

ST. PETERSBURG CITY COUNCIL

Consent Agenda

Meeting of November 15, 2018

TO: The Honorable Lisa Wheeler-Bowman, Chair and Members of City Council

SUBJECT: A resolution authorizing the Mayor, or his designee, to execute (i) a twelve (12) month Parking Lot Lease Agreement, with two (2) one-year renewal options, with Tricera Eastman, LLC, a Delaware limited liability company, for the City's use of approximately one hundred eighty (180) parking spaces, generally located at 1120 Central Avenue, St. Petersburg, to operate a fee-based parking facility within the EDGE District; (ii) an amendment to the Parking Management Agreement ("Agreement") with Central Parking System of Connecticut, Inc., (commonly known as "SP+") for the purpose of incorporating that parking facility into the scope of services of the existing Agreement; (iii) approving a supplemental appropriation in the amount of \$143,250 from the unappropriated fund balance of the Parking Revenue Fund (1021) to the Transportation and Parking Management Department, Parking Facilities Management Division (281.1245); and all other documents necessary to effectuate this transaction.

EXPLANATION: Real Estate & Property Management ("REPM") received a request from the Transportation and Parking Management Department to prepare a Parking Lot Lease Agreement ("Lease") between the City and Tricera Eastman, LLC ("Tricera"), (collectively "Parties") for certain real property owned by Tricera in an area generally referred to as the EDGE District, located between Central Avenue and 1st Avenue South between 11th Street South and 13th Street South, consisting of four (4) parcels (collectively, "Property"). See attached Illustration.

For background, the EDGE District has experienced significant growth in recent years with the construction of new apartments, the addition of new businesses and an increased number of special events. As a result of the area growth, on February 2, 2017, City Council approved Resolution No. 2017-68, approving the EDGE District Improvement Plan ("Plan"), identifying priority improvements in the EDGE District, with the increase in the supply of public parking identified as a top priority in the approved Plan.

On December 14, 2017, City Council approved Resolution No. 2017-720, authorizing the approval of a term sheet for the purposes of entering into a public/private partnership with Tribridge Residential, LLC ("Tribridge"), for the development of a parking garage as part of a proposed mixed-use project, with portions of the garage available for public use.

In May, 2018, Tribridge sold its interest in the Property to Tricera. Tricera currently has no immediate intention to develop the originally proposed mixed-use development and parking garage as proposed by Tribridge. As a result of the current circumstances, the City and Tricera commenced discussions to allow the City's use of the Property for fee-based public parking as an alternative to the original proposed public/private partnership with Tribridge to serve the existing demand for public parking in the EDGE District. The City will continue to seek a public-private opportunity to add structured parking in the EDGE District, either on this property or another.

Accordingly, Real Estate & Property Management prepared the proposed Lease with Tricera to include the terms and conditions as set forth below, subject to City Council approval:

1. The initial term of the Lease will be for twelve (12) months ("Term"), with two (2) optional renewal terms of twelve (12) months each ("Renewal Term").
2. The City shall pay rent in the amount of \$7,625.00 per month for the initial Term of the Lease.
3. In the event of the first Renewal Term, the City shall pay rent in the amount of \$8,333.33 per month during the first twelve (12) month Renewal Term. In the event of the second Renewal Term, the City shall pay \$8,583.33 per month during the second twelve (12) month Renewal Term.
4. Tricera and the City shall have the option to terminate the Lease on or after August 1, 2019 ("Early Termination") by providing either party a notice in writing and provide the City not less than ninety (90) days to vacate the Premises. If Tricera elects to exercise its option of Early Termination, the City shall pay reduced rent in the amount of \$6,916.67 per month during the aforementioned 90-day period or until the expiration of the Term, whichever occurs first.
5. The City shall be permitted to make all improvements to the Premises at an estimated cost of \$17,000.00, which may include the installation of two (2) pay stations, filling potholes, minor lighting upgrades and tree trimming ("Improvements"). The City and Tricera have agreed to equally split the estimated cost of the Improvements. Tricera's portion of the Improvements costs will be provided through a monthly rent concession for the initial Term of the Lease.
6. The City shall be permitted to contract with a third-party parking management company for the operation of the parking facility on the condition that the City requires such third-party operator to provide appropriate insurance coverages, listing the City and Tricera as additional insureds.
7. The City shall provide liability insurance as a fully qualified self-insurer under Section 768.28 Florida Statutes to the extent and limits provided by the statute. The statutory limits are presently \$200,000 per any one person and \$300,000 per aggregate for any one incident.

