

Date: September 21, 2015

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Mark D. Ahrendsen, Transportation Director

Subject: First Amendment to the Parking Lease Agreement by and between the City of Durham and American Campus, LLC for the North Parking Garage

Executive Summary

The City of Durham ("City") proposes to amend the parking lease agreement with American Campus, LLC ("American Campus"), specifically to temporarily convert and lease 75 of the existing visitor spaces at an initial monthly rate of \$65.00 per space for a period not to exceed 36 months.

Recommendation

The Transportation Department recommends that the City Council:

1. Authorize the City Manager to execute the 1st amendment to the Parking Lease Agreement by and between the City of Durham and American Campus, LLC for a period not to exceed 36 months.

Background

In March 2012, the City and American Campus executed a "new" lease and parking management agreement with American Campus, LLC (AC) for the North Garage. The lease agreement includes 1,015 leased spaces to AC, 150 spaces leased to GoTransit and 155 Visitor Spaces for use by the general public. The current agreement, which replaced the former lease and parking management agreement executed in 2003. The 2012 parking lease agreement includes the leasing of 1,015 spaces in the North Garage and provides for an initial term of 10 years with options to renew for 6 additional 5-year terms (for a total potential of 40 years).

American Tobacco Campus, LLC made a request to the City to convert 75 of the existing 155 visitor parking spaces to monthly leased spaces to accommodate the demand for monthly parking from its tenants. The City evaluated and assessed the occupancy and utilization rates of the visitor parking spaces in the North Garage and determined that American Campus' request was reasonable and would not create undue hardship for visitors and/or guests to the American Tobacco campus.

Issues and Analysis

The key elements of the amendment to Parking Lease Agreement are outlined below:

1. The lease term is to temporarily convert 75 visitor parking spaces for a period not to exceed 36 months, with no options to renew.
2. The parking fee is set at \$65.00, but will adjust to accommodate any future rate increases imposed by the City at such time;
3. The Tenant shall have exclusive rights to the spaces (24/7) with the exception of "Special Events" operating hours, which will be from 6:30 p.m. to 7:00 a.m., Monday through Thursday, and beginning at 6:30 p.m. on Friday through 7:00 a.m. on Monday.

Alternatives

- Amend the Parking Lease Agreement between the City of Durham and American Campus, LLC.
- Make no changes to the current agreements with American Campus, LLC.

Financial Impact

Under the terms of the 1st Amendment to the Parking Lease Agreement, the City will receive \$65.00 per space per month for converting 75 existing visitor parking spaces.

SDBE Summary

The SDBE Summary is not applicable.

Attachment

1st Amendment to the North Garage Parking Lease Agreement