



City Council

Date: July 11, 2016
To: City Council
Through: Christopher J. Brady, City Manager
From: Jeffrey McVay, Manager of Downtown Transformation
Subject: Consider a proposed parking agreement that will facilitate the redevelopment of the historic Alhambra Hotel (43 S. Macdonald) into student housing for Benedictine University.

District 4

Strategic Initiatives



Purpose and Recommendation

Consider the proposed Parking Agreement between the City of Mesa and Alhambra Mesa, LLC. The Agreement facilitates the redevelopment of the historic Alhambra Hotel into housing for Benedictine University students. The Agreement would provide access to 40 City-owned parking spaces for the use of student residents at the historic Alhambra Hotel.

Background

The development team Alhambra Mesa, LLC is in the final stages of purchasing the historic Alhambra Hotel (early July), located at 43 S. Macdonald and entering into an agreement with Benedictine University to redevelop Alhambra into housing for Benedictine University students (early July). Until recently, Alhambra was operated by Transitional Living Communities, which provided approximately 40 units of transitional housing. The redevelopment of Alhambra will allow the rehabilitation and renovation of this National Register historic building to provide housing for approximately 60-70 students.

Discussion

Alhambra Mesa, LLC has requested an agreement with the City for the parking necessary to accommodate the development. As the Alhambra property does not include parking and does not have space for on-site parking, an alternative solution for student parking is necessary to facilitate the project. A map of the City parking facilities has been included as Attachment 1. The parking spaces identified on

Attachment 1 are City-owned facilities that currently do not require a permit for parking and do not generate parking revenues. The key elements of the Parking Agreement include:

Term of Agreement:

- Initial term – 15 years with one automatic five-year renewal, and two additional automatic five-year renewals, provided the Alhambra Hotel is used for student housing and associated activities for Benedictine University or another higher education institution in Mesa.
- In the event that the property is converted in whole, or part, to a use other than student housing for Benedictine University, or other higher education institution in Mesa, the second and third, five-year renewal will be at the agreement of both parties.

Location of Parking:

- The initial location of the 36 on-street and off-street permitted parking spaces are identified on Attachment 1. Through approval of this agreement, City will have the responsibility to establish (signage/stripping) for the initial 36 spaces for permitted parking (12 spaces on Drew and 24 spaces at 1st and Macdonald). The initial spaces identified in Attachment 1 do not currently require a permit to park.
- In the event that the initial parking location(s) become part of a redevelopment project, or are needed for other purposes, as determined by the City, City will provide access to an equivalent number of spaces at a City-owned facility(s) within the area identified on Attachment 1 as the Alternative Parking Catchment Area (Boundary: 1st Street on north, Country Club on west, 2nd Avenue on south, and Pomeroy on the east).
- Should the City elect to develop a parking structure within the alternative parking catchment area, City may provide Alhambra Mesa, LLC with the option to consolidate the parking included in this agreement to the new parking structure.
- City will identify up to two parking spaces on South Macdonald as short-term loading spaces and will ensure that two accessible spaces are provided on South Macdonald. These spaces will be located in reasonable proximity to the Alhambra Hotel to provide benefit to the residents.

Parking Rates:

- City will provide up to 36 on-street and/or off-street permitted parking spaces at a rate of \$50.00 per space, per year, for a maximum total of \$1,800/year.
- While the 36 on- and/or off-street permitted parking spaces are located in areas identified on Attachment 1 as the Initial Parking Location, permitted spaces may be “drawn down” on an as-needed basis, with the exception of the first year of the agreement, which Alhambra Mesa, LLC will provide the first year’s rent in full to offset the City’s cost to stripe and sign the parking spaces.

- In the event that the property is converted in whole, or part, to a use other than student housing for Benedictine University, or other higher education institution in Mesa, the parking rate will become the market rate for parking in effect when the change in use occurs.

Alternatives

Modify terms to the proposed parking agreement.

Denial the proposed parking agreement.

