

## Conceptual Memorandum of Understanding

### Bayfront Parking

City of Hercules (City) and Hercules Development Partners LP (Developer)

Over the past six months City staff and Developer have met regularly to address requirements in the Waterfront District Master Plan and under the Implementing Development Agreement regarding Bayfront parking and the anticipated Bayfront parking district.

The meetings have been collaborative and productive and are moving towards the development of a mutually agreeable implementation agreement regarding Bayfront parking. This Conceptual Memorandum of Understanding represents the framework which the negotiating principals agree shall form the basis for the development of an implementation agreement ("Implementation Agreement").

The City's parking consultant, CDM Smith, prepared a parking Demand Analysis dated February 26, 2019 that predicted a parking shortfall of approximately 140 spaces for a limited peak demand period at final build-out under the premise that the City builds a one level subterranean parking garage on Block I (93 spaces), that rail and ferry service are fully operational at the Intermodal Transit Center, and that 95,000 square feet of retail and all residential development (1526 units) had been completed and occupied per the Hercules Bayfront Master Plan.

The Demand Analysis also incorporated the Developer's proposal to share 10% of its private residential parking, for an additional 176 spaces. The Demand Analysis further identifies that if the Developer agrees to allow street parking on the loop road around block K (providing approximately 100 on-street parking spaces) that the 140-space peak supply gap would be reduced to only 40 spaces.

The Demand Analysis did not consider certain factors that would reduce parking demand like ride sharing services such as Uber and Lyft when accounting for visits to the Bayfront. It also did not consider pedestrian visits from the surrounding neighborhoods and area office workers, or other trends which will impact parking demand, such as autonomous vehicles. It also assumed that 40% of the retail space that is built by the Developer is occupied by sit-down restaurants, which increase the length of time retail visitors occupy available parking.

City staff and Developer tentatively agree on the following provisions for implementing the Bayfront Parking District:


- A supervisory board comprised of Developer and public appointees would establish and enforce the rules and manage the operations of the parking district.
- The board would establish rules and set rates for on-street public parking, off-street public parking, and shared private parking to be further defined in the Implementation Agreement
- The City will enforce public on-street and public off-street parking and the Developer/Owner will enforce shared private parking.
- Parking policies may include:
  - Demand based pricing ("performance-based parking management").

- Time limits
- Residential permits
- The board will adopt a budget for administration/operation of the parking district on an annual basis and a year-end reconciliation of actual revenues and expenses will be performed. Developer and City agree that each party shall pay for its proportionate share of the administrative/operational expenses of the District. The Developer's non-shared private parking would bear some portion of the parking districts expenses to the extent those spaces benefit from parking district programs such as a common validation system.
- Generally, revenues from private parking would be retained by the Developer and revenues from the public parking would be retained by the District. Revenues collected from shared private parking spaces could be collected by the District depending upon operational considerations including customer convenience.
- Developer agrees to share 10% of its private parking (excluding blocks ABC&D) for public use, subject to time, other operational considerations and the trigger for the commencement, all to be further defined by the Implementation Agreement.
- If actual district demand is different than projected, shared private parking supply could flex higher or lower, subject to a cap and a floor.
- Developer agrees to on-street parking around block K and will not exercise its right to purchase the land under the former second crossing of Refugio Creek, provided such wrap around street may also be utilized for EVA purposes.
- The ability of users to determine the location of available district parking will be greatly simplified by use of common software and smartphone apps that map available parking supply by location and allow/promote daily parking reservations.
- Parking wayfinding and directional signage will be consistent throughout the district clearly signaling the location and entrances of publicly available off-street parking locations.
- City staff and Developer will explore options for connecting the below grade garages on the Developer owned Block G and the City owned block I, where the ITC will be built, which create efficiency by the possible elimination of ramping the garage under the ITC.
- Other City options to accommodate parking demand at even higher levels than projected by the Demand Analysis include shuttling from the Hercules Transit Center, and/or building a second level of parking below the ITC for a total of 158 spaces.

Both parties agree that many details still need to be worked out, and that not all elements needed to be incorporated into an Implementation Agreement have been addressed or resolved, but both sides agree that the Bayfront Parking District will be implemented consistent with Waterfront District Master Plan and per the requirements of the Implementing Development Agreement as refined by the conditions of approval for each project phase. The terms of this Memorandum of Understanding are not binding upon the parties until they are incorporated into an executed Implementation Agreement.

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David Biggs  
City




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Hercules Development Partners LP