**FROM:** Eugene M. Palazzo, Director of Redevelopment/Housing  
Christine Vuletich, Director of Finance

**DATE:** October 16, 2007

**SUBJECT:** **Report and Recommendations on the Public Parking Garage Financial Status and Operations. Adopt Resolution of the South Tahoe Joint Powers Parking Authority Amending Rates for Vehicle Parking in the Public Parking Garage.**

**RECOMMENDED ACTION:**

- Hear Staff Report
- Adopt a Resolution with the recommendations (Exhibit A)

**DISCUSSION:**

**Summary of Financial Condition**

The revenues of the garage continue to be less than the costs to operate the garage and to repay debt service on the bonds that were used to build the facility. The estimates for 2006-07 show that the revenues from the garage will be approximately \$138,000 less than expenses. The deficit between total costs and revenues is being made up with existing cash reserves, which will be exhausted within the next two years. Without an adjustment to the rates, the garage will be unable to meet both its operating costs and bond debt service within this time frame.

**Current Status**

The Heavenly Village Parking Garage opened to the public on Monday, June 30, 2003. When the FY 2006/07 budget was adopted the garage had three years of operation. Parking garages typically do not generate their full potential financial return in the first few years. This can be seen from the fact that the Operating Revenues increased from \$637,968 in 2003-04 to \$867,424

---

1901 Airport Road, Suite 108 • South Lake Tahoe, CA 96150

**General Information**  
(530) 542-7403

**Manager**  
(530) 542-6044

**Fax**  
(530) 542-7955

in 2005/06. The increase between these years is largely due to the ramp up period. For 2006-07, Operating Revenues are estimated at \$802,134. It appears that Operating Revenues are now at a stabilized level. As of the date of this Report, the Operating Revenues for fiscal year 2006/07 will be less than the Operating Revenues for the previous year. This can be attributed to a winter snow season that was not as good as the previous two years, an increase in validation purchases by the merchants, an increase in the movie validation time and a less aggressive enforcement profile in the neighboring Village Center. The entire City's transient occupancy tax has been down this fiscal year to date, which correlates to fewer visitors in the community. The Garage operating expenses have not decreased, and are tracking with budget expectations.

In order to strengthen the financial position of the Project, the South Tahoe Redevelopment Agency refunded its outstanding bonds for CFD No. 2001-1 on January 30, 2007. The refunding resulted in lower debt service over the next ten years and will allow the Agency to increase the transfer of Surplus Special Tax Revenue to the Parking Financing Authority to pay debt service on the Authority Bonds. For 2006-07, the transfer of Surplus Special Tax Revenue was \$240,000, compared to prior transfers of up to \$190,000.

Exhibit B shows actual revenues and expenses for the Garage and Enforcement through August 2007. Revenue and expense projections for the Garage and Enforcement for 2007-08 and 2008-09 are shown in Exhibits C and D. The estimate of Operating Revenues for 2007-08 and 2008-09 has been derived from the amount of actual operating revenue in FY 2006/07. Operating expenses are projected to be higher because of employee salary increases, incorporation of deferred maintenance costs and utility (gas and electric) increases. Surplus Special Tax Revenues have been estimated by the City's Finance Department at \$330,000 in 2007-08.

The Authority is continuously reviewing operating costs to determine if any savings can be derived from these. For comparative purposes, about \$1.3 million is needed per year to cover operating expenses and debt service. It is estimated that the Authority will be able to meet the debt service payments and maintenance and operating expenses with the benefit of remaining cash balances through fiscal year 2007-08. It should be noted that a portion of the cash balance of \$568,271 consisted of the Supplemental Reserve. As allowed under the Indenture, the Authority has used the amount in the Supplemental Reserve during 2006-07 to pay for Maintenance & Operation expenses. It is expected that the Supplemental Reserve balance will be reduced to \$155,900 by the end of 2006-07. In 2008-09 these cash balances will be depleted.

Without the fund balances the revenue gap is estimated to be approximately \$200,000 annually (when Operating Revenues are measured against Maintenance & Operations Expenses and Maximum Annual Debt Service). If current revenue and expense patterns continue, it is estimated that the Gross Revenues will be insufficient to meet both maintenance and operation costs and Annual Debt Service by a small amount in June 2009. The Authority anticipates that the Bond Reserve Account may need to be partially drawn to make the Annual Debt Service due at that time.

The Parking Authority is required by covenants in the Parking Garage Bond Indenture to review the adequacy of the parking rates annually and modify them, if necessary, to ensure that operating expenses and debt service obligations can be met. The required debt service coverage ratio is 130% of net revenue to net maximum debt service. Actual coverage ratios were 48% in 2003-04, 82% in 2004-05 and 84% in 2005-06. For the 2006-07 fiscal year just ended, the coverage ratio is estimated to be 57%, and the projected ratio for 2007-08 is 65%.

As the annual debt service coverage ratios are not being met, the bond covenants require that the Authority annually engage the services of a parking consultant to determine what steps must be taken to increase the net operating revenues to meet the coverage standard. Under the bond covenants, the Authority is required follow the parking consultant's recommendations, including any recommendations to increase parking rates. Failure to follow the parking consultant's recommendations results in a default under Section 7.01 of the Bond Indenture, at which time the principal and interest outstanding on the bonds becomes due and payable immediately. There is currently \$8,455,000 in principal and interest outstanding on the bonds.

As long as the Authority implements the recommendations of the consultant, the Authority would not be considered in default on the bonds. In October of 2004 the Authority hired a parking consultant to analyze the rate structure and make recommendations. It was decided to keep this rate structure in place for one to two years in order to analyze the revenue trends. In December of 2006 Standard Parking reviewed the revenue trends based on the rate structure adopted in January 2005 and made certain recommendations. These recommendations were not implemented. The rates for the Garage have not changed for three years, since the approximately \$8,455,000 in December 2004.

It is important to note that the Parking Garage bond debt service is paid with private money, not General Fund. The Fiduciary obligation is to the bondholders. In addition, the Parking Management Agreement which was first entered into on August 15, 2001 requires the City to manage a Parking Enforcement Program.

### **Public Parking Garage Rates**

The current rate structure was adopted on January 18, 2005, by Resolution No. 2005-1. The consultant completed their analysis focusing on the Authority's primary financial goal: to improve the revenue situation at the garage to the point where it is able to fulfill its bond debt repayment obligations.

There are several revenue sources for the Garage. They include: Basic Rate; Monthly Parking Passes; and the Validation Program. They all work together and need to be reviewed comprehensively in order to meet the revenue target and provide a public facility to meet the goals and expectations of local constituents and visitors.

**The following recommendations work together and are a comprehensive staff recommendation. Staff recommendations may change if any component of the following recommendation changes.**

**Basic Rate:** The current transient parking rate at the Garage is \$1.50 per half hour with a ceiling rate of \$20 for a 24-hour period. It is recommended to raise this rate to \$1.75 per half hour with a ceiling rate of \$23 for a 24-hour period.

The transient parking rate has been constant for the last three years while the cost to maintain and operate the garage has increased. Increasing the half hour rate to \$1.75 would recognize a net annual increase of approximately \$111,000.

Raising the ceiling rate to \$23 will mainly have an impact on the winter month visitors (skiers) that park in the Garage 6 to 8 hours. The financial impact of this rate change would increase yearly revenue by approximately \$20,000 - \$24,000.

**Monthly Parking Passes:** The Authority should continue sales of monthly passes until such time as capacity problems occur within the garage. At that point the Authority should either raise the price of monthly passes or limit their use to weekdays. Capacity has not been an issue during the months of April through October when the average visitor stay is approximately 2 to 4 hours. However during the winter season, November through March the Garage reaches its capacity level on weekends. During this period the volume of vehicles may be lower but the average stay increases to approximately 6 to 8 hours.

The current monthly rates are \$50 for a weekday (five day) pass and \$150 for a full week total access pass. It is recommended to do away with the discounted weekday pass and only sell a full access monthly pass. Rates for this would be \$50 per month for the months of April through October and \$175 per month November through March. In conjunction with these rates it is recommended offering of a \$75 Winter Weekday Special. The financial impact of this rate change would result in an additional \$11,250 - \$13,500 increase annually. This rate change increases rates during the off-season while giving greater access to the Garage. It also gives greater accessibility to the Garage during ski season with the weekday special but only use when space is readily available and not at a premium.

**Validation Program:** Currently the validation program sells validation coupons at half price. This program has been successful with approximately half of the Village tenants choosing to participate in the program. There are no recommended changes to this program or costs increase to the merchants.

**Cinema:** At the December 12, 2006, City Council Meeting, the South Tahoe Joint Powers Parking Financing Authority considered recommendations on findings of the Parking Garage Fee Structure Analysis and Operations Analysis prepared by Standard Parking. The Authority made a motion to change the cinema validation rate in the Parking Garage from two and one-half (2 ½) hours to four (4) hours for a six (6) month experimental period. On June 19, 2007 the Authority extended this rate for an additional six months ending January 31, 2008. It was felt that

increasing the validation time up to four (4) hours would be of particular benefit to the local community to allow time for parking and possible shopping, eating, etc. in the Village.

