



City Council Report

Date: January 25, 2021
To: City Council
Through: Marc Heirshberg, Acting Deputy City Manager
From: Beth Huning, City Engineer
Rob Kidder, Assistant City Engineer
Subject: Approving and authorizing the City Manager to enter into a Lease Agreement with Maricopa County for a portion of a City-owned surface parking lot located at 240 North Pasadena.
Council District #4

Purpose and Recommendation

The purpose of this report is to consider staff's recommendation to enter into a Lease Agreement with Maricopa County for ninety-one (91) parking spaces located at the Centennial Way surface parking lot at 240 North Pasadena. These parking spaces are to serve the County-owned building at 245 North Centennial Way.

Background

In 1991, the City of Mesa entered a Parking Lease with Maricopa County to provide parking spaces for their building located at 245 North Pasadena. The County's parcel does not have on-site parking. The Parking Lease was for a term of thirty-years that terminated on August 31, 2020. The lease rate began at \$5,280 per year. With updated fees it is currently at \$37,584 per year. Save the Family, United Way and the Delta Hotel also have Parking Licenses with the City of Mesa for parking spaces on the Centennial Way surface parking lot. Over the last thirty (30) years, the City of Mesa has not had any parking issues or complaints for Maricopa County's leased parking spaces. On January 13, 2021, the Maricopa County Board of Supervisors approved the execution of the Lease Agreement with the City of Mesa.

Maricopa County is planning to consolidate their offices to the Mesa Drive and Baseline Road County-owned property. This plan includes selling their building at 245 North Centennial Way and transferring the Lease Agreement to the new property owner. Transferring the Lease Agreement to the new owner is critical because it provides the needed parking to accommodate the building. Selling the building without the Lease Agreement would be difficult. Currently, the County has no specific timeline for the sale.

Discussion

Maricopa County is requesting to continue to lease forty-four (44) covered parking spaces and forty-seven (47) uncovered parking spaces at the current published parking space rate of \$37 per month for covered and \$32 per month for uncovered parking spaces to serve their building at 245 North Centennial Way. The term of the new Lease Agreement is for ten-years with one (1) 5-year renewal option. This new Lease Agreement is similar to the prior Lease Agreement. All maintenance of the Centennial Way surface parking lot will be maintained by the City of Mesa. Striping and signage of the parking spaces will be the responsibility of the County or Lessee. Any additional improvements will require approval by the City.

Alternatives

The City Council could choose not to enter into a new Lease Agreement with Maricopa County. Choosing this alternative would result in loss of parking spaces available to serve the County-owned building at 245 North Centennial Way and will impact the limited number of on-street parking spaces adjacent to Centennial Way.

Fiscal Impact

The City will receive lease revenue of \$37,584 per year.

Coordinated With

This Lease Agreement was coordinated with the City of Mesa Office of Downtown Transformation, the City Attorney's Office, and the Downtown Mesa Association (DMA) and they all concur with this recommendation.