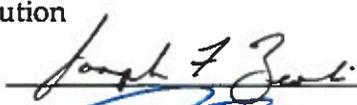
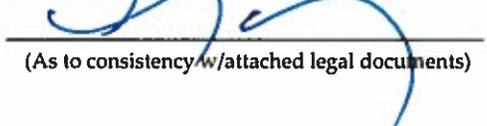
The City's current contractor for parking management and operation, Central Parking System of Connecticut, Inc. ("SP+"), has agreed to operate the EDGE District parking facility pursuant to an amendment of the current agreement between the City and SP+ (the "Agreement"). The Agreement will be amended to: (i) add the EDGE District parking facility into the scope of services managed by SP+ under the Agreement, subject to the terms of the Lease between the City and Tricera; (ii) increase the annual Management Fee under the Agreement by \$7,140 (i.e., from \$70,772 to \$77,912); and (iii) increase the annual amount of Final Budgeted Expenses under the Agreement by \$52,860 (i.e., from \$1,490,826 to \$1,543,686); and (iv) make any other change to the Agreement necessary to include the EDGE District parking facility as long as that change does not further increase any fee or expense due to SP+.

The Transportation and Parking Management Department has estimated the total operating costs for the initial Term, including rent, Improvements, and the increased Management Fee and Final Budgeted expenses due to SP+, to be \$60,000. Given an annual rent of \$91,500, the initial lot improvement costs of \$17,000 and total annual estimated revenue of \$190,000.00, this results in an estimated net operating income of \$21,500.00. The COST/FUNDING section below includes figures for the remaining 10 months of this fiscal year.

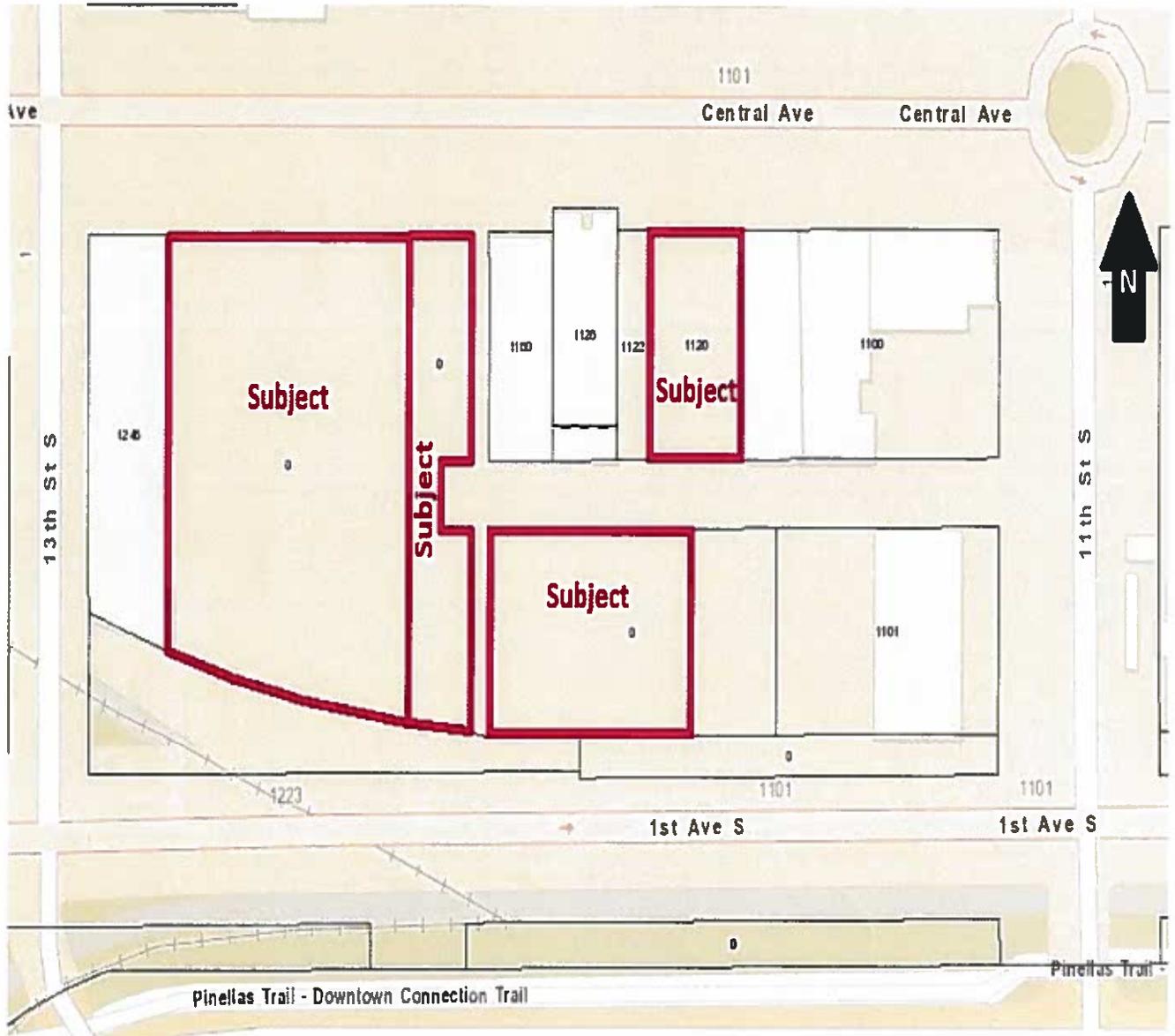
RECOMMENDATION: Administration recommends that City Council adopt the attached resolution, authorizing the Mayor, or his designee, to execute (i) a twelve (12) month Parking Lot Lease Agreement with Tricera Eastman, LLC, Delaware limited liability company, for the City's use of approximately one hundred eighty (180) parking spaces, generally located at 1120 Central Avenue, St. Petersburg, to operate a fee-based parking facility within the EDGE District; (ii) the amendment to the Parking Management Agreement between the City and SP+ described in this memo; (iii) approving a supplemental appropriation in the amount of \$143,250 from the unappropriated fund balance of the Parking Revenue Fund (1021) to the Transportation and Parking Management Department, Parking Facilities Management Division (281.1245); and all other documents necessary to effectuate this transaction.

