



Legislation Text

File #: 55078, **Version:** 1

Fiscal Note

The proposed resolution authorizes a two-year parking lease agreement with Archipelago Village, LLC, for 50 parking stalls at the South Livingston Street parking garage. The Parking Division estimates 2019 annual lease revenue of \$20,000 and 2020 annual lease revenue of \$27,720 based on the rate of 110% of the effective residential night permit rate (currently \$42/month). The lease includes the option for two, one year extensions.

Title

Authorizing the Mayor and City Clerk to execute a parking lease agreement with Archipelago Village, LLC, for 50 parking stalls at the South Livingston Street parking garage.

Body

PREAMBLE: The recently constructed South Livingston Street Garage has 655 parking spaces. There are 550 spaces leased to American Family and 800 South, LLC during weekdays (Monday - Friday from 6AM to 6PM) with a minimum of 105 spaces available for public hourly parkers. During evenings and weekends, all 655 spaces are available for public hourly parking, and there is excess capacity during these times.

Archipelago Village, LLC is the developer of a new Hotel Indigo located at 901 E Washington Avenue. The hotel was approved in 2017 with 144 guest rooms and a first floor tenant space for a restaurant. Plans approved by the Plan Commission included 138 surface parking stalls located adjacent to the east and south walls of the new hotel. Recently, Archipelago Village, LLC submitted plans for approval to construct an 11-story, 257,000 square-foot office building and 693-stall parking garage adjacent to the new hotel. Once complete, parking for the hotel will be partially provided in the new garage. However, the proposed office building and garage will occupy a portion of the site previously approved for hotel parking, effectively reducing the parking on-site until the new garage is completed. In order to open the hotel, which is nearing completion and occupancy, Archipelago Village has submitted a revised plan to the Plan Commission to create a valet parking lot for the hotel in the remaining surface parking, and to lease up to 50 stalls from the Parking Division in the South Livingston Garage for use by hotel valets.

The lease agreement with Archipelago Village, LLC, for 50 overnight spaces (valid 6PM - 7AM) will generate additional revenue for the Parking Division and better utilize the garage during off-peak hours. Additionally, the overnight leased spaces will provide a temporary solution to meet hotel guest parking needs until the parking structure is completed with the next phase of development on the 900 block of East Washington. The lease duration would be a maximum of four years, with an initial term of two years, and two one-year renewal options.

WHEREAS, Archipelago Village, LLC is building a hotel at 901 East Washington Avenue and needs available parking for their guests until the next phase of their development, which will include a parking structure at 929 East Washington Avenue, is completed; and

WHEREAS, Archipelago Village, LLC has requested a two-year parking lease term for 50 undesignated stalls, as a temporary parking solution to meet hotel guest parking needs until their parking structure at 929 East Washington Avenue has been constructed; and

WHEREAS, the City of Madison Parking Division has a parking garage (South Livingston Street Garage) in very close proximity to this business address, and is operating under capacity during a majority of nighttime hours and has available parking stalls to lease; and

WHEREAS, the terms of a lease have been negotiated between Archipelago Village, LLC and Parking Division management;

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Clerk are authorized to execute a lease with Archipelago Village, LLC, or its permitted successor and assigns, for 50 parking stalls at South Livingston Street Garage upon substantially the following terms and conditions:

1. The term of the lease will be two (2) years with the option for two (2), one (1) year extensions by mutual agreement. The lease will begin upon execution of the contract, estimated to be April 2019.
2. Number of Parking Stalls: Fifty (50).
3. The monthly rent per lease stall shall be the Monthly Night Resident rate x 1.10. The public Monthly Night Resident rate, along with other public parking rates, are subject to review and change on a periodic basis, as established by the Transportation Commission, and published by the Parking Division.
4. Permit Hours: 6:00 PM to 7:00 AM, seven days per week. Any use outside of the Permit Hours (entering early and/or staying late), will be charged at the public hourly rate.

BE IT FURTHER RESOLVED, that the Mayor and City Clerk are hereby authorized to execute any and all documents that may be required to complete this lease transaction in a form approved by the City Attorney.