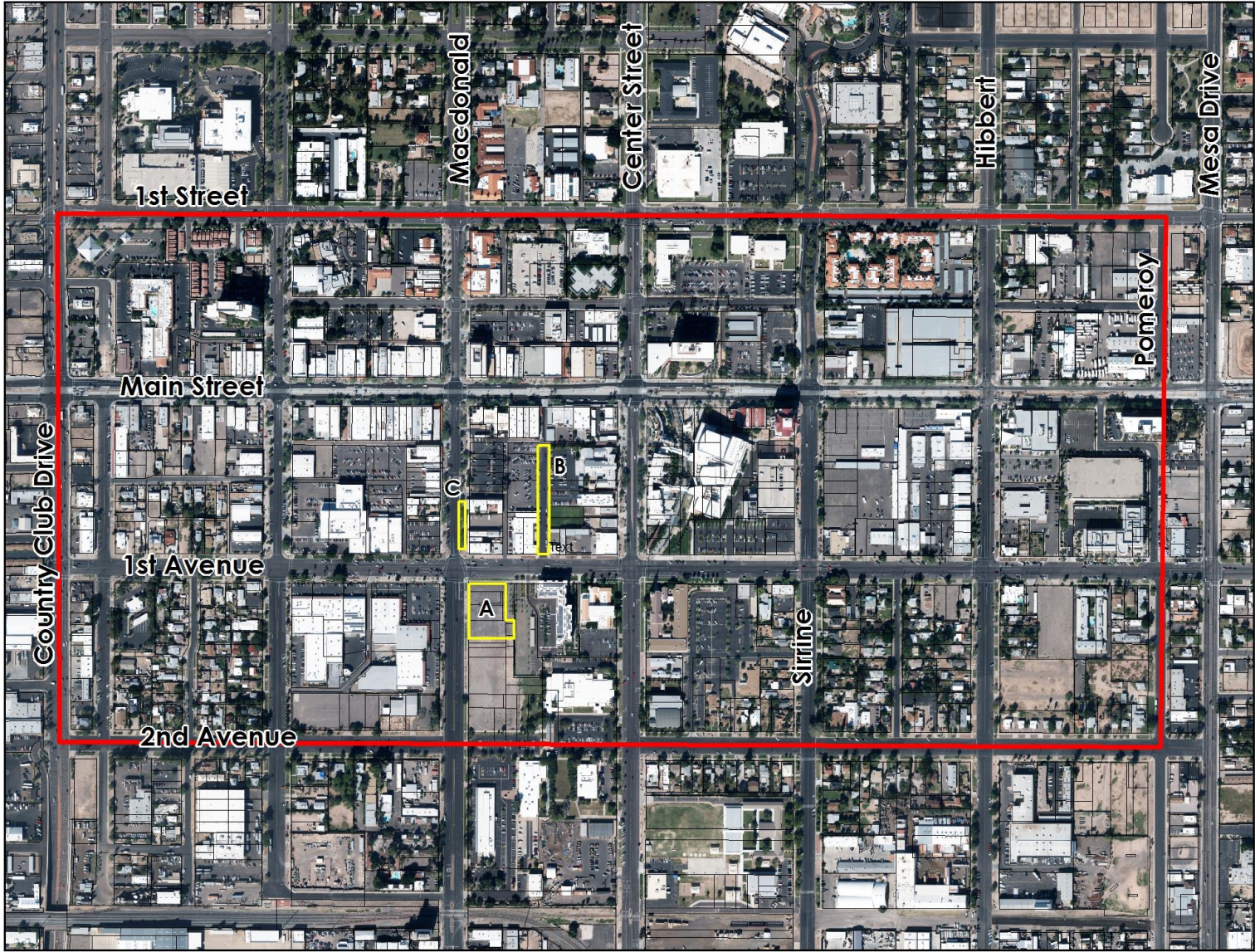
Fiscal Impact

Fiscal impact will be limited to the installation of signage and striping.

Attachments

Attachment 1: Map of Parking Areas

Attachment 1




Attachment 1

Initial Parking Areas

- A** 1st Avenue and Macdonald:
24 - 26 off-street spaces (permitted)
- B** Drew Street: 10 - 12 on-street
spaces (permitted)
- C** Macdonald: 2 accessible and
2 short-term loading spaces (open)

Alternative Parking

-  Alternative Parking
Catchment Area