



Economic Development and Innovation

Lot #10 License Agreement for Parking Spaces and First Amendment to Contract for Purchase

Erik A. Bredfeldt
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Proposed License Agreement for Parking Spaces Background

- In August 2015 at the direction of the City Commission, the City entered into Contract for Purchase on Lot #10 with Horizon Hospitality Management (HHM) on October 1, 2015.
- Contract for Purchase contains a provision requiring City Commission review of proposed License Agreement for Parking Spaces in City Parking Garage
- Contract for Purchase contains a contingency that a License Agreement for Parking Spaces in City Parking Garage with HHM can only be entered into based upon termination of the existing McGurn License
- Horizon Hospitality Management and City staff have been in negotiations since October, 2015 and reached final agreement on terms in December, 2015

Proposed License Agreement for Parking Terms

- License is for 383 exclusive and floating parking spaces effective upon project CO issuance
- Alternative parking spaces are provided for if necessary
- A mechanism is included that allows for a request for maintenance and improvements above and beyond normal expenditures to be paid by developer
- Term is 30 years subject to extension based upon negotiation and mutual agreement
- Developer shall pay for 383 spaces every month regardless of use.
- Rate will be \$7 or 47% of total charged whichever is higher to City for hotel (overnight) guests

Proposed License Agreement for Parking Terms (cont.)

- For employee parking spaces, the monthly rate of \$20 will apply to be increased over five years to \$30 and then be the higher of \$30 or the monthly rate set by the City
- There is a formula in the agreement that documents the method for calculating the monthly rate for future administrative purposes
- Developer is responsible for managing its spaces and purchasing any equipment/software necessary to interface with City parking operations and implementation of agreement
- Assignment not permitted unless consented to by City
- If parking garage damaged in anyway City will cooperate with Developer to find parking alternatives

Resulting Parking Garage Space Allocation

Horizon Hospitality Management	383
Alachua County	225
The Palms	097
Public	<u>150</u>
Total	855

First Amendment to Contract for Purchase

- Requested to accommodate Commission deliberations and final action
- Pushes due diligence period back to June 1st and closing to July 1st , 90 days in both cases
- Pushes back final negotiation date on License for Parking Agreement 60 days to February 1st
- Requires commitments to be provided to City prior to closing regarding financing (equity and debt) and hotel agreement
- Developer has indicated LOI has been issued by proposed equity investor and debt and hotel commitments may be obtained

Moving Forward

Recommendation:

City Commission approve Lot #10 License Agreement for Parking with Horizon Hospitality Management, Inc.

City Commission approve First Amendment to Contract for Purchase for Lot #10.

Alternative Recommendation:

Deny the Lot #10 License Agreement for Parking with Horizon Hospitality Management, Inc. and the First Amendment to Contract for Purchase of Lot #10.