

LRB – RESEARCH AND ANALYSIS

DECEMBER 3, 2008 AGENDA

ITEM 10, FILE 081090

PUBLIC WORKS COMMITTEE

JAMES CARROLL

File
#08109
0 is a
resoluti

on authorizing the Department of Public Works to enter into a multi-year agreement with Milwaukee Journal Sentinel, Inc. to lease parking spaces in the City-owned parking structure at N. 4th Street and W. Highland Avenue.

BACKGROUND

1. The 980-space parking structure located at 324 West Highland Avenue was constructed in 1987, to serve the Bradley Center, on land formerly owned and used as a surface parking lot by the Journal Sentinel, Inc.. The Journal Sentinel, Inc. required monthly daytime and 24-hour parking for certain employees and in 1988 entered into a 10-year agreement with the City to lease parking spaces at the 324 W. Highland Avenue structure, with an option to extend an additional 10 years.
2. The previous contract provided 250 monthly parking spaces that required vehicles to leave by no later than 6:00 PM Monday through Friday and cost \$40 per space, and 40 24-hour parking spaces that cost \$45.72 per space.
3. The lease with the Journal Sentinel expired on October 31, 2008.
4. Common Council File Number 070560, adopted on July 31, 2007, directs the Department of Public Works to submit each multi-year parking lease agreement to the Common Council for review and approval.

DISCUSSION

1. The Journal Sentinel wishes to continue leasing up to 250 daytime parking spaces and up to 40 24-hour parking spaces at the 324 W. Highland Avenue parking structure for a 10-year period commencing January 1, 2009 and expiring on December 31, 2018, with an option to extend the contract if mutually agreeable for one additional 10-year term.
2. This resolution authorizes the Department of Public Works to enter into a 10-year agreement with an option for an additional 10-year term with Milwaukee Journal Sentinel, Inc. to lease parking spaces in the City-owned parking structure at 324 W. Highland Avenue.
3. Under the agreement, the City agrees to direct its management contractor to make available a maximum of 250 unreserved monthly parking spaces in the structure - for parkers who must exit the structure by no later than 6:00 PM on a daily basis. The rate to be charged rate will be \$80 per space, per month, for the remainder of the year. The rate to be charged after this date will be the market rate established by the City from time to time for the structure and charged to the public for monthly daytime unreserved parking.
4. In addition, the City will direct its management contractor to make available a maximum of 40 24-hour unreserved parking spaces in the structure. The rate to be charged for these 24-hour spaces will be \$145 per space, per month beginning January 1, 2009. No other rate increases will occur in calendar year 2009. The rate

to be charged after this date will be the market rate established by the City from time to time for the structure and charged to the public for 24-hour unreserved parking.

5. The agreement allows the Journal Sentinel to request changes in the number of spaces needed. On November 24, 2008, the Journal Sentinel, Inc. requested a decrease in the number of spaces needed. Effective January 1, 2009, the Journal Sentinel will need 220 daytime spaces and no 24-hour spaces.

FISCAL IMPACT

With the reduction in the number of spaces provided to 220, the new agreement will generate approximately \$70,000 more revenue in 2009 than was generated under the previous agreement in 2008. DPW estimates the new agreement will generate \$2,706,000 over a 10-year period, approximately \$1.4 million more than would have been generated under the terms of the previous agreement.

Cc: Marianne Walsh
W. Martin Morics
Cindy Angelos

Prepared by:
Jim Carroll, X8679
LRB Research & Analysis
December 2, 2008