



Legislation Text

File #: 17-300, **Version:** 1

TITLE:

Consider Option to Lease Parking at 300 East Main Street Parking Deck

PURPOSE: The purpose of this agenda item is for the Board of Aldermen to consider entering into a lease option with Main Street Partners to lease parking in the parking deck at 300 East Main

DEPARTMENT: Economic and Community Development

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INFORMATION: The Town of Carrboro originally entered into a lease agreement for parking with 300 East Main as an economic development opportunity to expedite construction of the new Hampton Inn and Suites. Attached are the minutes from the March 15, 2011 Board of Aldermen meeting (Attachment 1) where the Board discussed the benefits of moving construction of the hotel forward. According the attached minutes Mayor Chilton stated “it is critical to understand that this project simply cannot happen without the parking deck being built and the Town’s participation. This project will not place a heavy burden on municipal resources but will be a huge net benefit to the Town both in the short and long term. It will increase the walkability and bikability of the downtown area. He stated that the investment will also create new jobs for Carrboro. The parking deck will also increase the availability of downtown parking during the short-term.” The resolution to authorize the manager to execute a parking lease agreement passed unanimously among Board members present.

The Board at their March 8, 2016 meeting discussed the desire to consider an option to extend the lease agreement as a portion of the discussion relating to the construction of a second hotel, Hilton Garden Inn, and a modification to 300 East Main CUP. The Board made the following motion; Motion was made by Aldermen Johnson, seconded by Alderman Haven O’Donnell to allow staff to proceed with efforts to amend the current lease to add an option that will allow the Town, at the Town’s sole discretion, to extend the lease of the parking deck at 300 East Main for a period of three years. This may also be included in a condition in the conditional use permit at 107 Padgett Lane, if the modification is approved. The motion passed unanimously.

Subsequently at the March 8, 2016 meeting, following the public hearing on the modification of 300 East Main conditional use permit the following conditions were included as part of the approval;

1) The developer proposes to use the existing parking garage at 300 East Main Street (the “Property”) to accommodate some of the parking requirements related to the construction of a 5- story Hilton Hotel at 107 Padgett Lane. As a condition of approval of the modified Conditional Use Permit for 107 Padgett Lane for the construction of a 5-story Hilton Hotel, the developer Town of Carrboro Page 11 March 8, 2016 shall, within ninety (90) days of approval of the modified conditional use permit, cause a study to be conducted by a qualified professional of the actual usage of parking at the existing 300 East Main Street parking garage and at

the existing surface parking (together referred to as the “Onsite Parking”) at the Property. A report of the parking study shall be delivered to the Town within 150 days of approval of a modified Conditional Use Permit for 107 Padgette Lane. If the results of such study show that the existing parking capacity of the On-site Parking is insufficient to meet the peak demand for parking generated by the existing uses at the Property, then the developer shall be required to present to the Town a plan demonstrating how the developer will provide additional parking or take other steps to meet the demand for parking generated by the existing uses at the Property and the hotel prior to the issuance of a building permit for the hotel; and

2) The developer shall execute an option agreement to extend the existing parking lease and agreement with the Town in accordance with the Board of Alderman’s resolution of March 8th, 2016 that authorizes this option agreement.

MSP delivered the results of the required study of parking deck in November 2016 (Attachment 2). The results indicated that 88% of the usage of the parking deck was by 300 East Main customers. Staff reported the results to the Board of Aldermen and recommended that the terms of the option be renegotiated to not increase the annual lease rate from \$90,000 to the previously recommended \$120,000 since the majority of the users of the deck were already 300 East Main customers. In addition, staff was directed to negotiate terms that allowed for no time-limited public parking during certain days for Town sponsored events.

Staff and the Town Attorney have been working with 300 East Main and negotiated the following terms. The option is for the Town to extend a lease agreement with Main Street Partners for a 3 year period on or before February 19, 2018 prior to August 2018, which is when the current lease agreement expires. The agreement has the town leasing the same number of spaces currently leased with the same payment of \$90,000 annually, until the issuance of the CO for the second hotel at which time the annual payment goes up to \$120,000.00. In addition, the town has the option to exercise up to eight (8) calendar days a year that the deck can be used during Town events without time constraints on the spaces (Attachment 3).

In addition, the Town has undertaken a parking study and adopted a parking plan which can be found at the following link (<http://www.townofcarrboro.org/DocumentCenter/View/4877>). As detailed in the plan the public sector only represents 16 percent of the total public parking supply, leased and owned by the town.

In 2015 as the Parking Plan effort was getting underway, a student intern assisted staff with data compilation regarding satellite parking agreements in the downtown. Planning staff have not had an opportunity to fully evaluate the work completed since then. At the time, as reported to the Transportation Advisory Board, the most up to date files for businesses were reviewed for information on parking agreements. In most cases, these agreements are voluntarily obtained by businesses in locations exempt from meeting the presumptive parking requirements of the Land Use Ordinance. Files for 76 businesses were reviewed, 49 of which were no longer operating, leaving twenty-seven businesses active at the time. The TAB minutes from April 16, 2015 recorded that nine of the businesses had sufficient parking and 18 did not. Twelve had signed agreements (official) and six others had something “unofficial.” Further work on this, including mapping the locations where the agreements have been in place, will be incorporated in the Parking Plan implementation.

FISCAL & STAFF IMPACT: Currently the lease payment is split with the Tourism Development Authority at \$45,000 each. Based on what is allowed by General Statutes, at the time that the lease increases to the \$120,000, the TDA would be able to pay an estimated \$100,000 of the lease.

RECOMMENDATION: Staff recommends the Board of Aldermen consider authorizing the Town Manager to execute the lease option with Main Street Partners.