



## Legislation Text

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**File #:** 19-243, **Version:** 1

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*Report Prepared by: Frank Quintero, Director of Economic Development*

**SUBJECT:** Approval of Proposed Facility Use Agreement (Parking Agreement) Between the El Capitan Hotel Merced, LLC, and the City of Merced to Lease 60 Parking Spaces in the Ralph Shannon Arcade

### REPORT IN BRIEF

Proposed Agreement to lease 60 parking space in the Ralph Shannon Arcade to the El Capitan Hotel Merced, LLC, at \$50 for each covered parking space and \$35 for each non-covered parking space.

### RECOMMENDATION

**City Council** - Adopt a motion approving the Facility Use Agreement (Parking Agreement) with the El Capitan Hotel Merced, LLC and authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

### ALTERNATIVES

1. Approve as recommended by staff; or,
2. Approve, subject to modification (identify specific amendments in the motion); or,
3. Deny; or,
4. Refer to staff for reconsideration of specific items (specific items to be addressed in the motion; or,
5. Continue to a future meeting (date and time to be specified in the motion.)

### AUTHORITY

City of Merced Charter, Section 200

### CITY COUNCIL PRIORITIES

As provided for in the 2018-19 Adopted Budget, Economic Development, Objective 3) "Coordinate with High Speed Rail, ACE Train, and other projects that may serve as economic engines in downtown."

### DISCUSSION

Representatives from the El Capitan Hotel project are requesting to lease 60 parking spaces from the City of Merced in the Ralph Shannon Arcade. The spaces would be used for valet and self-parking for guests enjoying the forthcoming hotel, retail, and restaurant uses at the El Capitan Hotel. The El Capitan Hotel team and City of Merced staff have negotiated a lease, and both parties are in agreement with the proposed terms.

The ±69,316 square-foot project includes 114 hotel rooms, restaurant, meeting rooms, and retail

space. The hotel project is under construction with completion time anticipated in Winter 2019. Upon securing approval from the Planning Commission, project representatives discussed with City staff a request to lease parking spaces in the Ralph Shannon Arcade. Staff anticipates 32 non-covered parking spaces on the 3<sup>rd</sup> Level and 28 covered-spaces on the 2<sup>nd</sup> Level of the Arcade are needed to accommodate the leased parking request. The proposed Facility Use Agreement (Parking Agreement) contains the terms to lease parking from the City of Merced - Parking Authority (Attachment 2.)

## **Key Terms**

Number of parking spaces:	60 spaces (28 covered, 32 non-covered)  (Covered parking, 2 <sup>nd</sup> Level - Exhibit B) (Uncovered parking, 3 <sup>rd</sup> Level - Exhibit C)
Consideration:	\$50 per month for each covered parking space \$35 per month for each non-covered parking space (Similar to the rate paid by UC Merced)
Payment:	By the first day of each quarter (January, April, July, and October)
Term:	5-year term, starting at issuance of Certificate of Occupancy with three, 5-year term options
Time of use:	24-hours per day/7-days a week/365-days per year
Identification:	El Capitan Hotel Merced, LLC, shall provide signage for leased parking spaces

## **Ralph Shannon Arcade**

The Ralph Shannon Arcade was constructed in 1995 at the corner of 18th and M Streets in downtown Merced which included approximately 9,450 square-feet of ground floor office space. The Arcade provides public parking to support other downtown businesses and uses. The 3-story parking facility has 177 total parking spaces. Tenants in the Arcade include UC Merced's Venture Lab and the City of Merced Parks and Recreation Department.

Of the 177 parking spaces, 63 spaces are designated for special uses including 40 spaces used for City fleet parking, 4 spaces leased to City employees (available to the public in the evening and weekends), 13 designated for City reserved parking (available to public in the evening and weekends), 3 reserved for Association of Realtors and 3 reserved for the business at 647 W. Main Street. During the Arts Alley construction project (the alley way between M St & N St/W. Main St & W. 18<sup>th</sup> St) the two businesses agreed to swap their on-site parking spaces, for spaces in the Arcade.

Should Council approve the Facility Agreement with El Capitan Merced Hotel LLC, 123 (63 for

designated use and 60 for the El Capitan Hotel project) of the 177 parking spaces in the Parade would be committed leaving 54 spaces available to the public.

To make sure the remaining 54 parking spaces are available for visitors, general City employee parking would be relocated back to Parking Lot #15 which was originally constructed for City employee use only.

### Adjacent Parking Lots

The City of Merced owns four parking facilities within one-block of the Ralph Shannon Parade (See Figure 1, ATTACHMENT1). Three of the four parking lots are available to the public. Parking Lot #15 is dedicated to City of Merced employee parking. The following public parking lots are available to serve businesses and organizations located in the same vicinity as the Ralph Shannon Parade:

Parking Lot #3	57 spaces	Time restricted
Parking Lot #4	46 spaces	Time restricted
Parking Lot #15	41 spaces	City employee use
Merced Center	188 spaces	Open to the public

The key mission of the Downtown Parking Plan is to provide plentiful parking to downtown customers and visitors. Staff will continue monitoring parking patterns in the adjacent lots and recommend changes as necessary.

### Forthcoming Downtown Development

Other downtown projects in close proximity to the Ralph Shannon Parade and Merced Center Garage are the Hotel Tioga and Mainzer Theatre renovations. With these projects in mind and other anticipated Downtown Merced projects, there will be greater pressure on nearby parking resources. Staff is evaluating the results from a parking garage feasibility study prepared by a consulting team. The study evaluated expanding parking supply in Downtown Merced at various locations. The Council Downtown Sub-Committee also suggested staff consider transitioning strategic locations in Downtown from parallel parking to diagonal parking to increase parking supply.

### Subsequent Actions

Staff will return to Council with changes to the Merced Municipal Code for parking enforcement related to the changes in parking in the Parade.

### IMPACT ON CITY RESOURCES

No impact on the General Fund. The Parking Authority Fund is responsible for maintaining the condition of the parking garage, gates, elevators and lighting in the Parade. The Parking Authority Fund may realize \$30,240 annually should the Council approve the Agreement with the El Capitan Hotel Merced, LLC.

### ATTACHMENTS

1. Figure 1 Parking Lots Map

## 2. Facility Use Agreement