



City of San Antonio

Agenda Memorandum

File Number: 18-1970

Agenda Item Number: 10.

Agenda Date: 4/19/2018

In Control: City Council A Session

DEPARTMENT: Center City Development and Operations

DEPARTMENT HEAD: John Jacks (CCDO)

COUNCIL DISTRICTS IMPACTED: Council District 1

SUBJECT:

Renewal of Parking Agreement with Nix Hospitals System LLC

SUMMARY:

An ordinance authorizing the fourth renewal with Nix Hospitals System LLC for a period of five years for the continued use of 400 parking spaces located in the Houston Street Parking Garage. The fourth renewal period will be from May 1, 2018 through April 30, 2023. For the first year monthly payments will be \$48,775.00, resulting in total annual revenue of \$585,298.00.

BACKGROUND INFORMATION:

The Nix Hospital has leased 400 parking spaces in the Houston Street Parking Garage since 1998 when a five year agreement with three renewal periods of five years each was awarded. The agreement was amended to add two additional five year renewal periods, per Ordinance 2011-12-15-1058. The first, second and third renewals were authorized by Ordinance 98803, Ordinance 2008-05-01-0346 and Ordinance 2013-05-30-0362, respectively, and the agreement is valid through April 30, 2018. The proposed fourth renewal will be for the period May 1, 2018 through April 30, 2023.

The 400 parking spaces consist of 362 above-ground level spaces and 38 basement level spaces. The Nix is paying \$117.92 for each space above-ground level and \$133.72 for each basement level space per month. Under the terms of the agreement, the Nix will begin paying \$120.00 and \$140.39, respectively, per space per month for the first year of the renewal period, beginning May 1, 2018.

ISSUE:

Approval of the renewal of this license agreement will enable ongoing use of 400 parking spaces within the Houston Street Parking Garage and facilitate the Nix Hospital's continued success in downtown San Antonio. This agreement is consistent with the City's policy of utilizing its parking facilities to provide direct support to downtown commercial activity.

ALTERNATIVES:

City Council has the option not to approve the proposed parking agreement renewal; however, disapproval would result in the City not collecting this revenue, the Nix would need to seek alternate providers of monthly parking in the downtown area to support their activity.

FISCAL IMPACT:

Under the terms of the renewal agreement, the revenue to the City from the first year beginning May 1, 2018 and ending April 30, 2019 will be \$585,298.00, to be deposited in the Parking Fund.

For each subsequent year of the five year renewal period, the per space rate will be the lesser of either 5% over the previous year's rate or the current parking rate, as approved by City Council as part of the annual budget. The table below displays anticipated yearly (May through April) revenue based on a 5% increase over the previous year's rate. For the five months between May 1, 2018 and September 30, 2018 (the remainder of FY 2018), anticipated revenue is \$250,788.30 (not shown below).

Year 1	\$585,298.00
Year 2	\$588,499.00
Year 3	\$617,924.00
Year 4	\$647,517.00
Year 5	\$681,630.00

RECOMMENDATION:

Staff recommends approval of this renewal.