On average the net revenue loss per month by offering the 4 hour validation is approximately \$2,207 per month or \$26,484 per year. However, the increase to the four hour validation has provided a local benefit. Approximately 83% of the customers using the movie validation are from the local community. A verbal survey of customers has been on going. This is a very positive story. Staff believes that this is the best local benefit that the Public Parking Garage can provide to the local community. It is the easiest to implement and overall probably the least expensive. Therefore, staff recommends continuation of the 4 hour validation. The 4 hour validation is included in the revised fee schedule Resolution.

## **Garage Operations**

**Parking Controls:** The Authority is obligated to implement parking controls within the area, not only to protect the parking resources of others, such as the Village Center and the Laurel Avenue business community, but also to protect the Authority's revenue stream. The Authority has engaged the services of High Sierra Patrol to provide parking enforcement services to meet our contractual obligations. The terms of the Parking Management Agreement require that we implement a two-hour parking limitation at The Village Center, which has been done. It also requires that we enforce a prohibition on parking on Montreal, Park Avenue and Bellamy Court.

**Deferred Maintenance:** The Garage Budget has not included a Renewal and Replacement Annual Contribution line item. Since the Garage is not making excess revenue to establish a renewal and replacement account a detailed analysis has not been completed. For fiscal year 2006/07 \$10,000 was budgeted to seal a wall area that was overlooked during construction. An annual cost estimate of \$20,000 is incorporated into the Monthly Cash Flow Projections to cover potential large capital expenses.

**Reimbursement Agreements:** On December 9, 2003, a Reimbursement Agreement was entered into between the South Tahoe Redevelopment Agency and South Tahoe Joint Powers Parking Financing Authority. (Exhibit J). This obligation of \$585,000 is subordinate to payments required to be made under the Indenture, including bond payments and the operations and maintenance of the Garage.

**Park Avenue Developers:** The Park Avenue developers must be provided notice of our intent to modify the rate structure and must be given an opportunity to provide input, but ultimately, the Bond Documents will control, giving the Authority ample latitude to make changes if operating experience indicates fee increases are needed. All Park Avenue developers were given a copy of the staff report via email and U.S. mail

**Advertising:** Staff has been in discussions with Rogers Media Company (RMC) to be the sole vendor to manage, install, and maintain advertising for the Garage. A brief outline of RMC's

proposal is attached. It is estimated that approximately ten internal displays could be sold for \$350 - \$500 per month per display. The compensation for the Parking Garage would be 35% of the net advertising revenue. The financial impact is estimated to result in an additional \$11,000 - \$20,000 annually.

**Automation of Facility:** It has been requested to review the idea for automated equipment to be installed in the Garage. Generally the cost benefit analysis for this type of equipment is a three year return on investment. The cost to install automated equipment would be approximately \$100,000. The return on investment would not be realized until five or more years depending on revenue generation. Based on the existing revenue and revenue projections it would be difficult to justify this type of expense as any remaining balance in the supplemental reserve will be expended in the next year to pay debt service and operating expenses. The Authority should not go into further debt until the revenue and expenditures are balanced.

Currently the facility operates with a small staff relative to other like facilities. Automated facilities still require labor in the form of overseeing the operation and monitoring equipment. Labor savings in the first three years would not result in a net saving to the facility. Additionally the remote location of the facility relative to the companies servicing the equipment will make service calls expensive. The likelihood of the equipment being down and the location being forced to operate manually for extended periods of time rise as the distance between the location and the service company's increase.

An additional complexity is that the existing validation system as it is would not work with automated equipment. In order for the merchants to validate, a validation machine would need to be purchased for each merchant. The machine would validate the ticket and leave a code on the ticket for the automated equipment to read. These machines cost approximately \$700.00 each.

A letter is attached as Exhibit E form Standard Parking discussing the Automated Equipment Cost-Benefit.

**Signs:** There are fifteen (15) off premise directional signs on the surrounding streets directing customers to the Public Parking Garage. Attached is Exhibit F1 Map showing location of directional signs and Exhibit F2 picture of the two different types of signs. In addition, the Garage can have an identification sign not to exceed 40 square feet. It is permissible to locate the identification sign for the Garage on the Cinema building facing Heavenly Village Way. The owner of the building is ok with the sign but would like to work with staff on location and appearance. A conceptual rendering is being produced for approvals. The goal is to have an identification sign in place prior to the winter season.

**Garage Operator:** Standard Parking continues to manage the operations of the Garage for the Authority. Revenue and expense reports along with average daily use information is provided to the Authority by Standard Parking on the 10<sup>th</sup> of each month. Standard Parking continues to make recommendations on the rate structure and maintenance and operations issues. The

contract with Standard Parking was approved with a three (3) term; with up to two (2) one-year extensions by mutual consent of both parties. The last extension to the existing Agreement was approved spring of 2007. In January 2008 Staff will prepare a request for proposal (RFP) to evaluate other management services.

### **FINANCIAL CONSIDERATIONS:**

Existing revenues and remaining fund balances are not sufficient to sustain Parking Garage operations and meet debt service coverage requirements. Under the Parking Garage Bond Indenture the Authority has covenanted to annually engage the services of a parking consultant to determine what steps must be taken to increase the net operating revenues to meet the coverage ratio, and to follow those recommendations, including any recommendations to increase parking rates.

Failure to follow the parking consultant's recommendations results in a default under Section 7.01 of the bond indenture, at which time the principal and interest outstanding on the bonds becomes due and payable immediately. As a result, either the bank trustee or the bondholders may enforce by court action their rights to receive the outstanding principal and interest on the bonds. Currently, there is approximately \$8,455,000 in principal and interest outstanding on the parking garage bonds.

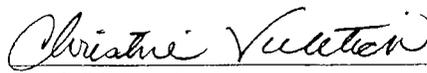
In the event of a bond default credit rating agencies will take notice. A default on the bonds would not only affect the credit rating of the Authority but most likely would also affect the credit rating of the Redevelopment Agency and the City. In 2006, the City received an upgrade in its credit rating. A credit rating downgrade resulting from a bond default would make any future bonds more difficult and expensive to issue.

Without an increase in the parking rates, the garage also cannot afford additional capital or operations & maintenance expenditures. To generate revenues sufficient to meet debt service coverage ratio requirements and provide a public facility to meet the goals and expectations of local constituents and visitors, all of the revenue sources need to work together to make a financially viable business. If one rate is adjusted without taking into consideration other rate structures it may have a negative effect on the business.

Exhibit A shows the existing rate structure compared to the parking consultant's recommendations. It is anticipated that these recommendations will provide a local benefit and bring the community to the Village while generating the revenue needed to meet the Authority's obligations under the Bond Indenture.

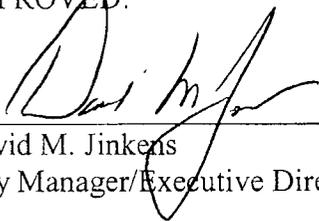


Eugene M. Palazzo  
Director of Redevelopment/Housing



Christine M. Vuletich  
Director of Finance

APPROVED:



David M. Jinkens  
City Manager/Executive Director

- Exhibit A: Rate Comparison Analysis and Resolution
- Exhibit B: Fiscal Year 06/07 Revenue and Expense
- Exhibit C: Fiscal Year 07/08 Revenue and Expense Projections
- Exhibit D: Fiscal Year 08/09 Revenue and Expense Projections
- Exhibit E: Letter from Standard Parking on Automated Equipment
- Exhibit F1: Map showing location of directional signs
- Exhibit F2: Picture of the two different styles of signs

CURRENT	PROPOSED	ANTICIPATED YEARLY REVENUE INCREASE/ DECREASE
Basic rate: \$1.50 per 1/2 hour	Hourly Parking rate: \$1.75 per 1/2 hour	\$111,000
Daily rate of \$20 a day	Daily rate of \$23 a day	\$20,000 - \$24,000
Monthly Parking Passes: Mid-week pass (M-F) of \$50 a month and a full week (S-S) of \$150	Sell a full access monthly pass. Rates for this would be \$50 a month for April through October and \$175 a month for November through March. In conjunction with these rates it is recommended to offer a \$75 Winter weekday special.	\$11,250-13,500
Cinema remains at 4 hours validation	No change - Cinema 4 hours validated parking *	(\$26,484)
Validations: Merchants purchase 100 1/2 hour validation tickets for \$75.00	No change proposed	
	*Benefits of increasing the Cinema free parking would benefit the patrons of the cinema as well as the other Heavenly Village tenants by giving patrons more time to spend at the Village either before or after the show. Survey indicates cinema validation patrons are 80% locals.	

