



Legislation Text

File #: 20-010, **Version:** 1

Report Prepared by: Frank Quintero, Director of Economic Development

SUBJECT: Approval of a Parking Lease Agreement Between the Tioga Investors, LLC, and the City of Merced to Lease Up to 70 Parking Spaces in Parking Lot #4 and Parking Lot #5 for a Charge of \$35.00 Per Parking Space with an Initial Term of Five (5) Years with Three (3) - Five (5) Year Options to Extend

REPORT IN BRIEF

Considers a lease agreement for up to 70 parking spaces in parking lot #4 and parking lot #5, for The Tioga apartment tenants at \$35 for each parking space per month.

RECOMMENDATION:

City Council - Adopt a motion approving the parking lease agreement with the Tioga Investors, 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 2019-20 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 Tioga project are requesting to lease up to 70 parking spaces from the City of Merced in Parking Lots #4 and #5 (see Exhibits A-1 and A-2 in Attachment 1). The spaces will be used for apartment resident parking at the renovated The Tioga. The Tioga Investors team and City of Merced staff have negotiated a lease, and both parties are in agreement with the proposed terms (Attachment 1).

The Tioga renovation project includes the transition of the former 100-room hotel to a 70-unit, market

rate apartment complex consisting of studio, one-bedroom, and two-bedroom units. The Tioga project is undergoing construction, and completion is anticipated by Spring 2020.

The proposed Parking Lease Agreement contains the terms to lease parking from the City of Merced - Parking Authority (Attachment 1.)

Key Terms

Number of parking spaces:	Up to 70 spaces (up to 24 parking spaces from Parking Lot #4) (up to 46 parking spaces from Parking Lot #5)
Consideration:	\$35 per month for each 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:	Tioga Investors LLC, shall provide signage for leased parking spaces

Downtown Merced in Transition

Downtown is experiencing a renaissance. Throughout the early years of Merced's history, Downtown was the center of community life. This began to change during the 1960's and 1970's when Downtown lost its dominance with the development of north Merced. Throughout the 1980's and 1990's efforts towards rebuilding Downtown were focused on creating a niche for Downtown within the community.

Downtown Merced is the center for the entertainment, arts, and government. Now, Downtown Merced is experiencing an expansion of hospitality businesses. For the first time in decades, private investment, spurred by past governmental investment and planning, returned to Downtown. Project such as the Merced Theatre restoration, UC Merced Downtown Campus Center, the newly located Cardenas Market, and family friendly venues such as Rockin' Jump Trampoline Park are examples of Downtown Merced's growing resurgence.

The 2007 Downtown Merced Strategy encourages the City to focus on the creation of new residential and mixed-use projects to help solidify the Downtown Core. The Tioga apartment project is largest multi-family facility in the Downtown Core, and is a blended-use project with hospitality and retail opportunities on the first and mezzanine floors. Other residential projects include the Merced Lofts and Merced Theatre Apartments. For the Merced Lofts project, tenant parking was incorporated into the expansion of Parking Lot 1 generally located off W. 18th Street between M Street and Canal Street. Dedicated parking spaces behind the Merced Theatre near W. 18th Street and Martin Luther

King Jr Way are marked for Merced Theatre Apartment tenants.

Parking Supply and Forthcoming Downtown Development

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. For a map of all City-owned parking lots in Downtown Merced, see Attachment 2.

Parking Lot #4 has 46 parking spaces, and supported by Parking Lot #3 at the corner of N Street and W. 16th Street. Parking Lot #5 contains 90 parking spaces, with two larger City owned parking lots located on W. 16th Street.

With the completion of other downtown projects such as the Mainzer Theatre, 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. The Downtown Parking Plan recommends studying the use of one-way streets and diagonal parking to increase the supply of parking in Downtown Merced.

Subsequent Actions

Staff will return to Council with changes to the Merced Municipal Code for parking enforcement related to the changes in parking in City-owned parking lots and on-street parking.

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 Arcade. The Parking Authority Fund may realize \$29,400 annually should the Council approve the Agreement with the Tioga Investors LLC.

ATTACHMENTS

1. Facility Use Agreement
2. City-Owned Parking Lots