COST/FUNDING/ASSESSMENT INFORMATION: Estimated revenues collected from the parking facility usage fees are anticipated to exceed and offset operating expenses. Funds will be available after the approval of a supplemental appropriation in the amount of \$143,250 from the unappropriated balance of the Parking Revenue Fund (1021) to the Transportation and Parking Management Department, Parking Facilities Management Division (281.1245).

ATTACHMENTS: Illustration and Resolution

APPROVALS: Administration:  *aw EGM*
Budget: 
Legal: 
(As to consistency w/attached legal documents)

ILLUSTRATION



Approximately one hundred eighty (180) parking spaces located within four (4) parcels as identified by the following:

Pinellas County Parcel ID Nos.

24-31-16-14544-000-0250

24-31-16-53478-000-0090

24-31-16-53478-000-0170

and the Westerly 2/3 portion of 24-31-16-53478-000-0210

A RESOLUTION AUTHORIZING THE MAYOR, OR HIS DESIGNEE, TO EXECUTE (I) A TWELVE (12) MONTH PARKING LOT LEASE AGREEMENT, WITH TWO (2) ONE-YEAR RENEWAL OPTIONS, WITH TRICERA EASTMAN, LLC, A DELAWARE LIMITED LIABILITY COMPANY, FOR THE CITY'S USE OF APPROXIMATELY ONE HUNDRED EIGHTY (180) PARKING SPACES, GENERALLY LOCATED AT 1120 CENTRAL AVENUE, ST. PETERSBURG, TO OPERATE A FEE-BASED PARKING FACILITY WITHIN THE EDGE DISTRICT; (II) AN AMENDMENT TO THE CITY'S PARKING MANAGEMENT AGREEMENT ("AGREEMENT") WITH CENTRAL PARKING SYSTEM OF CONNECTICUT, INC., FOR THE PURPOSE OF INCORPORATING THAT PARKING FACILITY INTO THE SCOPE OF SERVICES OF THE EXISTING AGREEMENT; (III) APPROVING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$143,250 FROM THE UNAPPROPRIATED BALANCE OF THE PARKING REVENUE FUND (1021) TO THE TRANSPORTATION AND PARKING MANAGEMENT DEPARTMENT, PARKING FACILITIES MANAGEMENT DIVISION (281.1245); AND ALL OTHER DOCUMENTS NECESSARY TO EFFECTUATE THAT TRANSACTION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Real Estate & Property Management ("REPM") received a request from the Transportation and Parking Management Department to prepare a Parking Lot Lease Agreement ("Lease") between the City and Tricera Eastman, LLC ("Tricera"), (collectively "Parties"), for certain real property owned by Tricera in an area generally referred to as the EDGE District, located between Central Avenue and 1st Avenue South between 11th Street South and 13th Street South, consisting of four (4) parcels (collectively, "Property"); and