RESOLUTION NO. \_\_\_\_

A RESOLUTION OF THE SOUTH TAHOE JOINT POWERS PARKING AUTHORITY  
AMENDING RATES FOR VEHICLE PARKING IN THE PARKING GARAGE

RECITALS:

A. The governing board of the South Tahoe Joint Powers Parking Authority is in receipt of the staff report prepared which analyzes the establishment of certain rates at the Parking Garage to increase revenues from vehicle parking.

B. The governing board of the Authority desires to establish the rates analyzed by Standard Parking.

NOW, THEREFORE, the governing board of the South Tahoe Joint Powers Parking Authority hereby finds, determines, resolves and orders as follows:

**Section 1: Rate Structure.** The following rate structure shall apply to the Parking Garage.

A. Basic Charge. Except as modified by the following paragraphs, each vehicle parking in the Parking Garage shall pay \$1.75 per half-hour to a maximum of \$23.00 per day.

B. Volume Discounts.

(1) Parking Passes. The following rates would be effective as of November 1, 2007.

Any person paying \$50.00 in advance to the Authority may obtain a parking pass and park a vehicle in the Parking Garage on weekdays and weekend days during a calendar month for the months of April through October. Such \$50.00 parking passes shall be limited in number to no more than 200 in any calendar month, and shall be available on a first come, first served basis.

Any person paying \$175.00 in advance to the Authority may obtain a parking pass and park a vehicle in the Parking Garage at any time on weekdays and weekend days during a calendar month for the months of November through March. Such \$175.00 parking passes shall be limited in number to no more than 100 in any calendar month and shall be available on a first come, first served basis.

Any person paying \$75.00 in advance to the Authority may obtain a Winter Special weekday parking pass and park a vehicle in the Parking Garage during the weekdays during a calendar month for the months of November through March. Such \$75.00 Winter Special pass shall be limited in number to no more than 100 in any calendar month and shall be available on a first come, first served basis.

Any person paying \$50.00 in advance to the Authority may obtain a parking pass and park a vehicle along Lake Parkway on weekdays and weekends during any calendar month. Such \$50.00 parking passes shall be limited to the number of spaces available.

Oversize parking and overflow parking will be offered on Lake Parkway to Garage customers for a flat rate of \$10.00 per day. Oversized vehicles include, but are not limited to, vehicles too big to fit in the Garage or vehicles towing a boat or trailer. The parking will be valid until Midnight of the date stamped.

(2) Commercial Uses. (a) The Authority shall provide four hours of free parking in the Parking Garage between Noon and Midnight for patrons of any commercial use, if that commercial use:

(i) averages during a calendar month 500 or more patrons each day after 5:00 p.m.; (ii) offers four hours of validated free parking in the Parking Garage to its patrons; (iii) pays to the Authority \$.35 for each four hour validation provided to a patron, regardless of whether the patron parks in the Parking Garage or parks in the Parking Garage for a full four hours; and (iv) at the expense of the commercial use, installs and maintains a data cable acceptable to the Authority which links the validation system at the commercial use to the validation tracking system at the Parking Garage. For purposes of clause (i), above, the number of patrons of any commercial use may be determined by the Authority by any reasonable method, including the estimates of a parking consultant employed by the Authority or the examination by the Authority of receipts and other records of any commercial use.

(b) Any commercial use paying \$75.00 in advance to the Authority may obtain 100 half-hour validations for vehicle parking in the Parking Garage. A validation may not be used by a commercial use to satisfy its obligation under clause (iii) of subparagraph (2) (a), above.

**Section 2: Implementation.** City staff may implement such further policies and procedures to maximize revenue from the parking garage, including periodic audits, security systems, procedures relating to the sale of parking passes and validations, validation systems, assignment of parking spaces to certain classes of vehicles or patrons, and any other policies or procedures which are not inconsistent with the provisions of this Resolution.

**Section 3: Availability.** The Parking Garage shall be available to the general public on a first come, first served basis. The sale by the Authority of parking passes pursuant to Section 1.B(1) hereof and validations pursuant to Section 1.B(2)(b), and the provision of free parking pursuant to Section 1.B(2)(a) hereof, shall not provide any assurance or guarantee that space will be available in the Parking Garage on any particular day or at any particular time.

**Section 4: Effective Date.** This Resolution shall take effect immediately upon adoption. This Resolution and any of the terms hereof may be changed at any time upon adoption of a resolution by the governing board of the Authority.

PASSED AND ADOPTED by the South Tahoe Joint Powers Parking Authority of the City of South Lake Tahoe on October 16, 2007.

AYES: Councilmembers \_\_\_\_\_

NOES: Councilmembers \_\_\_\_\_

ABSENT: Councilmembers \_\_\_\_\_

ABSTAIN: Councilmembers \_\_\_\_\_

\_\_\_\_\_  
Kathay Lovell, Mayor

ATTEST:

\_\_\_\_\_  
Susan Alessi, City Clerk

Exhibit E - Monthly Cash Flow Projections - FY 2006-07

	OCTOBER 2006	NOVEMBER 2006	DECEMBER 2006	JANUARY 2007	FEBRUARY 2007	MARCH 2007	APRIL 2007	MAY 2007	JUNE 2007	JULY 2007	AUG 2007	Projected SEPT 2007	TOTAL
Beginning Balance (1)	\$ 568,271	\$ 558,895	\$ 590,727	\$ 196,893	\$ 247,127	\$ 318,139	\$ 363,746	\$ 386,608	\$ 405,945	\$ 96,541	\$ 127,177	\$ 409,904	\$ 568,271
Operating Revenues	\$ 30,596	\$ 42,395	\$ 141,759	\$ 88,989	\$ 100,711	\$ 93,941	\$ 51,867	\$ 23,501	\$ 34,766	\$ 63,128	\$ 74,946	\$ 55,535	\$ 802,134
Surplus Special Tax Rev.											\$ 240,000		\$ 240,000
Parking Enforcement	\$ 6,465	\$ 2,349	\$ 6,248	\$ 2,918	\$ 2,898	\$ 1,378	\$ 2,049	\$ 1,900	\$ 1,558	\$ 3,450	\$ 2,500	\$ 2,500	\$ 36,213
Interest	\$ 2,764	\$ 14,121	\$ (863)	\$ 2,389	\$ 2,393	\$ 2,178	\$ 537	\$ 25,821	\$ (6,028)	\$ 3,414	\$ 3,703	\$ 1,250	\$ 51,679
Over all Cash Balance	\$ 608,096	\$ 617,760	\$ 737,871	\$ 291,189	\$ 353,129	\$ 415,636	\$ 418,199	\$ 437,830	\$ 436,241	\$ 166,533	\$ 448,326	\$ 469,189	\$ 1,698,297
<b>Expenses</b>													
Parking Enforcement Exp	\$ 7,884	\$ 7,160	\$ 7,783	\$ 7,399	\$ 7,067	\$ 7,251	\$ 6,814	\$ 7,352	\$ 7,323	\$ 7,204	\$ 7,416	\$ 9,008	\$ 89,661
Operating Expenses	\$ 41,317	\$ 19,873	\$ 40,226	\$ 36,663	\$ 27,923	\$ 44,639	\$ 24,777	\$ 24,533	\$ 33,683	\$ 32,152	\$ 31,006	\$ 29,795	\$ 386,587
Annual Bonds Service			\$ 492,969					\$ 298,694					\$ 791,663
Fiscal Agent Fees													\$ -
Deferred Maintenance/Sealing													\$ -
<b>Total Expenses</b>	\$ 49,201	\$ 27,033	\$ 540,978	\$ 44,062	\$ 34,990	\$ 51,890	\$ 31,591	\$ 31,885	\$ 339,700	\$ 39,356	\$ 38,422	\$ 10,000	\$ 1,277,911
<b>Ending Balance</b>	\$ 558,895	\$ 590,727	\$ 196,893	\$ 247,127	\$ 318,139	\$ 363,746	\$ 386,608	\$ 405,945	\$ 96,541	\$ 127,177	\$ 409,904	\$ 420,386	\$ 420,386

