



AGENDA MEMORANDUM

Future Item for the Council Meeting of November 15, 2016
Action Item for the Council Meeting of December 13, 2016

DATE: October 28, 2016
TO: Margie C. Rose, City Manager
FROM: Mike Markle, Chief of Police
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886-2603

Approval of lease agreement with 101 Shoreline Limited for Police/Municipal Court parking lot

CAPTION:

Motion authorizing the City Manager or designee to renew a five-year Parking Space Lease Agreement with 101 Shoreline Limited for 150 parking spaces located at 221 South Water Street, necessary to support the Police Department and Municipal Court facilities, and approving monthly lease payments of \$6,620 per month inclusive of the City's share of utilities, property taxes, mowing, and parking lot maintenance.

PURPOSE:

The current five-year lease expired on July 22, 2016 and needs to be renewed. The City Police Department and Municipal Court facility do not have sufficient on-site parking to meet the needs of the public and City employees. Only 140 of 262 parking spaces required by the Zoning Ordinance are available on site. Additional parking spaces had to be obtained offsite. The City has been leasing one hundred fifty (150) parking spaces since October 1990 at 221 S. Water Street. The City is presently on a month to month lease with the landowner, 101 Shoreline Limited

BACKGROUND AND FINDINGS:

The City purchased the vacated Central Power & Light Company (CP&L) building at 120 N. Chaparral on October 7th, 1988 and converted it to the present Police Department and Municipal Court Facility. This building had a total of 140 on-site parking spaces. As per the City's Zoning Ordinance, 262 parking spaces were required for this size building in the B-5 zoning. The parking spaces were required either on-site or within 300 feet of the facility. The Police Department determined their actual need to be greater than the 262 spaces.

There are 150 parking spaces available, which meet the 300 foot criteria, located two blocks south of the Police Department as shown on the attached location map marked Exhibit A. The property, whose address is 221 South Water Street, is owned by 101 Shoreline Limited. The City has utilized and leased these 150 spaces since October 1990 under five consecutive five-year lease agreements. This parking location, which is well lighted and maintained, provides the necessary parking for the general public which access Municipal Court, for departmental employees, and for police vehicles parking off-site. Staff has looked for other comparative and

alternative parking lots within the 300 feet radius, however none have are available.

The lease is a triple net (NNN) lease which requires the City to pay a 60% share of the total monthly lot expenditure which includes landscape maintenance, any parking surface repairs, utilities (electricity, water, etc.), and property taxes in addition to the fixed rent. The new negotiated lease rate of \$6,620 per month equates to \$44.13 per space per month. Commercial parking lots in the downtown area are limited in number with costs ranging from \$120 per month for covered parking to \$25 per month for uncovered parking. The proposed lease has the number of parking spaces required, is in close proximity to the City's facility, and is well maintained and lighted. The lease will be adjusted annually according to the CPI. The prior lease expired on July 22, 2016 and has been under negotiation. City staff recommends renewal of this lease under these negotiated terms.

ALTERNATIVES:

None

OTHER CONSIDERATIONS:

None

CONFORMITY TO CITY POLICY:

Conforms to all city policies.

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

Finance
Legal

FINANCIAL IMPACT:

X Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2016-2017	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$79,440		\$79,440
Encumbered / Expended Amount				
This item		\$79,440		\$79,440
BALANCE		0		0

Fund(s): Police General Fund

Comments:

RECOMMENDATION:

Staff recommends entering into the contract.

LIST OF SUPPORTING DOCUMENTS:

Exhibit A, Location Map
Lease Agreement