WHEREAS, the EDGE District has experienced significant growth in recent years with the construction of new apartments, the addition of new businesses and an increased number of special events; and

WHEREAS, as a result of the area growth, on February 2, 2017, City Council approved Resolution No. 2017-68, approving the EDGE District Improvement Plan ("Plan"), identifying priority improvements in the EDGE District, with the increase in the supply of public parking identified as a top priority in the approved Plan; and

WHEREAS, the City and Tricera commenced discussions to allow the City's use of the Property for fee-based public parking to serve the existing demand for public parking in the EDGE District; and

WHEREAS, Real Estate & Property Management prepared the proposed Lease with Tricera, subject to the approval of the City Council, for an initial term of twelve (12) months with two (2) optional renewal terms of twelve (12) months each ("Term"), with rent for the initial Term commencing at \$7,625.00 per month; and

WHEREAS, the City shall be permitted to make all improvements to the Premises, at an estimated cost of \$17,000.00 to be born equally by the Parties, which may include the installation of two (2) pay stations, filling potholes, minor lighting upgrades and tree trimming ("Improvements"); and

WHEREAS, the City shall be permitted to contract with a third-party parking management company for the operation of the parking facility; and

WHEREAS, the City's current contractor for parking management and operation, Central Parking System of Connecticut, Inc. ("SP+"), has agreed to operate the parking facility pursuant to an amendment of the current agreement between the City and SP+ (the "Agreement"); and

WHEREAS, the Agreement will be amended to: (i) add the EDGE District parking facility into the scope of services managed by SP+ under the Agreement, subject to the terms of the Lease between the City and Tricera Eastman, LLC; (ii) increase the annual Management Fee by \$7,140 (i.e., from \$70,772 to \$77,912); (iii) increase the annual amount of Final Budgeted Expenses under the Agreement by \$52,860 (i.e., from \$1,490,826 to \$1,543,686); and (iv) make any other change to the Agreement necessary to include the EDGE District parking facility as long as that change does not further increase any fee or expense due to SP+; and

WHEREAS, the total operating costs for the initial Term, including rent, Improvements and third-party parking operator fees, is estimated to be \$60,000, and given an annual rent of \$91,500, the initial lot improvement costs of \$17,000 and total annual estimated revenue of \$190,000.00, this Lease is estimated to produce a net operating income of \$21,500.00 for the Term.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida that the Mayor, or his designee, is authorized to execute a twelve (12) month Parking Lot Lease Agreement, with two (2) one-year renewal options, with Tricera Eastman, LLC, a Delaware limited liability company, for the City's use of approximately one hundred eighty (180) parking spaces, generally located at 1120 Central Avenue, St. Petersburg, to operate a fee-based parking facility within the EDGE District; and

BE IT FURTHER RESOLVED that the Mayor, or his designee, is authorized to execute an amendment to the City's Agreement with Central Parking System of Connecticut, Inc. for the purpose of incorporating that parking facility into the scope of services of the existing Agreement; and

BE IT FURTHER RESOLVED that a supplemental appropriation in the amount of \$91,500 from the unappropriated balance of the Parking Revenue Fund (1021) to the Transportation and Parking Management Department, Parking Facilities Management Division (281.1245), is hereby approved for FY 2019:

Parking Revenue Fund (1021)

Transportation and Parking Management,
Parking Facilities Management (281.1245)

\$143,250

BE IT FURTHER RESOLVED that the Mayor, or his designee, is authorized to execute all documents necessary to effectuate the transaction authorized by this resolution.

This Resolution shall become effective immediately upon its adoption.

LEGAL:



City Attorney (Designee)

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APPROVED BY:



Evan Mory, Director

Transportation and Parking Management

APPROVED BY:



Elizabeth Makofske, Director

Budget & Management

APPROVED BY:



Alfred Wendler, Acting Director

Real Estate and Property Management