

 <h1 style="text-align: center;">Council Communication</h1> <p style="text-align: center;">Office of the City Manager</p>	Date	September 28, 2009
	Agenda Item No. 39 Roll Call No. <u>09-</u> Communication No. <u>09-686</u> Submitted by: Jeb E. Brewer, P.E. City Engineer	

AGENDA HEADING:

Approval of First Amendment to Parking License Agreement with Wellmark, Inc., David N. Southwell, Vice President.

SYNOPSIS:

Recommend approval of the First Amendment to Parking License Agreement with Wellmark, Inc. to provide an earlier termination date. Under the amended terms, Wellmark will continue to license the full number of 1,000 spaces until March 31, 2011, and has the option to request an extension for all or a portion of the spaces on a month-to-month basis, subject to availability of the parking spaces and the City’s written approval. All other terms and conditions of the original license agreement will remain in effect.

FISCAL IMPACT:

Presently, the City receives the following revenue under this license.

Amount: \$693,990 annual reduction in Parking System revenue and \$214,560 annual reduction in Park and Ride revenue from the current license. Efforts will be made to attract replacement parkers.

Funding Source: Parking System - 2009-2010 Operating Budget, Engineering Department Traffic & Transportation – Parking Administration, EN051, ENG100701, Page 86
Park and Ride - 2009-2010 Operating Budget, Engineering Department Traffic & Transportation – Park and Ride Operations, EN078, ENG100707, Page 90.

ADDITIONAL INFORMATION:

The City and Wellmark entered into a License Agreement dated January 23, 2006 to license the use of a total of 1,000 parking spaces by Wellmark in the Fourth and Grand Garage, the Fifth and Walnut Garage and the Park & Ride Garage. The original license agreement was for a 10-year period from November 1, 2004 to October 31, 2014.

Since the signing of this agreement, Wellmark has developed and is constructing a new consolidated office building and parking garage along Grand Avenue, and will not need the use of these parking spaces after they move into their new facilities. Wellmark has requested an earlier termination date, and has negotiated amended terms for this license agreement with the City. The original license agreement included a provision that either party could terminate the license agreement at the end of year seven if they could show a quantifiable and substantial business reason to exercise this option. Under the

amended terms, Wellmark will continue to license the full number of spaces until March 31, 2011, and has the option to request an extension for all or a portion of the spaces on a month-to-month basis, subject to availability of the parking spaces and the City's written approval. All other terms and conditions of the original license agreement will remain in effect.

Under the license agreement, Wellmark has 350 spaces at the 4th & Grand Garage and 250 at the 5th & Walnut Garage, which are in the Municipal Parking System, and an additional 400 spaces at the 7th & Center Garage, which is in the Park & Ride System. The earlier termination date will reduce the monthly revenues by \$57,832.50 per month for the Parking System and \$17,880.00 per month for the Park & Ride System. However, the City will work aggressively to find replacement parkers for some or all of those spaces.

While the earlier termination date will reduce the total revenue paid under the original agreement, the new termination date will provide the full amount of revenues through March of 2011, and the fixed date will help the City's efforts to find replacement parkers. In particular, these parking spaces would be well suited to provide parking for new tenants that may take the office space that will be vacated by Wellmark when they move to their new facilities.

PREVIOUS COUNCIL ACTION(S):

Date: January 23, 2006

Roll Call Number: 06-177

Action: Parking License Agreement with Wellmark, Inc. for the use of parking spaces within Fourth and Grand, Fifth and Walnut, and Park & Ride Garages. (Council Communication No. 06-043)
) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Second and third readings of Ordinance.

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