(1) From Exhibit B

Exhibit F - Monthly Cash Flow Projections - FY 2007-08

	Projected OCTOBER 2007	Projected NOVEMBER 2007	Projected DECEMBER 2007	Projected JANUARY 2008	Projected FEBRUARY 2008	Projected MARCH 2008	Projected APRIL 2008	Projected MAY 2008	Projected JUNE 2008	Projected JULY 2008	Projected AUG 2008	Projected SEPT 2008	TOTAL
Beginning Balance (1)	\$ 420,386	\$ 411,067	\$ 743,547	\$ 341,698	\$ 390,772	\$ 451,568	\$ 505,594	\$ 517,546	\$ 501,132	\$ 202,158	\$ 225,371	\$ 256,902	\$ 420,386
Operating Revenues	\$ 30,596	\$ 42,395	\$ 141,759	\$ 88,989	\$ 100,711	\$ 93,941	\$ 51,867	\$ 23,501	\$ 34,766	\$ 63,128	\$ 74,946	\$ 55,535	\$ 802,134
Surplus Special Tax Rev.	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 330,000
Parking Enforcement	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 30,000
Interest	\$ 454,732	\$ 787,212	\$ 889,056	\$ 434,437	\$ 495,233	\$ 549,259	\$ 561,211	\$ 544,797	\$ 539,648	\$ 269,036	\$ 304,067	\$ 316,187	\$ 1,597,520
<b>Over all Cash Balance</b>	\$ 8,450	\$ 8,450	\$ 8,450	\$ 8,450	\$ 8,450	\$ 8,450	\$ 8,450	\$ 8,450	\$ 8,450	\$ 8,450	\$ 8,450	\$ 8,450	\$ 101,400
<b>Expenses</b>	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 422,580
Parking Enforcement Exp													
Operating Expenses													
Annual Bonds Service													
Fiscal Agent Fees													
Deferred Maintenance													
<b>Total Expenses</b>	\$ 43,665	\$ 43,665	\$ 547,358	\$ 43,665	\$ 43,665	\$ 43,665	\$ 43,665	\$ 43,665	\$ 337,490	\$ 43,665	\$ 47,165	\$ 63,665	\$ 1,344,998
<b>Ending Balance</b>	\$ 411,067	\$ 743,547	\$ 341,698	\$ 390,772	\$ 451,568	\$ 505,594	\$ 517,546	\$ 501,132	\$ 202,158	\$ 225,371	\$ 256,902	\$ 252,522	\$ 252,522

(1) From Exhibit E

Exhibit G - Monthly Cash Flow Projections - FY 2008-09

	Projected OCTOBER 2008	Projected NOVEMBER 2008	Projected DECEMBER 2008	Projected JANUARY 2009	Projected FEBRUARY 2009	Projected MARCH 2009	Projected APRIL 2009	Projected MAY 2009	Projected JUNE 2009	Projected JULY 2009	Projected AUG 2009	Projected SEPT 2009	TOTAL
Beginning Balance (1)	\$ 202,496	\$ 192,360	\$ 524,023	\$ 121,225	\$ 169,482	\$ 229,461	\$ 282,670	\$ 293,805	\$ 276,574	\$ (17,967)	\$ 4,429	\$ 38,643	\$ 202,496
Operating Revenues	\$ 30,596	\$ 42,395	\$ 141,759	\$ 88,989	\$ 100,711	\$ 93,941	\$ 51,867	\$ 23,501	\$ 34,766	\$ 63,128	\$ 74,946	\$ 55,535	\$ 802,134
Surplus Special Tax Rev.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parking Enforcement	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 30,000
Interest	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 4,800
Over all Cash Balance	\$ 235,992	\$ 567,655	\$ 668,662	\$ 213,114	\$ 273,093	\$ 326,302	\$ 337,437	\$ 320,206	\$ 314,240	\$ 48,061	\$ 82,275	\$ 97,078	\$ 1,369,430
<b>Expenses</b>													
Parking Enforcement Exp	\$ 8,417	\$ 8,417	\$ 8,417	\$ 8,417	\$ 8,417	\$ 8,417	\$ 8,417	\$ 8,417	\$ 8,417	\$ 8,417	\$ 8,417	\$ 8,417	\$ 101,004
Operating Expenses	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 35,215	\$ 422,580
Annual Bonds Service	\$ -	\$ -	\$ 503,825	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 288,575	\$ -	\$ -	\$ -	\$ 792,400
Fiscal Agent Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenses</b>	\$ 43,632	\$ 43,632	\$ 547,457	\$ 43,632	\$ 43,632	\$ 43,632	\$ 43,632	\$ 43,632	\$ 332,207	\$ 43,632	\$ 43,632	\$ 63,632	\$ 1,335,984
<b>Ending Balance</b>	\$ 192,360	\$ 524,023	\$ 121,225	\$ 169,482	\$ 229,461	\$ 282,670	\$ 293,805	\$ 276,574	\$ (17,967)	\$ 4,429	\$ 38,643	\$ 33,446	\$ 33,446

(1) From Exhibit F

William J. Kepp, Jr.  
Regional Vice President  
Park Center Plaza  
104 Park Center Plaza • Suite A  
San Jose, CA 95113

(800) 293-6115 • Fax (408) 293-6195

September 28, 2007

Mr. Eugene Palazzo  
City of South Lake Tahoe  
South Lake Tahoe, CA 96150

**RE: Automated Equipment Cost-Benefit Analysis for the Park Avenue Garage**

Dear Gene,

Per your request here is a synopsis regarding equipment upgrades to automation.

In any situation equipment changes or upgrades have costs and benefits, they are as follows:

Benefits:

1. Lower labor costs associated with the usual elimination of the Cashier position. At locations where automation makes the most sense the property usually eliminates multiple cashiers. Park Avenue Garage will see a reduction in labor costs.
2. Increased revenue through tighter controls and extended hours of operations. Park Avenue Garage should see increased revenue due the reasons stated.
3. Ability to use labor hours normally allocated to the cashier booth in other ways performing services of benefit to the garage.

Costs:

1. High purchase price related to equipment upgrades. In situations where this upgrade make the most sense an estimated three year pay back is recommended. It is not anticipated that the Park Avenue would see the investment returned within three years. This is due to the fact that the Automation will not reduce labor by a very large amount – most labor would be reallocated into other necessary positions and the likely hood of labor spikes during equipment malfunctions. The long distance the equipment provider must travel to service the equipment will also cause increased costs not normally associated with repairs, further increasing expenses.
2. Lowered sense of customer service. Automation is still looked at in the U.S. as unfriendly and inhumane. People perceive the automated machine to have removed a job that a person would have done, people have not yet understood that most jobs have been reallocated and in some cases that automation will actually create jobs at locations where paid parking was not previously possible.
3. Delays with equipment malfunctions. Automated equipment will malfunction and as a result there will be delays – in the automated environment delays will

---

increase over the traditional environment due to the decreased labor on site. In a traditional setting the cashier would be at the booth to handle problems that arise, in a cashierless system customers would generally page someone to help with a problem. This paging takes time to react too especial when employees are in another part of the facility.

In previous recommendations that Standard Parking has made we have estimated that after restructuring labor at the location labor costs have a potential to be reduced by approximately 15%. After taking in to consideration the expense of the equipment and potential problems that could arise it would not seem prudent at this time to transition into an automated environment.

It should be noted that as a labor savings tool only Automation generally does not validate the expense and usually needs another substantial benefit to the location in order to justify making this transition.

Due to the nature of the services at the location which see very large fluctuations in volume seasonally and due the political volatility of the parking in South Lake Tahoe we do not recommend this investment at this time.

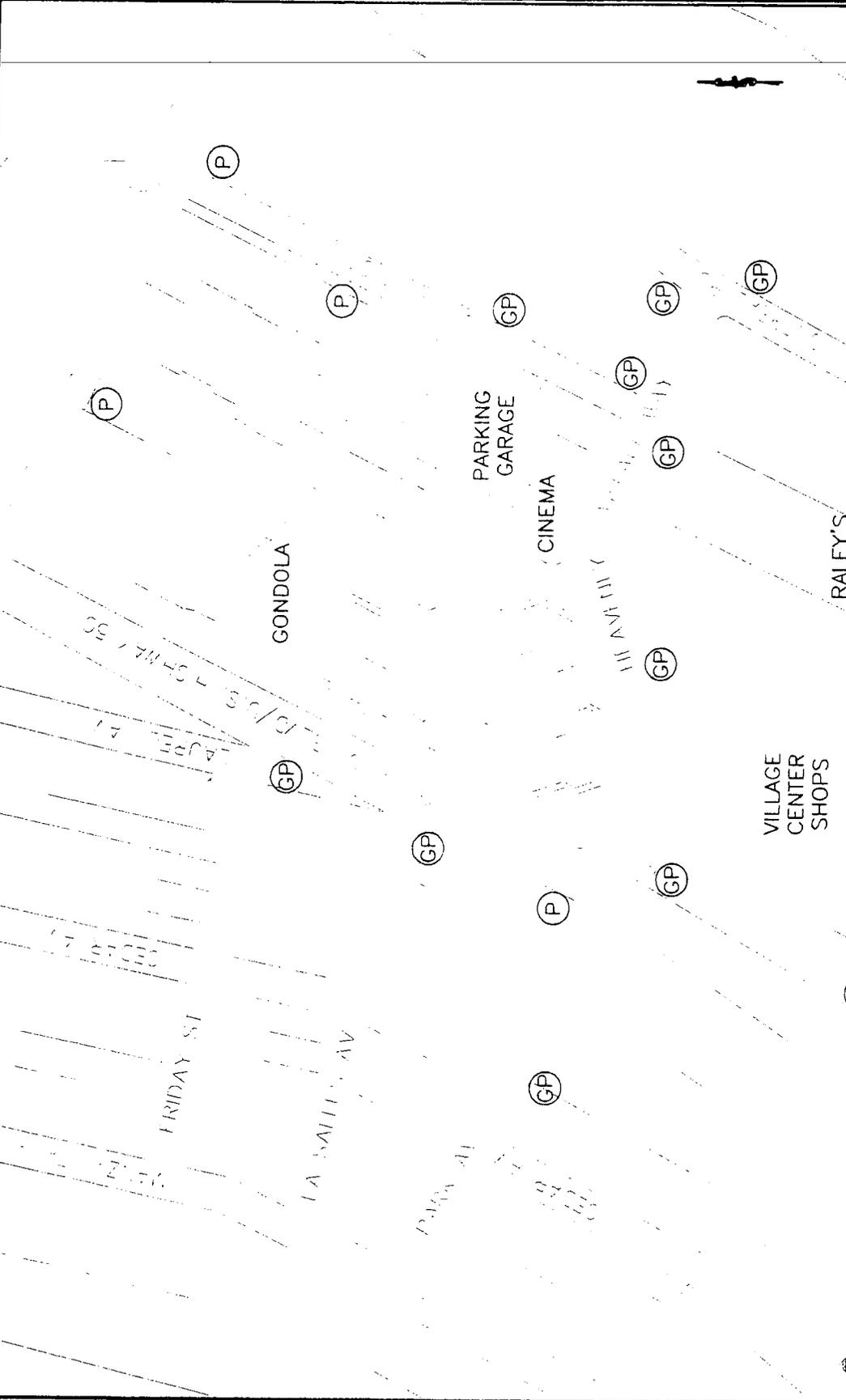
Please let me know if you would like to meet or call to review this information in more detail.

