



CITY OF McKINNEY, TEXAS

Legislation Text

File #: 17-273, **Version:** 1

Consider/Discuss/Act on the Schematic Design for a Public Parking Garage Generally Located on the Northeast Corner of Chestnut Street and Virginia Street

COUNCIL GOALS: Direction for Strategic and Economic Growth
Enhance the Quality of Life in McKinney

MEETING DATE: March 7, 2017

DEPARTMENT: City Manager's Office

CONTACT: Barry Shelton, Assistant City Manager

RECOMMENDED CITY COUNCIL ACTION:

- Staff asks that the City Council provide direction on the following:
 - Does the City Council want to proceed with a parking structure at this location?
 - If so, what option does the Council want to build?

ITEM SUMMARY:

- On November 15, 2016 the City Council approved a development agreement with the owners of the property on the northeast corner of Chestnut Street and Virginia Street for the design, construction and lease of a parking garage.
- The first phase of the development agreement was for schematic design services for the purpose of obtaining preliminary cost estimates.
- Four options have been prepared, with estimated construction costs, for the City Council's review.
- One of the four options would require closure of Herndon Street, on the north side of the subject property. The abandoned right-of-way would be incorporated into the subject property to allow for a more efficient parking structure layout.
- The other three options keep Herndon Street open and only utilize the subject property for the parking structure.
- Details of each option, including number of spaces, structure height and estimated costs are provided in the attached presentation.

BACKGROUND INFORMATION:

- Staff negotiated a development agreement between the City of McKinney, Virginia@5, LLC and SP2 301 E Virginia, LLC for the construction of a parking garage providing approximately 300 parking spaces on the property located on the northeast corner of Virginia Street and Chestnut Street.
- The agreement provides for the design, construction and lease of the parking garage. The

City would lease the privately constructed garage from the property owner with an option to purchase.

- The property owner hired Wade Construction Group to develop the schematic designs and cost estimates for the parking structure.
- Should the Council choose to proceed with any of the four options, staff will finalize the lease documents for Council consideration at an upcoming City Council regular meeting. The draft lease agreement is attached to this agenda item for Council review, but is subject to change prior to being presented to the Council for approval.

FINANCIAL SUMMARY:

- If the City decides to discontinue the design and construction process, the costs incurred to date would be split evenly by the two parties. The City Council placed a \$75,000 cap on schematic design services, with the City being responsible for half of that cost.
- The table below summarizes the estimated costs of the four parking garage options:

	Option A	Option B	Option C	Option D
Number of Spaces	340	250	310	295
Construction Cost	\$6,897,855	\$6,501,886	\$7,543,250	\$8,458,250
Construction Cost per Space	\$20,288	\$26,008	\$24,333	\$28,672
Total Cost	\$7,829,065	\$7,379,641	\$8,561,589	\$9,600,114
Total Cost per Space	\$23,027	\$29,519	\$27,618	\$32,543