



City of San Antonio

Agenda Memorandum

File Number: 14-3173

Agenda Item Number: 38B.

Agenda Date: 12/11/2014

In Control: City Council A Session

DEPARTMENT: Center City Development Office

DEPARTMENT HEAD: Lori Houston

COUNCIL DISTRICTS IMPACTED: Council District 1

SUBJECT:

Parking Agreements at One Alamo Center

SUMMARY:

This ordinance allows City staff to negotiate the usage of 100 parking spaces in an effort to facilitate the redevelopment of East Commerce Corridor and the downtown core at One Alamo Center which was obtained through an economic development agreement with Klabzuba Realty.

BACKGROUND INFORMATION:

On April 17, 2014, City Council approved an economic development agreement with the Klabzuba Realty, LLC and a related forgivable loan and parking license agreement in order to support up to 50 jobs downtown and support the redevelopment of the Commerce Street corridor. In exchange, the City obtained 100 parking spaces which could be utilized to further facilitate the redevelopment of East Commerce Corridor and the downtown core.

The parking license provides the City access to 100 parking spaces for a period of 10 years, with 10 spaces available seven days a week at all times and the remaining 90 spaces available in the evenings Monday through Friday and all day on Saturday and Sunday. The City has the ability to sublease the spaces to third-parties to facilitate retail and housing development along the Commerce Street Corridor. In exchange for the parking, the City provided a \$500,000 forgivable loan to Klabzuba Realty. The loan for the parking license will be forgiven by \$50,000 a year for a period of ten years, provided that 100 parking spaces are made available throughout that period. Klabzuba Realty must use the loan proceeds to assist with tenant recruitment and retention for the building.

Under this ordinance, City staff will be allowed to negotiate economic development packages that can consist of parking contracts which are not limited to parking agreements, valet parking services and/or month-to-month individual parking. The City Manager or designated City staff may alternate the terms or licensees for the use of these parking spaces at any time in order to increase or enhance the future development of the Commerce Street Corridor or the downtown area.

City staff will establish a rate of \$50 per space on a monthly basis for any parking spaces used in a valet capacity with limited usage hours. The remaining 10 parking spaces will be available **seven days a week at all times at a cost of \$105 per month**. For each subsequent year, the per space rate can be raised 5% over the previous year's rate based on market demand.

ISSUE:

Approval of this item is consistent with City policy to provide funding to support job creation, the development of a healthy office market and downtown parking solutions to encourage retail and economic redevelopment.

ALTERNATIVES:

The City may elect not to approve these Valet and Parking License Agreements and seek an alternative that would encourage job creation and assist with the parking needs and redevelopment in the East Commerce Corridor.

FISCAL IMPACT:

Under the terms of the valet agreements, the revenue from the first year beginning November 1, 2014 will be \$54,000.00. For each subsequent year, the per space rate can be raised 5% over the previous year's rate based on market demand. Under the terms of the monthly parking, 10 parking spaces will be reserved for individuals which may include City employees that are interested in leasing the parking spaces. It is anticipated that this will generate approximately \$12,600 per year for the 10 spaces. All funds will be deposited in the Inner City Incentive Fund.

RECOMMENDATION:

Staff recommends approval of ordinance which will allow City staff to negotiate parking agreements at the One Alamo Center in order to support downtown retail and commercial development.