Sincerely,

David Venancio  
Senior Manager, Operations

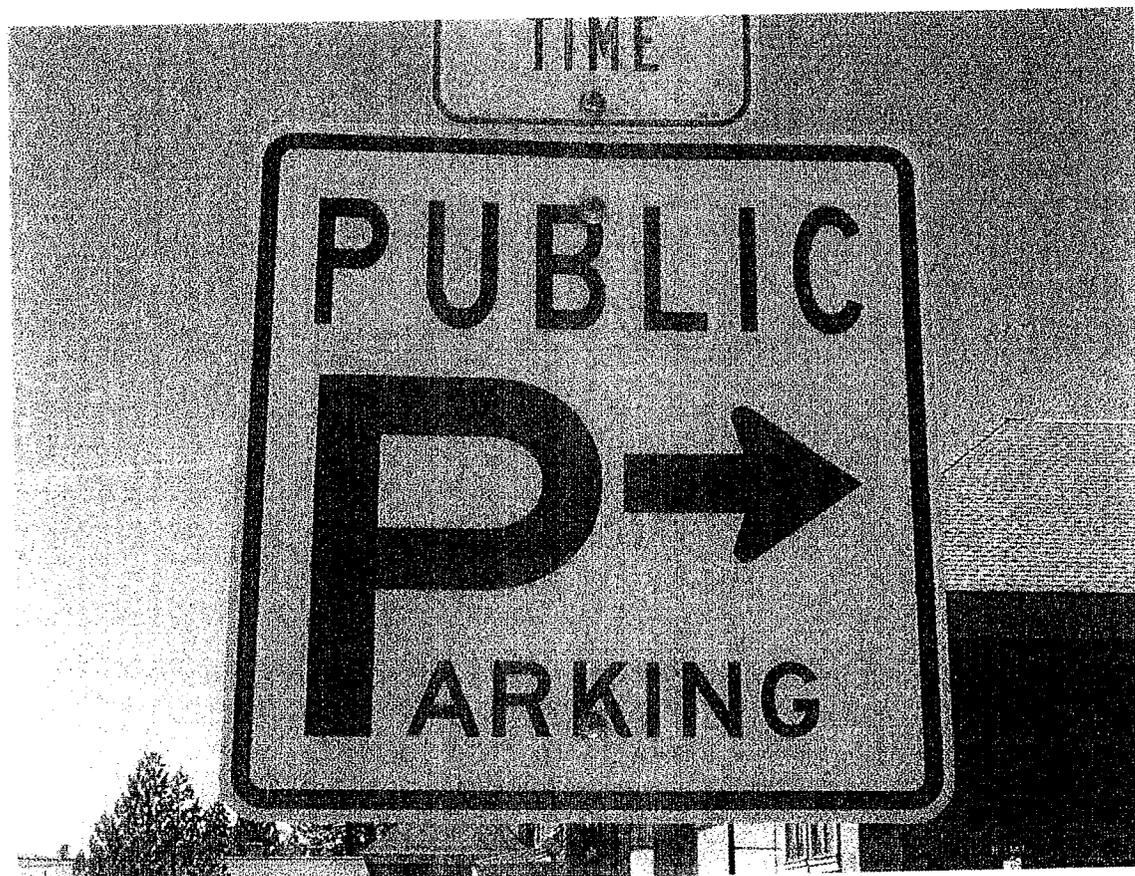
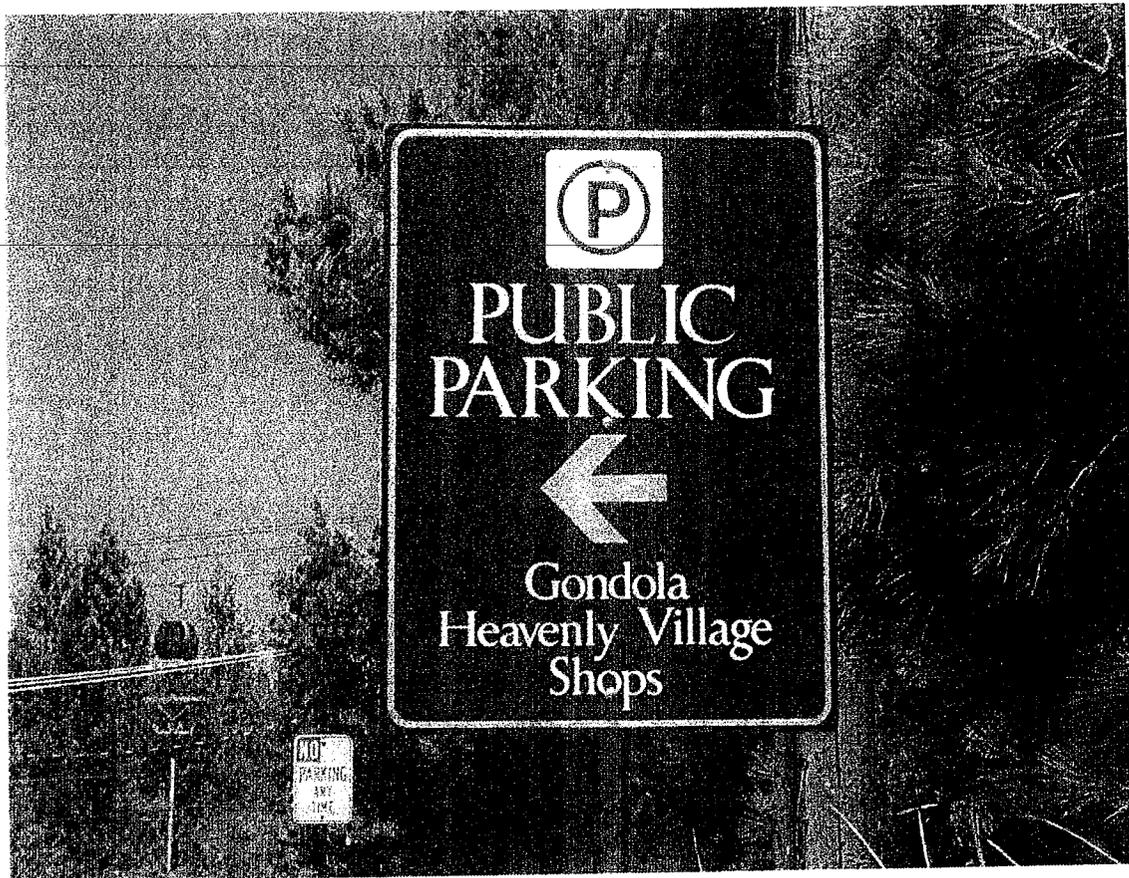
cc: Bill Kepp, Standard Parking  
Matthew Bryant, Standard Parking

PROJECT NO. 100-100000-0000 DATE: 10/15/2010 DRAWN BY: [Signature] CHECKED BY: [Signature]		TITLE: [Title] SCALE: [Scale]		SHEET NO. 1 TOTAL SHEETS: 1	
---	--	----------------------------------	--	--------------------------------	--



**LEGEND**

- (P) INTERNATIONAL PARKING SIGN
- (GP) GONDOLA PARKING SIGN



**REIMBURSEMENT AGREEMENT BETWEEN  
SOUTH TAHOE REDEVELOPMENT AGENCY AND  
SOUTH TAHOE JOINT POWERS PARKING AUTHORITY**

This Reimbursement Agreement is entered into this 9th day of December, 2003 by and between the South Tahoe Redevelopment Agency ("STRA") and South Tahoe Joint Powers Parking Authority ("STJPPA").

