

 <p style="text-align: center;"><b>Council</b> <b>Communication</b> Office of the City Manager</p>	<b>Date:</b>	February 5, 2018
	<b>Agenda Item No.</b>	<b>42</b>
	<b>Roll Call No.</b>	<b><u>18-0222</u></b>
	<b>Communication No.</b>	<b><u>18-068</u></b>
	<b>Submitted by:</b>	<b>Erin Olson-Douglas, Economic Development Director</b>

**AGENDA HEADING:**

Approving Amendment to the Commencement Date Agreement, a part of the Lease Purchase Agreement (LPA) with 101 East Grand Parking, LLC and West Bank finalizing the actions related to the construction of a 535-space public parking garage at East 2nd Street between East Grand Avenue and East Locust Street.

**SYNOPSIS:**

Recommend approval of the Commencement Date Agreement, Exhibit C to the LPA, which was the financing mechanism used for construction of the East 2nd parking garage, to reflect the final costs of the garage at \$24,804,372.75 inclusive of land value. The final project cost is 22,534,980.75 and has been financed pursuant to the LPA. Project cost and financing amounts have been finalized and reflect a savings to the budget, as indicated in the updated Exhibit D. The garage is complete to allow parking, with the exception of minor work that is weather dependent; a small retainer will be withheld until items can be completed in the spring. Amendment of the Commencement Date Agreement also amends Exhibit B, which is the repayment schedule, to the LPA based on the finalized costs.

**FISCAL IMPACT:**

Amount: No additional costs relate to this action. The full cost of construction finance by the Lease Purchase Agreement is \$22,534,981.29 plus interest expense of \$15,298,900.

Funding Source: Parking System Revenues, Tax Increment Financing (TIF), General Fund Subsidy

**ADDITIONAL INFORMATION:**

- A LPA was the financing mechanism used to finance the construction of a public parking garage at the corner of East 2nd and Grand Avenue. The LPA requires completion and execution of Exhibit C, the Commencement Date Agreement, which includes a statement of final project costs at \$24,804,372.75. Final costs are \$106,981.29 more than the projected amount provided in October 2017. Final costs are \$5,792.71 less than approved in the LPA executed prior to construction in April 2016.
- The interest rate and repayment terms were set when the City took possession of the parking garage on October 10, 2017; the interest rate is for the first five (5) year period is 4.1%. Payments began on December 1, 2017 and are semiannual for 20 years.

- The City took possession of the parking garage on October 10, 2017. Public parking began on September 27, 2017. Gates and revenue equipment were completed and fully operational on October 23, 2017.
- This garage has continued to increase in total revenues to over \$35,000 for December 2017. The number of monthly parkers continues to increase as new residents move into the 219 East Grand building and we receive daily calls for monthly parking as people move to the East Village area and need residential parking. We expect to see our next jump in usage as the City moves back into City Hall. Transient parking revenues are strong. This is largely due to traffic from neighboring hotels. Staff has worked diligently to promote this location for both overnight guest parking and special events.
- Consistent with the Urban Renewal Development Agreement for the site, 101 East Grand, LLC is proposing to begin construction on a 4-story building with upper floor offices and ground floor retail and restaurant space in mid-2018, with a projected demand for approximately 150 parking spaces.

**PREVIOUS COUNCIL ACTION(S):**

Date: October 9, 2017

Roll Call Number: [17-1774](#)

Action: (B) [Execution](#) of the Commencement Date Agreement for Lease of City Parking Garage located at E. 2<sup>nd</sup> Street in accordance with the Lease Purchase Agreement with 101 East Grand Parking, LLC and West Bank. ([Council Communication No. 17-728](#)) Moved by Gatto to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE****ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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