



Request for City Council Committee Action from the Department of Community Planning and Economic Development - CPED

Date: March 24, 2015

To: Councilmember Lisa Goodman, Chair, Community Development & Regulatory Services Committee

Subject: Interim parking rental agreement for 205 Park Avenue

Recommendation: 1) Authorize staff to enter into an interim parking rental agreement with Ecumen Mill City, LLC (Ecumen) for parking vehicles on the City-owned 205 Park Avenue lot during the construction of the Mill City Quarter senior housing development at 300 2nd St S. consistent with the terms attached to this report.

Previous Directives:

- August 22, 2008, the City Council: a) accepted a bid of \$209,671.00 from Veit and Company to furnish and deliver all labor, materials, equipment and incidentals necessary to construct the 205 Park Demonstration Project, and b) authorized and directed proper officials to execute a contract for this project all in accordance with specifications prepared by Elness Swenson Graham Architects and Oslund and Associates.
- June 29, 1992, the MCDA acquired Parcel D (which included the 205 Park parcel) as a part of the Milwaukee Depot acquisition.

Prepared by: Emily Stern, Sr. Project Coordinator, 673-5191
 Approved by: D. Craig Taylor, Executive Director, CPED _____
 Reviewed by Finance: _____
 Presenter in Committee: Emily Stern, Sr. Project Coordinator, 673-5191

Financial Impact

Ecumen would pay a monthly rate of \$4690 to the City for daytime, weekday contract parking in the City-owned 205 Park Ave lot for a base term of 14 months (\$65,650 total). These revenues would be deposited into the Development Account, fund 01SDA. The parking rental agreement would commence upon the closing of Ecumen’s purchase of 300 2nd St S from the City, expected end of April, 2015. There would be an option for up to three (3) 60-day extensions at the end of the base term (granted at the CPED Director’s discretion) at a recalculated rate using the prevailing public parking rate at

prohibited and no construction equipment or construction staging will be permitted on the site.

CPED staff are supportive of an interim parking rental agreement for the 205 Park lot as it would help facilitate the Parcel A land sale and development of the Mill City Quarter project and would generate additional parking revenue for the City. Under the proposed rate structure, Ecumen would pay to the City a fee of \$4,690 per month during the lease term (\$70/stall x 67 stalls), which is a rate of 78% of the prevailing public parking rate for 24/7 usage of the lot. The other terms of the rental agreement are attached to this report.

According to City parking operations staff, most of the public parking demand for 205 Park is during evenings and weekends (primarily Guthrie, Mill City Museum, and Mill City Farmers Market patrons), so a short-term weekday/daytime parking lease with Ecumen would have minimal impact on public transient parking in the lot. Currently the only monthly parking contracts for the lot are with Car2Go for three reserved stalls, and these would be preserved under the proposed lease.

205 Park Ave is a planned redevelopment site and recently there has been renewed developer interest in the property. However staff believes that a 14 month base lease for the lot is a reasonable time period that would not inhibit a redevelopment process that would involve an RFP process, developer selection, negotiation of a redevelopment contract, and various City entitlements and Council approvals, which in total could take well over a year.

205 Park Avenue Parking Lot
Proposed Parking Rental Agreement Terms

1. For a term of fourteen (14) months, Ecumen Mill City LLC (Ecumen) shall be entitled to exclusive use of 67 parking stalls on the 205 Park Ave Lot for parking vehicles Monday through Friday from 6:00 a.m. to 6:00 p.m.
2. Ecumen agrees to pay the City a fee of \$4,690 per month during the term using a rate of 78% of the prevailing public parking rate i.e. \$70.00/stall x 67 stalls.
3. The 14-month base term will commence upon closing of Ecumen's purchase of Parcel A from the City.
4. If requested by Ecumen in writing at least thirty (30) days prior to the termination date, the CPED Director may, at his discretion, approve up to three (3) extensions, with each extension period no longer than sixty (60) days.
5. If the CPED Director approves any term extension, the parking fee will be recalculated by the City using a rate of 78% of the prevailing public parking rate for 24/7 usage of the Lot.
6. Ecumen has the right to terminate the lease upon thirty (30) days prior written notice.
7. No storage of construction equipment or construction staging will be permitted on the Lot.
8. Security and monitoring of the Lot during Ecumen's parking hours is the responsibility of Ecumen. The City of Minneapolis is responsible for keeping the Lot in good condition and repair and is responsible for snow removal and mowing.
9. At Ecumen's request, the City will place a sign at the entrance to the lot indicating that parking is available on the Lot during the hours of 6:00a.m. – 6:00p.m. Monday – Friday for Ecumen's parkers.