1. STRA and STJPPA hereby agree that it was in both parties' best interest to complete the parking structure located at One Bellamy Court for use by Heavenly Village patrons and to fund the snow melt system and initial costs for implementation of parking enforcement at the Village Center (formerly known as Crescent V Center).

2. STJPPA hereby acknowledges and agrees that to fund the completion of the parking structure for use by Heavenly Village patrons and to fund initial costs for implementation of parking enforcement at the Village Center, STRA loaned to STJPPA from STRA's 2003 Bond Issue Series A, the sum of Five Hundred Eighty-Five Thousand Dollars (\$585,000) (hereinafter "Bond Indebtedness") detailed as follows:

⇒ Parking Garage Snow Melt Equipment:	\$250,000
⇒ Parking Garage Signage:	\$ 10,000
⇒ Parking Garage Contingency:	\$300,000
⇒ Village Center Enforcement:	<u>\$ 25,000</u>
	\$585,000

3. STJPPA and STRA acknowledge and agree that the Bond Indebtedness of the STJPPA shall have priority over reimbursement of the funds. Based upon this acknowledgement and agreement, reimbursement in the amount of Five Hundred Eighty-Five Thousand Dollars (\$585,000) shall be made by STJPPA to STRA when the parking garage revenues exceed bond debt service obligations and operating expenses for the fiscal year and the parking garage has been operational for a minimum of two (2) full years from commencement of operations.

4. STUPPA and STRA acknowledge and agree that the commencement date of operations for the Parking Garage is June 30, 2003.

5. STUPPA agrees that interest shall be paid on the principal sum owed to STRA and shall be calculated annually based on simple interest of five percent (5%) per annum beginning October 1, 2003.

6. This Reimbursement Agreement shall continue in full force and effect until such time as reimbursement from STUPPA has been made in accordance with the terms herein.

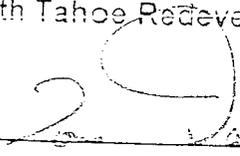
7. This Reimbursement Agreement may be modified with the consent of both parties in writing.

In consideration of the foregoing, it is understood and agreed between the parties that STUPPA shall reimburse STRA the principal sum of Five Hundred Eighty-Five Thousand Dollars (\$585,000) plus annual interest to be calculated as stated above.

Executed at the City of South Lake Tahoe, County of El Dorado, California.

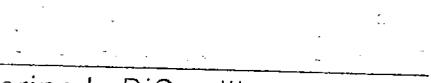
South Tahoe Redevelopment Agency

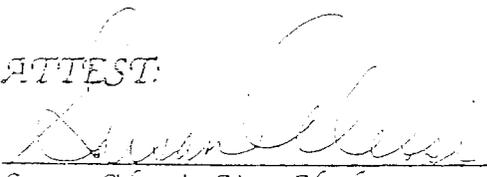
South Tahoe Joint Powers Parking Authority

By:   
Tom Davis, Agency Chair

By:   
Tom Davis, Chair

APPROVED AS TO FORM:

By:   
Catherine L. DiCamillo  
Attorney for South Tahoe Redevelopment Agency

ATTEST:  
  
Susan Alessi, City Clerk



# City of South Lake Tahoe

*"making a positive difference now"*

## STAFF REPORT FOR THE CITY COUNCIL MEETING ON NOVEMBER 6, 2007

TO: David Jinkens, City Manager  
FR: Nancy Dawson, Purchasing Manager  
DT: October 31, 2007

RE: South Tahoe Joint Powers Parking Authority Agreement for Parking Management and Enforcement Services in the Stateline Redevelopment Project Area

### RECOMMENDATIONS:

- 1) Proclaim High Sierra Patrol the Sole Local Parking Management and Enforcement Contractor in the South Lake Tahoe Area.
- 2) Award Three (3) Year Agreement, with Two (2), One (1) Year Renewal Options to High Sierra Patrol.
- 3) Authorize Mayor to execute contract documents upon approval of form by the City Attorney.

### ISSUE STATEMENT AND DISCUSSION:

The Redevelopment Agency entered into an Amended and Restated Parking Management Agreement on June 6, 2002 with High Sierra Patrol. The purpose of this Agreement was to provide for the management and operation of parking in and around the Stateline Redevelopment Project Area. On May 17, 2005, Council approved another two (2) year agreement with High Sierra Patrol that expanded the scope of services to enforce parking regulations within this area. This included traffic control functions as directed by the South Lake Tahoe Police Department.

An extension to this agreement was further approved by Council on June 5, 2007. This extension allowed High Sierra Patrol to continue providing Parking Management and Enforcement Services until September 30, 2007, at which time a Request for Proposal process would be undertaken to provide said service. During the past several months, staff has searched for other Parking Management and Enforcement contractors that could meet the stringent standards and licensing required of this type of operation. As an example, over the past several years Request for Proposals have been issued for Park Patrol Services which ultimately resulted in High Sierra Patrol being awarded and performing these duties.

In the summer of 2006, another contractor from the Stockton area bid, and was ultimately awarded, the Park Patrol Services agreement for a period of three (3) years. After only one summer season, the contract had to be terminated and the RFP process repeated due to poor performance on that Contractor's part. High Sierra Patrol was awarded the new agreement in an RFP process that came before Council in May 2007. One other proposal as received from a Reno contractor that was 20% higher than High Sierra Patrol. This Contractor also did not possess a California license to perform such duties. Although the Park Patrol Service operations are of a

different scope than the Parking Management and Enforcement Services, for comparison purposes, many of the principles, practices, licensing, and skill sets are the same.

The Parking Authority (High Sierra Patrol) shall provide the following functions:

- Provide one (1) Parking Enforcement Officer with clearly identifiable Parking Enforcement Vehicles, Two-way radios, clearly identifiable (Non-Military style) Parking Enforcement Uniforms, Liability insurance, etc. as required to provide enforcement of the South Lake Tahoe City Code parking regulations within the general geographic region of the Stateline Redevelopment Project Area. As a norm, this function will be provided ten (10) hours daily, variable between 8:00 a.m. and 6:00 p.m. All enforcement vehicles, uniforms, and equipment will be provided by and be the sole responsibility of the Parking Authority.
- Provide additional Parking Enforcement Officers as is required to achieve effective control during seasonal high impact periods and Holidays. Additional personnel may be funded independently of the City by private interests such as Hackett Management, with the knowledge and authorization of the City Manager.
- Maintain the current system of issuing parking permits for the Village Center and the Transit Center, and also regulate the design and issuance of any other off-street parking permit on private property subject to enforcement by the Parking Authority.
- Coordinate with designated representatives of the City to provide a Hotline that contains a recorded message for inquiries regarding parking citations and the appeal process, removing this time consuming process from the Police Department.
- Coordinate with designated representatives of the City to develop a dedicated City webpage to educate people in regard to parking restrictions, enforcement, permits, and the citation appeal process and to promote good will on the part of the City in regard to the parking management and enforcement process.
- Work with designated representatives of the City to develop contingency plans with pre-established “trigger points” to control parking and traffic flows during critical high impact events or periods. The City envisions this “team” to consist of a representative from the Police Department, Parking Garage, Redevelopment, and High Sierra Patrol to ensure that an effective communication and planning system is in place. Meetings will take place on at least a monthly basis to make sure the lines of communication are constantly open.

High Sierra Patrol has been tasked with the responsibility to change the perception of the parking enforcement profile. Much progress has been made in this area over the past several months. New equipment, new uniforms and strategies intended to educate and redirect motorists shall further this objective and shall be the number one priority. Parking Enforcement personnel shall be required to ensure an absolute professional encounter with each and every member of the community or tourist they interact with. Courteous and helpful interactions are a mandate. Citations for violations of the City Ordinance shall, as always, be issued when necessary to promote compliance with the objectives of the City, and then always in the “Spirit of the Law” and in the best interest of justice.

With the substantial capital outlay required by High Sierra Patrol for new parking enforcement vehicles, uniforms and equipment, and insurance and in consideration of the operational timelines and commitment required for such an operation, a three year agreement is optimal. Staff is therefore recommending that the City enter into a three (3) year agreement, with two (2) one year option renewals. As in all City Agreements, standard contract language allows termination of this agreement should this become a necessary mandate in the future.

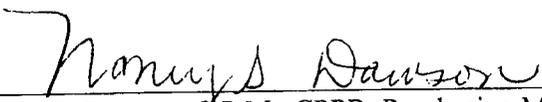
For the past four plus years, High Sierra Patrol has performed Parking Management and Enforcement Services seven (7) days a week, ten (10) to twelve (12) hours per day for the South Tahoe Joint Powers Parking Authority. In addition to enforcement services, High Sierra Patrol has worked with the owner of the Village Center to design, implement, and manage a long-term comprehensive Parking Permit system to include the Village Center. The permit system has assisted in the enforcement process and has made the operations more efficient. Entering into a new three (3) contract agreement with High Sierra Patrol will allow for the continued expansion of Parking Management and Enforcement Services around the Convention Center as this project comes to fruition.

