



Department Source: Public Works

To: City Council

From: City Manager & Staff

Council Meeting Date: July 6, 2021

Re: Cherry Street Hotel Parking Agreement

Executive Summary

Approval of this request would authorize the City Manager to execute an Agreement of Lease and Parking Rights (i.e. a parking agreement) with Cherry Street Hotel, LLC (lease) that establishes terms and conditions associated with the provision of 99 parking spaces within the Hitt Street Parking Garage to support anticipated off-street parking demands generated the construction of a new hotel at the northwest corner of Cherry and Hitt Streets on property addressed as 1005 Cherry Street. Three companion pieces of legislation are also associated with this request which will be introduced on the Council's July 6 agenda. The associated legislation includes a request for approval of a final plat, a design adjustment, and a development agreement.

Discussion

Cherry Street Hotel, LLC (leasee) is seeking approval of a parking agreement that will establish terms and conditions for the provision of 99 parking spaces within the Hitt Street Parking Garage to support anticipated off-street parking demands generated by the construction of a new 140 guest room hotel on the property at the northwest corner of Cherry and Hitt Streets. Concurrent with this request are proposals to approve a final plat, a design adjustment, and a development agreement to support the future construction.

The parking agreement specifies that the City will provide, and the leasee will lease, a total of 99 parking spaces (hereafter referred to as "Project Spaces") within the garage. Thirty-one of the project spaces will be located on Level C of the parking garage and marked "Hotel Only Spaces" with the remaining 68 project spaces being unreserved, "non-designated" spaces within the garage. The agreement contains terms as it relates to the availability of the spaces to the leasee and establishes a process by which available spaces up to the opening date of the hotel may be leased given that the parking garage is at full capacity at this time.

The agreement further states that the leasee shall have first priority to vacant spaces within the garage and shall be obligated to pay for up to 68 non-designated spaces as they become available at the current monthly rate for a non-designated parking space (\$80 as of the date of this report). Should the leasee not acquire all 68 non-designated spaces by the opening date of the hotel, the City shall take such action as necessary to provide the leasee with access to 68 non-designated spaces. The 31 "Hotel Only Spaces" shall be made available on the open date of the hotel.

The agreement contains terms as to the cost of the spaces to be made available to the leasee. As noted above, costs for spaces shall be based upon the currently monthly rate for a parking permit. As of this report and preparation of the parking agreement, the monthly cost of a Reserved Space was \$120 and a Non-reserved space was \$80. The agreement further stipulates that the leasee would not be charged a rate greater than the average



City of Columbia

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monthly rate of the then currently charged rates for corresponding parking spaces in other parking garages owned by the City, and that leasee is eligible to avail themselves of annual and quarterly payment discounts as the City offers from time to time subject to certain conditions. Payment for the Project Spaces is required regardless if the construction of the hotel is complete or whether or not patrons of the hotel use the Project Spaces.

The agreement provides additional terms relating to security, compliance with City regulations relating to use of garage structures, temporary closure of the garage for maintenance or reconstruction, and default in adhering to the terms of the agreement. The agreement proposes a term of lease to the leasee of the Project Spaces for a period of 20 years with options for early termination or extension.

The agreement has been reviewed by internal staff and the leasee. It is supported by the leasee as a means of establishing a procedure by which to obtain off-street parking spaces anticipated necessary to address parking demands created by the construction of the new 140 guest room hotel at 1005 Cherry Street. It should be noted that parking is not a requirement for this and most uses within the M-DT district given the intentional desire to have the M-DT district a walkable environment. Approval of this agreement provides an opportunity to centralize parking within a walkable distance of the proposed hotel.

A copy of the proposed parking agreement is attached for review.

Fiscal Impact

Short-Term Impact: Generally limited. Leasee would be required to pay of available parking spaces within the Hitt Street Garage up to a maximum of 68 non-designated spaces at the then current monthly rate.

Long-Term Impact: Agreement provides for cost recovery for parking space on a monthly basis with differential for reserved and non-reserved spaces. Re-allocation of parking spaces to specified a use versus general public may create a future parking space shortage potentially trigger a need for additional parking structure construction.

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Economy, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:

Primary Impact: Land Use & Growth Management, Secondary Impact: Mobility, Connectivity, and Accessibility, Tertiary Impact: Not Applicable

Legislative History

Date	Action
N/A	N/A

Suggested Council Action

Approve the requested parking agreement and authorize its execution by the City Manager.