



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 20-00094

City Council

2/27/2020

LEGISLATIVE ACTION ITEM

SPONSOR: City Council Vice President Jared Moore

SUBJECT:

FEDERAL COURTHOUSE PARKING LEASE - NORTH PALAFOX LOT

RECOMMENDATION:

That the City Council approve a lease with the United States Government for Federal Courthouse parking at the North Palafox Parking Lot. Further that City Council authorize the Mayor, if necessary, to execute all necessary documents.

HEARING REQUIRED: No Hearing Required

SUMMARY:

The Community Redevelopment Agency (CRA) property at the southwest corner of North Palafox and Gregory Streets is developed as a public parking lot. Pursuant to and concurrent with the City of Pensacola's (City) lease of the property on North Palafox and Garden Streets to the United States Government for construction of the Federal Courthouse building, the CRA leased 73 parking spaces in the lot to the City for sublease to the United States Government for the Federal Courthouse and its related offices.

The term of the CRA's parking lease with the City coincided with the term of the Courthouse lease and terminated upon its termination. Upon the expiration of the leases, the City sold the Courthouse property to the United States Government. The Office of Administrator of General Services (GSA) is now pursuing a new lease with the CRA to meet the continued parking needs of the Courthouse.

Staff recommends approving a new lease for 45 spaces in the North Palafox Parking Lot to the United States Government for Federal Courthouse parking. The requested term is 20 years, beginning April 1, 2020. The CRA will have the option to terminate the lease after the 5th year with 120 days prior notice. The GSA may terminate the lease after one (1) year with 90 days prior notice.

Annual parking rent to be collected under the lease during the 1st five-year term is \$16,200.00, which is a rate of \$30.00 per space per month and will increase at the end of each 5-year increment based on a 2% escalation schedule. Parking revenues will continue to be collected and retained by the Downtown Improvement Board (DIB) pursuant to the Downtown Parking Management District Interlocal Agreement.

PRIOR ACTION:

January 10, 2020 - CRA Board approved the above referenced lease

December 12, 1996 - CRA executed a lease with the City of Pensacola for 73 spaces in the North Palafox Parking Lot for sublease to the GSA for the United States Federal Courthouse.

FUNDING:

N/A

FINANCIAL IMPACT:

Annual parking lease revenue of \$16,200.00 will be collected and retained by the DIB during the 1st five-year term and will increase at the end of each 5-year increment based on a 2% escalation schedule.

STAFF CONTACT:

Don Kraher, Council Executive
M. Helen Gibson, AICP, CRA Administrator
Victoria D'Angelo, Assistant CRA Administrator

ATTACHMENTS:

- 1) Lease of Real Property - GSA Form 3626
- 2) Lease Amendment No. 1
- 3) Section 889 Addendum
- 4) Parking Plan Map
- 5) Supplemental Lease Requirements
- 6) Facility Security Level 1
- 7) General Clauses - GSA Form 3517A

PRESENTATION: No