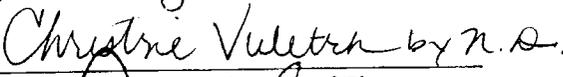
Having a company that the City has worked with for many years will have the additional benefit of consistency and experience that would not be found if the City had been able to find additional contractors that could bid this project. We will enjoy a seamless transition as learning curves are not a factor. High Sierra Patrol has demonstrated the level of experience and professional background the City requires in the execution of this type of contract agreement.

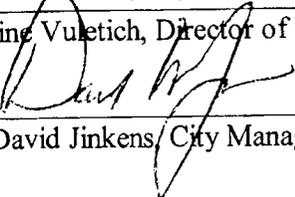
FINANCIAL and/or POLICY IMPLICATIONS:

The specifics of this agreement require High Sierra Patrol to provide one (1) uniformed Parking Enforcement Officer daily, for approximately ten (10) hours per day, seven (7) days per week, at a cost of twenty-three (\$23.00) per hour equating to \$ 6,996.00 per month for the first year of the agreement. In addition, there will be a \$ 1, 200.00 monthly management fee bringing the first year total to \$ 98,350.00. For each year thereafter, this agreement will include a three percent (3%) annual increase, which will result in an annual cost of \$ 101,302.56 for year two, and \$ 104,341.63 for year three. This pricing is based on High Sierra Patrol's government preferred rate afforded solely to the City of South Lake Tahoe.

Account number 520-05330-42020 includes funds in the amount of \$ 86,300.00 for this Parking Management and Enforcement Service. Parking operations fund balance is proposed to be used to fund the remaining \$ 12,050.00. Staff will closely monitor revenues from enforcement and will review the need to use fund balance at mid-year for the remaining \$12,050.00 that will be due in the 2007/2008 fiscal budget year.

  
\_\_\_\_\_  
Nancy S. Dawson, C.P.M., CPPB, Purchasing Manager

I concur with this report:   
\_\_\_\_\_  
Christine Vuletich, Director of Finance

Approved by:   
\_\_\_\_\_  
David Jinkens, City Manager

cc: Terry Daniels, Chief of Police  
Catherine DiCamillo, City Attorney  
Eugene Palazzo, Redevelopment Manager  
Debbie McIntyre, Accounting Manager

---

# CITY OF SOUTH LAKE TAHOE

---

## **SOUTH TAHOE JOINT POWERS PARKING AUTHORITY AGREEMENT FOR PARKING MANAGEMENT/ENFORCEMENT SERVICES**

---

This Agreement is made and entered into as of the 6<sup>th</sup> day of November, 2007, by and between the South Tahoe Joint Powers Parking Authority, a California Joint Powers Authority ("AUTHORITY") and HIGH SIERRA PATROL, a California Corporation ("CONTRACTOR").

### **RECITALS**

A. CONTRACTOR is specially trained, experienced and competent to perform the special services which will be required by this Agreement.

B. CONTRACTOR possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

C. CITY desires to retain CONTRACTOR to render professional services as set forth in this Agreement.

### **AGREEMENT**

1. Scope of Services. CONTRACTOR shall perform the services described in Exhibit "A", which is attached hereto and incorporated herein by reference. CONTRACTOR shall provide said services at the time, place, and in the manner specified in Exhibit 'A', subject to the direction of AUTHORITY through its staff that it may provide from time to time. CONTRACTOR shall have no power or authority by this Agreement to bind AUTHORITY in any respect.

2. Term /Time of Performance. The services by CONTRACTOR are to commence upon the execution of this Agreement and shall continue for a three (3) year term, with two (2), one (1) year options to renew at the discretion of the City and the Contractor. As the Attorney General's office has issued an opinion regarding parking enforcement of the California Vehicle Code provided by private contractors, this agreement will be terminated if the Attorney General Opinion is interpreted or expanded to apply to local parking laws.

3. Compensation. Contractor's compensation shall not exceed \$ 98,350.00 in year one, \$ 101,300.50 in year two, and \$ 104,339.52 in year three, without additional authorization from AUTHORITY. Payment by AUTHORITY under this Agreement shall not be deemed a waiver of defects, even if such defects were known to AUTHORITY at the time of payment. If the two (2), one (1) year options are exercised after the initial three (3) year agreement is completed, each of these years shall increase by an amount not to exceed three percent (3%) per year.

4. Method of Payment. CONTRACTOR shall submit monthly billings to AUTHORITY describing the work performed during the preceding month. Contractor's bills shall include a brief description of the services performed, the date the services were performed, and the number of hours spent performing Parking Enforcement and Management duties. AUTHORITY shall pay CONTRACTOR no later than 30 days after approval of the monthly invoice by AUTHORITY staff. The awarded contractor has authority, as needed, to adjust staffing during heavy traffic periods, such as weekends and holidays, and will coordinate these adjustments with the Chief of Police or his/her designee.

5. Extra Work. At any time during the term of this Agreement, AUTHORITY may request that CONTRACTOR perform Extra Work. As used herein, "Extra Work" means any work which is determined by AUTHORITY to be necessary for the proper operation of this service, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. CONTRACTOR shall not perform, nor be compensated for, Extra Work without written authorization from AUTHORITY.

6. Termination. This Agreement may be terminated by AUTHORITY immediately for cause or without cause upon fifteen days' written notice of termination. Upon termination, CONTRACTOR shall be entitled to compensation for services performed up to the effective date of termination, and AUTHORITY shall be entitled to all work performed to that date.

7. Ownership of Documents. All plans, policies, procedures, studies, documents and other writings, including working notes, accident reports, incident reports and internal documents, prepared by and for CONTRACTOR, its officers, employees and agents and subcontractors in the course of implementing this Agreement, shall become the property of AUTHORITY upon payment to CONTRACTOR for such work, and AUTHORITY shall have the sole right to use such materials in its discretion without further compensation to CONTRACTOR or to any other party. CONTRACTOR shall, at CONTRACTOR'S expense, provide such reports, plans, policies, procedures, studies, documents and other writings to AUTHORITY upon written request. All documents prepared by CONTRACTOR are confidential and shall be maintained to preserve their confidential nature.

Release of any such documents to third parties shall only be made upon written consent of AUTHORITY.

---

8. CONTRACTOR'S Books and Records.

a. CONTRACTOR shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to AUTHORITY for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to CONTRACTOR for services provided pursuant to this Agreement.

b. CONTRACTOR shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Agreement.

c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the CITY Manager, CITY Attorney, CITY Auditor or a designated representative of these officers. Copies of such documents shall be provided to AUTHORITY for inspection at CITY offices when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at CONTRACTOR'S address indicated for receipt of notices in this Agreement.

d. Where AUTHORITY has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of CONTRACTOR'S business, AUTHORITY may, by written request by any of the above-named officers, require that custody of the records be given to CITY and that the records and documents be maintained at AUTHORITY offices. Access to such records and documents shall be granted to any party authorized by CONTRACTOR, CONTRACTOR'S representatives, or CONTRACTOR'S successor-in-interest.

9. Independent Contractor. It is understood that CONTRACTOR, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of AUTHORITY. All duly authorized Parking Enforcement staff of CONTRACTOR shall serve as agents for the exclusive purpose of enforcing policies of the City and local ordinances. CONTRACTOR shall obtain no rights to retirement benefits or other benefits which accrue to AUTHORITY'S employees, and CONTRACTOR hereby

expressly waives any claim it may have to any such rights. All employees, agents, contractors or subcontractors hired or retained by CONTRACTOR are employees, agents, contractors or subcontractors of CONTRACTOR and not the AUTHORITY.

10. Professional Ability of Contractor. AUTHORITY has relied upon the professional training and ability of CONTRACTOR to perform the services hereunder as a material inducement to enter into this Agreement. CONTRACTOR shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by CONTRACTOR under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in CONTRACTOR'S field of expertise. The primary provider of the services called for by this Agreement shall be CONTRACTOR, who shall not be replaced without the written consent of AUTHORITY.

11. Compliance with Laws. CONTRACTOR shall use the standard of care in its profession to comply with all applicable federal, state, regional and local laws, codes, ordinances and regulations.

