



Legislation Details (With Text)

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Title: Resolution to Enter into a Downtown Development Agreement with Elm Street Hotel LLC to Design and Build a Public Parking Deck

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|-----------|------|--------------|--------|--------|
| 4/18/2017 | 1 | City Council | adopt | Pass |

Resolution to Enter into a Downtown Development Agreement with Elm Street Hotel LLC to Design and Build a Public Parking Deck

Department: Transportation
Council District: Citywide

Public Hearing: N/A
Advertising Date/By: N/A

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PURPOSE:

Enter into a MOU with Elm Street Hotel LLC (Developer) to design and construct a six (6) story public parking structure with approximately 850 parking spaces and ground level mixed use space for the City of Greensboro. The Developer plans to build an eleven (11) story, 180 room hotel on top of the public parking structure. In order to take advantage of economies of scale and to avoid duplication of effort and expenses, the Developer will be responsible for design and construction of the public parking structure and ground level mixed use space. Upon completion of the project, the City of Greensboro will own and operate the public parking structure.

BACKGROUND:

Currently the City's four (4) parking structures are at or near capacity with monthly and transient parkers. Over the past twelve months the City of Greensboro has experienced a significant growth in parking demand due to new and anticipated development in downtown Greensboro. Within the downtown core, the City is projecting a deficit within the next two years due to new residential, office, commercial, and hotel developments.

Over the past two (2) years the City has been in discussion with the Developer about the redevelopment of the

Elm Street Center and a new parking structure that would serve the new Hotel and Event Center along with other growing downtown public parking demands. The City is under contract to purchase .88 acres of land in the 100 block of South Davie Street where the proposed six (6) story public parking structure will be constructed. A portion of the six (6) story parking structure will extend south, spanning across February One Place, onto the Developers property where the eleven (11) story hotel will be built on top of the parking structure. The City will enter into an agreement with the developer to design and build the parking deck for approximately \$26.6 Million. Upon completion of the project, the City will own, operate and maintain the entire parking structure with the Developer agreeing to lease up to 180 parking spaces at market rate. As part of the agreement, the Developer will return the \$1,975,000 grant that City Council approved on February 4, 2014.

BUDGET IMPACT:

The estimated cost to design and construct the parking deck is \$26,599,950. Annual operating expenses and debt service costs are estimated to be approximately \$2,285,000. These expenses will be funded from revenues associated with the new deck, existing parking fund revenues, and general fund revenues.

RECOMMENDATION / ACTION REQUESTED:

City Staff recommends and requests City Council pass a resolution authorizing the City Manager to enter into a Downtown Development Agreement not to exceed \$2 million between the City of Greensboro and Elm Street Hotel LLC to design a public parking structure, “February 1 Deck”, in conjunction with the hotel project. A construction management agreement and an operation and easement agreement will be brought to Council at the conclusion of the design phase.