



Department Source: Public Works

To: City Council

From: City Manager & Staff

Council Meeting Date: August 16, 2021

Re: Supplemental Information for B209-21; Cherry Street Hotel Parking Agreement

## Executive Summary

At the July 19, 2021 Council meeting, a proposed parking agreement with the Cherry Street Hotel LLC was discussed for establishing terms and conditions for the provision of 99 parking spaces within the 10<sup>th</sup> and Cherry Street parking garage. At the conclusion of the discussion, there was a motion made by Council to table the action, and staff was directed to provide more data and provide an opportunity for more discussion between City staff and the developer.

## Discussion

This memo is to provide City Council with more data regarding the 10<sup>th</sup> and Cherry Street parking garage and summarize discussion between staff and the developer as it relates to the proposed agreement with Cherry Street Hotel LLC and their request for 99 parking spaces:

The 10<sup>th</sup> and Cherry Street parking garage has 276 parking spaces, of them there are 164 permit spaces, 104 hourly spaces and 8 disabled spaces.

The garage has an oversell of approximately 25% of permit spaces bringing the total permits issued to 209. The oversell rate was set years ago prior to the gate arm installation and was set primarily on historical observations and operational experience. To date, there does not appear to be any issues with this oversell rate.

The garage is free to all users between the hours of 6:00 pm to 8:00 am Monday through Friday and free on the weekends.

The monthly rate for permit spaces is \$80/month; a reserved rate is \$120/month. We no longer offer new reserved spaces in any garage, and there are currently no reserved spaces in 10<sup>th</sup> and Cherry Street garage.

Past manual counts estimated the utilization of all spaces (permits and hourly) in the garage at approximately 70-80% in the middle of the day and approximately 90-95% is utilized in the evening hours.

Staff began tracking gate arm data in late summer on 2020 and due to COVID; we have been unable to get "real" usage of the garages and therefore real data until recently. At this time, we do not feel there has been enough time with the gate arms to get a recent utilization rate.



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There is currently 91 requests on the waiting list. The parking utility staff are responsible for issuing permits and indicate that approximately one permit per month is turned back in to be sold to the next in line at the top of the list.

Council expressed fairness concerns with the proposed agreement for putting the Cherry Street Hotel, LLC in the front of the waiting list, displacing existing permit holders, and reducing hourly spaces in trying to achieve the 99 requested parking spaces. At the current turn-in rate, it will take several years for the hotel to acquire 99 spaces in the garage.

Staff has reached out to the Cherry Street Hotel LLC representative to discuss the proposed agreement. According to their representative, the developer feels they have been working with the City for almost three years on this project. At the August 16, 2021 meeting, they would like Council to make final yes or no decision on the proposed parking agreement presented at the July 19, 2021 Council meeting.

## Fiscal Impact

Short-Term Impact: If Council approves the agreement, Cherry Street Hotel LLC will pay the parking utility \$219,840 for two years of permits.

Long-Term Impact: Impact will be the same as short term until the parking utility raises the permit fees.

## Strategic & Comprehensive Plan Impact

### Strategic Plan Impacts:

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

### Comprehensive Plan Impacts:

Primary Impact: Economic Development, Secondary Impact: Secondary, Tertiary Impact: Tertiary

## Legislative History

Date	Action
07/19/2021	B205-21 Granting a design adjustment relating to the proposed Final Plat of Cherry Street Hotel located on the northwest corner of the intersection of Cherry Street and Hitt Street (1005 Cherry Street) to allow reduced utility easement dedications (Case No. 157-2021).
07/19/2021	B207-21 Approving the Final Plat of "Cherry Street Hotel" located on the northwest corner of the intersection of Cherry Street and Hitt Street (1005 Cherry Street); authorizing a performance contract (Case No. 157-2021).



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07/19/2021	B208-21 Authorizing a development agreement with Cherry Street Hotel, LLC to establish public infrastructure obligations associated with construction of a new hotel on property located on the northwest corner of the intersection of Cherry Street and Hitt Street (1005 Cherry Street).
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## Suggested Council Action

After discussion, council can either approve the agreement as proposed or reject the agreement.