

BOARD OF ALDERMEN

ITEM NO. E(5)

AGENDA ITEM ABSTRACT

MEETING DATE: November 17, 2009

TITLE: Response to Board of Aldermen's Request for Information on 300 E. Main Street Parking Deck Proposal and Andrews-Riggsbee Parking Lot Proposal

DEPARTMENT: Economic Development and Community Development	PUBLIC HEARING: YES or <u>NO</u>
A. Resolution B. Parking Lot Elevations for Parking Deck and Proposed Buildings in the 300 East Main Street Project C. Proposed Amortization Schedule for Purchase of Andrews-Riggsbee Lot D. Proposed Lease Agreement for the Andrews-Riggsbee Lot E. Parking Layout for Andrews-Riggsbee Site F. Budget Amendment	FOR INFORMATION CONTACT: James R. Harris , Director of Economic and Community Development, 918-7319

PURPOSE:

The purpose of this item is to present to the Board of Aldermen a response to questions raised by the Board about the parking deck proposition made by the Main Street partners and another potential location for town-owned or leased parking in downtown on the Andrews-Riggsbee site.

INFORMATION:

The Town is experiencing a tremendous increase in the volume of vehicles parking in the downtown business district, particularly in the Greensboro/Roberson Street area. This parking can be attributed to the quality restaurants and other entertainment establishments in the area. A few weeks ago the Main Street Partners approached the Town about the possibility of participating in the parking deck that is proposed for the 300 East Main Street project.

Staff followed up with Main Street Partners on cost estimates for participating in the proposed parking deck at 305 West Main Street. Main Street Partner's proposal was to lease parking spaces in the planned parking deck to the Town. They would consider building a 6th level for the Town at the Town's expense for the general public. Based upon the latest construction cost estimates, Main Street Partners could build two extra levels (for a total of five) on the parking deck's first phase and lease those spaces to the Town for \$7,500 per month or \$90,000.00 per year. This proposal would create 200 parking spaces for the Town's use. The Town would use the spaces until Main Street partners needed them back. The cost to the town to build a 6th floor on the deck would be between \$10,000 and \$15,000 per space to create 120-140 spaces. The large gap is due to the fact that it is hard to predict what construction costs would be several years down the road. Drawings showing the height of the parking deck relative to the height of the buildings in the project are shown as attachment number (1). The Main Street partners did not discuss any method for controlling the parking as it has always been assumed that parking would be free in the deck on all levels.

The Board directed the staff investigate the number of parking spaces that the Andrews-Riggsbee property could provide and the cost to purchase that property. Staff did explore the possibility of purchasing this lot and began to explore the cost of developing the lot with a local engineer. The cost to purchase the lot

would be \$2,600,000, which would be financed through debt service over a payback period of fifteen (15) years at a 4.75% interest rate. (See attachment 2). The amount seemed cost prohibitive due to the current economic climate.

While talking with one of the partners he expressed an interest in the possibility of leasing the property to the Town for parking. By leasing the property there is still an opportunity for the approved project to move forward when and if the economic climate improves. If the owner of the property decided to turn this property into a permanent parking lot the owner (s) would need to meet all requirements of the LUO. If the Board were to be interested in leasing the lot staff recommends including in the lease agreement a right of first refusal to purchase the property at a later date if it would prove beneficial to the owner and the Town.

Staff also explored the idea of sharing the cost of the annual \$7,500 lease amount with the largest users of the parking in the area. To date two business owners have agreed to contribute \$1,000 each for the first year to be reviewed on an annual basis. Three other parking users were approached for participation in the project based upon their lack of parking but due to the slowing of the economy could not participate at his time.

Public Works staff prepared a proposal for upgrading the lot to get the maximum number of spaces possible at a minimal cost. The plans indicate that we can get 90 parking spaces on this lot, including 7 regular handicapped spaces and two van handicap spaces. The lot will have two access points; one off Carr and one off Roberson. The driveway cuts already exist. It is also suggested that "no parking" signs be installed along Carr Street from Greensboro Street up to Maple Avenue on the right hand side of Carr Street. It is also proposed that some lighting be added to the lot. Staff proposes to install 100whps cut off fixtures be installed on the four existing poles along the East Carr and South Greensboro Street side of the lot. In the event that safety or other lighting concerns arise, staff proposes as an alternative to install double mount flood lights at the Carr/ Maple corner and direct the light toward the northwest corner of the lot. This would provide more light for the parking lot than the cutoff fixtures.

The direct cost to prepare the lot is \$9,474.75 which constitutes the cost of materials. This amount would be absorbed by the Public Works Department. The projected town labor cost would be \$12,552 for a total of 542 man hours. This work will be programmed into the existing work load. The equipment cost is projected to be \$6,295. This is the value of the use of Town owned equipment. That development cost per parking space would be \$314.69 per space versus the typical cost of \$10,000 to \$15,000 per space depending on how and where you might construct your parking lot or deck. The Lease term for the lot would be for two years with a 90 day clause which would allow the lessor or the lessee to get out of the agreement. If the Lessor gets financing for the project they or a purchaser would like to be able to move forward with the project approved for the site.

FISCAL IMPACT:

The financial impact would be \$9,474.75 to prepare the lot. The labor to up-fit the lot will come from existing staff and will be scheduled into the existing work load. Town of Carrboro equipment will be used on the project and there will not be a need to rent additional equipment. The \$7,500.00 lease amount would come from the Town contingency fund (with anticipation that \$2,000.00 would be donated by the downtown business community).

STAFF RECOMMENDATION:

Staff recommends that the Board approve the Riggsbee Parking lot project authorizing the manager to enter into a two year lease agreement with the owner and to use funds from the Public works budget to up-fit the parking lot for. For year one the business community would contribute \$2000.00 toward the lease of the property and based upon how well the project works would evaluate their ability to participate next year. To ensure that the project moves forward, staff requests that the entire \$7,500.00 amount be allocated from contingency to the public works budget to cover the lease in the event that one or both private owners decide not to contribute the \$2,000.00 towards the lease.