12. Licenses. CONTRACTOR represents and warrants to AUTHORITY that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of CONTRACTOR to practice its profession. CONTRACTOR represents and warrants to AUTHORITY that CONTRACTOR shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of CONTRACTOR to practice its profession. CONTRACTOR shall maintain a City of South Lake Tahoe business license at all times services are performed under this Agreement. CONTRACTOR acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

LD  
L

13. Indemnity. CONTRACTOR hereby agrees to and shall defend, indemnify and hold harmless <sup>AUTHORITY and</sup> CITY, and their elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of the performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement, except for any such claims arising out of the sole negligence or willful misconduct of the AUTHORITY, its boards, officers, agents, employees or volunteers. AUTHORITY does not, and shall not, waive any rights against CONTRACTOR which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by AUTHORITY, or the deposit with

AUTHORITY by CONTRACTOR, of any of the insurance policies hereinafter set forth. This hold harmless agreement by CONTRACTOR shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any of the aforesaid operation of CONTRACTOR or any subcontractor, regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

14. Insurance Requirements.

a. CONTRACTOR, at CONTRACTOR'S own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

- i. Workers' Compensation Coverage. CONTRACTOR shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, CONTRACTOR shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all of the subcontractor's employees. Any notice of cancellation or non-renewal of all Workers' Compensation policies must be received by AUTHORITY at least thirty (30) days prior to such change. The insurer shall agree to waive all rights of subrogation against AUTHORITY, its officers, agents, employees and volunteers for losses arising from work performed by CONTRACTOR for AUTHORITY.

*{This provision shall not apply if CONTRACTOR has no employees performing work under this Agreement. If CONTRACTOR has no employees for the purposes of this Agreement, CONTRACTOR shall sign the "Certificate of Exemption from Workers' Compensation Insurance" which is attached hereto as Exhibit C.}*

- ii. General Liability Coverage. CONTRACTOR shall maintain commercial general liability insurance in an amount not less than one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and/or property damages. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work or services to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. CONTRACTOR shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the CONTRACTOR arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars (\$1,000,000) combined single limit for each occurrence.

b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing a Best's rating of no less than A: VII and shall be endorsed with the following specific language:

i. AUTHORITY, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insured with respect to liability arising out of work performed by or on behalf of the CONTRACTOR, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance with respect to the AUTHORITY, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by AUTHORITY, including any self-insured retention AUTHORITY may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.

iv. The insurer waives all rights of subrogation against AUTHORITY, its elected or appointed officers, officials, employees or agents.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to AUTHORITY, its elected or appointed officers, officials, employees, agents or volunteers.

vi. No policies of insurance carried by CONTRACTOR shall be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days written notice to the CITY Attorney by Certified Mail.

c. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by AUTHORITY. At AUTHORITY'S option, CONTRACTOR shall demonstrate financial capability for payment of such deductibles or self-insured retentions.

d. Certificates of Insurance. CONTRACTOR shall provide certificates of insurance with original endorsements to AUTHORITY and CITY as evidence of the insurance coverage required herein. CONTRACTOR shall not commence work under this contract until all insurance required under this section has been approved by AUTHORITY and CITY as to form, amount and carrier, nor shall CONTRACTOR allow any subcontractor to commence work on any subcontract until all similar insurance required of the subcontractor has been so obtained and approved.

15. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

AUTHORITY:                      City Manager  
    City of South Lake Tahoe  
    Lake Tahoe Airport  
    1901 Airport Road, Suite 203  
    South Lake Tahoe, CA 96150

CONTRACTOR:                      Contractor  
    High Sierra Patrol  
    359 Fairview Drive  
    Carson City, NV 89701

16. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between AUTHORITY and CONTRACTOR. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

17. Amendments. This Agreement may be modified or amended only by a written document executed by both CONTRACTOR and AUTHORITY and approved as to form by the City Attorney.

18. Assignment and Subcontracting. The parties recognize that a substantial inducement to CITY for entering into this Agreement is the professional reputation, experience and competence of CONTRACTOR. Assignments of any or all rights, duties or obligations of the CONTRACTOR under this Agreement will be permitted only with the prior express consent of AUTHORITY. CONTRACTOR shall not subcontract any portion of the work to be performed under this Agreement without the prior written authorization of AUTHORITY. If AUTHORITY consents to such subcontract, CONTRACTOR shall be fully responsible to AUTHORITY for all acts or omissions of the subcontractor. Nothing in the Agreement shall create any contractual relationship between AUTHORITY and subcontractor nor shall it create any obligation on the part of AUTHORITY to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

19. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

20. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

21. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the CITY Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the CITY Council which decision shall be final and binding.

22. Arbitration. Judicial review, where available, shall be resolved by binding arbitration under the Judicial Arbitration Rules set forth in the California Code of Civil Procedures §1280 et seq. Unless otherwise agreed, Arbitration will take place in El Dorado County, California.

23. Attorneys Fees. In the event of any dispute, claim or litigation based upon or relating to the breach, default or enforcement of any of the provisions of this Agreement, the prevailing party in such dispute, claim or litigation shall be entitled to recover its reasonable attorney's fees, court costs, and expenses from the non-prevailing party.

24. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Unified Courts in the County of El Dorado, South Lake Tahoe Division.

25. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

26. Authority to Enter Agreement. CONTRACTOR has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

27. Prohibited Interests. CONTRACTOR maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for CONTRACTOR, to solicit or secure this Agreement. Further, CONTRACTOR warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for CONTRACTOR, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, AUTHORITY shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of AUTHORITY, during the term of his or her service with AUTHORITY, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising there from.

28. Equal Opportunity Employment. CONTRACTOR represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. CONTRACTOR shall also comply with all relevant provisions of AUTHORITY'S Minority Business Enterprise program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

SOUTH TAHOE JOINT POWERS  
PARKING AUTHORITY

CONTRACTOR

By *Kathay Lovell*  
Kathay Lovell  
Mayor

By *[Signature]*  
PATRICK M. BRENNAN  
PRES./CEO HIGH SIERRA PATROL INC.

Business License # 306602

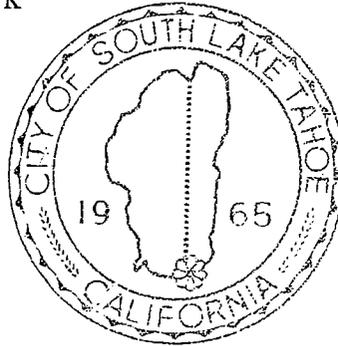
APPROVED AS TO FORM:

*Catherine L. DiCamillo*  
Catherine L. DiCamillo  
City Attorney

ATTEST:  
*Susan Alessi*  
Susan Alessi  
City Clerk

Attachments:

Exhibit A – Scope of Service



## EXHIBIT "A"

### SCOPE OF SERVICES AND COMPENSATION SCHEDULE

The Parking Authority (High Sierra Patrol) shall provide the following functions:

- Provide one (1) Parking Enforcement Officer with clearly identifiable Parking Enforcement Vehicles, Two-way radios, clearly identifiable (Non-Military style) Parking Enforcement Uniforms, Liability insurance, etc. as required to provide enforcement of the South Lake Tahoe City Code parking regulations within the general geographic region of the Stateline Redevelopment Project Area. As a norm, this function will be provided ten (10) hours daily, variable between 8:00 a.m. and 6:00 p.m. All enforcement vehicles, uniforms, and equipment will be provided by and be the sole responsibility of the Parking Authority.
- Provide additional Parking Enforcement Officers as is required to achieve effective control during seasonal high impact periods and Holidays. Additional personnel may be funded independently of the City by private interests such as Hackett Management, with the knowledge and authorization of the City Manager.
- Maintain the current system of issuing parking permits for the Village Center and the Transit Center, and also regulate the design and issuance of any other off-street parking permit on private property subject to enforcement by the Parking Authority.
- Coordinate with designated representatives of the City to provide a Hotline that contains a recorded message for inquiries regarding parking citations and the appeal process, removing this time consuming process from the Police Department.
- Coordinate with designated representatives of the City to develop a dedicated City webpage to educate people in regard to parking restrictions, enforcement, permits, and the citation appeal process and to promote good will on the part of the City in regard to the parking management and enforcement process.
- Work with designated representatives of the City to develop contingency plans with pre-established "trigger points" to control parking and traffic flows during critical high impact events or periods. The City envisions this "team" to consist of a representative from the Police Department, Parking Garage, Redevelopment, and High Sierra Patrol to ensure that an effective communication and planning system is in place. Meetings will take place on at least a monthly basis to make sure the lines of communication are constantly open.

The specifics of this agreement require High Sierra Patrol to provide one (1) uniformed Parking Enforcement Officer daily, for approximately ten (10) hours per day, seven (7) days per week, at a cost of twenty-three (\$23.00) per hour equating to \$ 6,996.00 per month for the first year of the agreement. In addition, there will be a \$ 1, 200.00 monthly management fee bringing the first year total to \$ 98,350.00. For each year thereafter, this agreement will include a three percent (3%) annual increase, which will result in an annual cost of \$ 101,302.56 for year two, and \$ 104,341.63 for year three. If the two (2), one (1) year options are exercised after the initial three (3) year agreement is completed, each of these years shall increase by an amount not to exceed three percent (3%) per year. This pricing is based on High Sierra Patrol's government preferred rate afforded solely to the City of South Lake Tahoe.