



Legislation Text

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070979
SUBSTITUTE 1
070560
THE CHAIR

Substitute resolution authorizing the Department of Public Works to enter into a multi-year agreement with Fourth and Highland, LLC, to lease parking spaces in the City-owned parking structure at 4th Street and Highland Avenue.

This resolution authorizes the Department of Public Works to enter into a multi-year agreement with Fourth and Highland, LLC, to lease parking spaces in the City-owned parking structure at 4th Street and Highland Avenue.

Whereas, Fourth and Highland, LLC, approached the Department of Public Works seeking a multi-year agreement to lease parking spaces in the City-owned parking structure at 4th Street and Highland Avenue to accommodate 2 development projects in the Park East corridor; and

Whereas, Fourth and Highland, LLC, is proposing an investment of \$206 million to develop commercial properties on the 300 block of W. McKinley Avenue to include a 180-room Kimpton Hotel, 72 luxury high-rise condominiums, street level retail space, a spa, a health club, a nightclub, a restaurant and a 327-space parking structure, and to develop the 1200 block of N. Old World Third Street to include a 160-room Aloft Hotel, 13 luxury-lofted condominiums, enclosed parking for the condominiums, meeting and banquet space and street-level retail space; and

Whereas, The project also includes acquisition and renovation of the Riverfront Plaza totaling \$12 million over a 5-year period to accommodate a new restaurant and to update all common areas, lobbies, restrooms and the building exterior; and

Whereas, During the construction phase and thereafter, Fourth and Highland, LLC, requires certain parking for these projects to include monthly unreserved, 24-hour reserved and hotel parking; and

Whereas, The term of the lease is for 25 years with one optional 15-year extension followed by one optional 10-year extension per the request of Fourth and Highland, LLC, to meet lenders' requirements to finance the projects; and

Whereas, The Department of Public Works through its management contractor will make parking spaces available in the amount, mix and timeframe as requested and provided for in the agreement; and

Whereas, The monthly unreserved and reserved parking rates will be charged at the 2008 rates of \$75 and \$140, respectively, and fixed until March 31, 2012, when the market rate becomes effective; and

Whereas, During the construction phase of the project the monthly unreserved parking rate is \$55 until March 1, 2009, when the rate increases to \$75; and

Whereas, The rate charged for hotel guest parking for both hotels is based on the average market rate charged to hotel patrons self-parked at comparable hotels as determined by the City; and

Whereas, Fourth and Highland, LLC, is required to deliver to the City a certificate of occupancy for both hotels by the dates prescribed in the agreement and failure to do so would result in the City reducing the number of parking spaces proportionately for each project; and

Whereas, Due to the tax-exempt status of the bonds issued for capital improvements of the parking structure, the City Comptroller will consult with bond counsel to determine if the tax-exempt status of the bonds are at issue and if so, work cooperatively with the Department of Public Works to develop and implement a least-cost financing option to issue and/or pay debt for capital improvements; and

Whereas, By Common Council File Number 070560, adopted on July 31, 2007, the Department of Public Works is directed to submit each multi-year lease agreement to the Common Council for review and approval; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Common Council authorizes the Department of Public Works to enter into a multi-year agreement with Fourth and Highland, LLC, to lease parking spaces in the City-owned parking structure at 4th Street and Highland Avenue.

Department of Public Works
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TWM/mbh
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