

existing for further discussion.

- The proposed site plan, building elevations and amending plat for the parking garage are currently in development review. The site plan and building elevations have been attached for discussion purposes, but are still pending revisions based on staff review.

BACKGROUND INFORMATION:

- 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.
- On March 7, 2017, four preliminary options were presented, with estimated construction costs, for the City Council's review.
- The City Council selected option "C" as the preferred option and directed staff to move forward with the development of the lease agreement. Option "C" is for a five story parking structure that would leave Herndon Street open and only utilize the subject property for the construction of the garage.
- On April 4, 2017, the City Council approved a Resolution authorizing the City Manager to execute a lease agreement with the property owners, Virginia@5, LLC and SP2 301 E Virginia, LLC. Per the existing development agreement, the lease agreement will be executed upon the award of a construction contract for the structure.
- Downtown public parking has been a topic of conversation for many years. These discussions have intensified recently with the introduction of structured parking garage concepts and the ground breaking of Davis at the Square, the mixed-use development on the "9-Acre site" located on the southeast corner of Davis St. and Tennessee St.
- The City Council formed a downtown parking committee to investigate options for improving downtown parking. On June 6, 2016, the committee presented long term recommendations, which were accepted by the City Council.
- The committee made the following recommendations related to a downtown parking structure:
 - The Northeast and Southeast sectors of downtown should be considered for future structured parking.
 - Areas west of Kentucky Street should not be considered at this time for parking structures.

FINANCIAL SUMMARY:

- The lease agreement proposes an initial payment of \$3,000,000 upon completion of construction, with the remaining cost being paid over 60 monthly payments.
- The City will take ownership of the parking structure upon completion of the 60 monthly payments. At that time, the City will have made all base rent payments required by the lease.
- The City will have an early option to purchase. Such early purchase will be in the amount of the remaining loan balance at the time of purchase.