

Parking Garage Purchase

November 5, 2019



Parking Structure Lease

- On April 4, 2017, the City Council approved a resolution authorizing the City Manager to execute a lease agreement with the property owner.
- The existing lease agreement proposes an initial payment of \$3.0 million, with the remaining cost being paid over 60 monthly payments.
- Monthly payments are \$86,405.84 plus the city is responsible for taxes, utilities, insurance and maintenance.
- The City will take ownership of the parking structure upon completion of the 60 monthly payments.
- The City has an early option to purchase.

Early Purchase

- If the city exercised its right to purchase the garage before the completion of the 5-year term, the purchase price would be equal to the remaining loan balance.

Lease Month	Payment	Interest	Principal	Loan Balance	Interest Savings if Purchased by EOM	Approx. Insurance Savings	Total Savings	Closing Date
Nov-19	86,405.84	16,274.03	70,131.81	3,908,579.16	411,712.82	123,100.00	534,812.82	11/30/2019



SP2 Virginia Parking Garage Lease - Exhibit E (adjusted for Amendment #1 revised commencement date)

Payment Number	Lease Month	Payment	Interest	Principal	Loan Balance		Interest Savings if Purchased by EOM	Approx. Insurance Savings	Total Savings	Closing Date	
0	Jan-19	0	0	0	4,600,000.00						
1	Feb-19	86,405.84	18,208.33	68,197.51	4,531,802.49	PAID					
2	Mar-19	86,405.84	17,938.38	68,467.46	4,463,335.03	PAID					
3	Apr-19	86,405.84	18,256.28	68,149.56	4,395,185.47	PAID					
4	May-19	86,405.84	17,397.61	69,008.23	4,326,177.24	PAID					
5	Jun-19	86,405.84	17,695.27	68,710.57	4,257,466.67	PAID					
6	Jul-19	86,405.84	17,414.22	68,991.62	4,188,475.05	PAID					
7	Aug-19	86,405.84	16,579.38	69,826.46	4,118,648.59	PAID					
8	Sep-19	86,405.84	16,846.42	69,559.42	4,049,089.17	PAID					
9	Oct-19	86,405.84	16,027.64	70,378.20	3,978,710.97						
10	Nov-19	86,405.84	16,274.03	70,131.81	3,908,579.16		411,712.82	123,100.00	534,812.82	11/30/2019	
11	Dec-19	86,405.84	15,987.17	70,418.67	3,838,160.49		395,725.65	120,638.00	516,363.65	12/31/2019	
12	Jan-20	86,405.84	14,179.87	72,225.97	3,765,934.52		381,545.78	118,176.00	499,721.78	1/31/2020	1 year mark
13	Feb-20	86,405.84	14,906.82	71,499.02	3,694,435.50		366,638.96	115,714.00	482,352.96	2/29/2020	
14	Mar-20	86,405.84	14,623.81	71,782.03	3,622,653.47		352,015.15	113,252.00	465,267.15	3/31/2020	
15	Apr-20	86,405.84	14,817.66	71,588.18	3,551,065.29		337,197.49	110,790.00	447,987.49	4/30/2020	
16	May-20	86,405.84	14,056.30	72,349.54	3,478,715.75		323,141.19	108,328.00	431,469.19	5/31/2020	
17	Jun-20	86,405.84	14,228.91	72,176.93	3,406,538.82		308,912.28	105,866.00	414,778.28	6/30/2020	



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- Staff would recommend an early purchase using funds from TIRZ 1 fund balance.
- The recently adopted budget includes a \$1.1 million transfer to the general fund to cover the FY19-20 lease payments.
- Purchasing the garage on December 1st would require an additional transfer of \$2,981,391 from TIRZ 1.
- TIRZ 1 is estimated to have over \$3.5 million in revenue this year.