



CITY COUNCIL STAFF REPORT

DATE: December 17, 2014 PUBLIC HEARING

SUBJECT: PARKING EASEMENT WITH PALM SPRINGS, LLC, FOR PUBLIC PARKING LOCATED AT A 414 NORTH PALM CANYON DRIVE IN AN AMOUNT NOT TO EXCEED \$2,000,000

FROM: David H. Ready, City Manager

BY: Community & Economic Development Department

SUMMARY

As part of the City's effort to increase the availability of public parking in the Downtown and Uptown Design District area, the City has negotiated a Parking Easement with Palm Springs, LLC, (the "Developer"), the Developer of the Port Lawrence Hotel project, to acquire public parking spaces in the Project for the amount of \$2,000,000, payable if and when the project is completed (at least two years).

The City has public parking available in the Downtown Revitalization Project, numerous downtown surface lots, and in a public parking structure at Baristo and Indian, but is short of available public spaces in the north end of Downtown and in the Uptown Design District area. In addition to a private parking area, the Developer's site plan shows an at-grade parking structure located at the north end of the project, bordered by Indian Canyon Drive and Alejo Road, with 124 parking spaces. The Easement covers this structure, all of which would become open public parking.

RECOMMENDATION:

1. Approve Parking Agreement with Palm Springs, LLC, a California limited liability company ("Owner");
2. Authorize the City Manager to execute all documents to effectuate the Amendment.

STAFF ANALYSIS:

Although not yet fully entitled, the Port Lawrence project today, proposed by Palm Springs, LLC, consists of a 150-room hotel and approximately 32,705 square feet of ancillary commercial retail, restaurant and parking structures. The property is approximately 4.1 acres of vacant land bounded by Alejo Road on the north, North Palm Canyon Drive on the west, North Indian Canyon Drive on the east, and existing commercial development on the south. The Developer is in the process of obtaining approval of the Final Development Plan for Planned Development District 324. The Preliminary Planned Development Plan was reviewed by City Council on appeal on October 15, 2014.

The amount of parking spaces provided by the applicant remains the same as with the preliminary PD. Pursuant to the parking requirements of the Palm Springs Zoning Code, the total required parking for the development is 226 spaces. The entire development, including the hotel, will have 283 parking spaces including an on-street parking credit of 16 spaces.

Development and Ownership

The Easement provides that the Developer would be responsible for the development and construction of all of the parking spaces in the Port Lawrence project. The 124 "public" spaces are in the location specified on the attached site plan (near Alejo, and behind the retail spaces on Palm Canyon). The Developer's hotel is a podium construction with the hotel itself a level above the parking, but retail uses are at grade and therefore in front of the parking, as seen from Palm Canyon Drive.

Payment for Spaces

The Planning Department's overall parking calculation shows the project has 57 "excess" spaces throughout the entire project. The Parking Easement provides that the City acquire rights for public use over all 124 spaces in the north structure – which will function as free public parking in perpetuity. The sum total of the 124 spaces is \$2,000,000.

If the project is completed, this amount would be paid at the completion of construction from the City's Property Acquisition Account. The Owner will be able to assign the City's obligation to the lender financing the project.

Maintenance

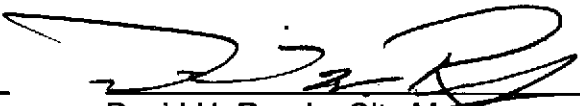
Given that the spaces would be in the Developer's (four star) hotel, the Developer has an interest in ensuring that the spaces are maintained to the standard of the rest of the property. The easement will outline the owners obligation to maintain the facility and how the area will be controlled. Hours of operation will be determined by mutual agreement.

FISCAL IMPACT

The Agreement calls for a payment of \$2,000,000 for the parking easement. This amount is to be paid if and when the project is completed, from the City's Property Acquisition Account. The Owner will be required to pay any ongoing maintenance costs.



John Raymond, Director of
Community & Economic Development



David H. Ready, City Manager

Attachments: MATERIALS TO BE PROVIDED

**CITY OF PALM SPRINGS
PUBLIC HEARING NOTIFICATION**



Date: December 17, 2014

Subject: PARKING MANAGEMENT AGREEMENT WITH PALM SPRINGS,
LLC, FOR PUBLIC PARKING LOCATED AT A 400 NORTH PALM
CANYON DRIVE

AFFIDAVIT OF POSTING

I, Kathie Hart, MMC, Chief Deputy City Clerk, of the City of Palm Springs, California, do hereby certify that a copy of the attached Notice of Public Hearing was posted at City Hall, 3200 E. Tahquitz Canyon Drive, on the exterior legal notice posting board, and in the Office of the City Clerk on December 11, 2014.

I declare under penalty of perjury that the foregoing is true and correct.



Kathie Hart, MMC
Chief Deputy City Clerk

NOTICE OF PUBLIC HEARING
CITY COUNCIL
CITY OF PALM SPRINGS

PARKING AGREEMENT
APPROVAL OF ECONOMIC DEVELOPMENT SUBSIDY

NOTICE IS HEREBY GIVEN that the City Council of the City of Palm Springs, California, will hold a public hearing at its meeting of December 17, 2014. The City Council meeting begins at 6:00 p.m., in the Council Chamber at City Hall, 3200 E. Tahquitz Canyon Way, Palm Springs.

The purpose of this hearing is to consider approving a Parking Agreement to acquire an Easement for Public Use for 124 public parking spaces from the Port Lawrence Hotel at 400 North Palm Canyon Drive, to provide for the acquisition, operation and maintenance of parking facilities to enhance the tourist and travel experience for visitors to the City, provide attractive and desirable parking facilities in the Downtown area, and assist the City in achieving its economic development goals. The payment to the Developer for the public parking may be considered an Economic Development Subsidy under Section 53083 of the California Government Code.

REVIEW OF INFORMATION: The staff report and other supporting documents regarding this matter are available for public review at City Hall between the hours of 8:00 a.m. and 6:00 p.m., Monday through Thursday. Please contact the Office of the City Clerk at (760) 323-8204 if you would like to schedule an appointment to review these documents.

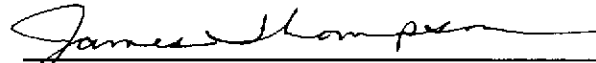
COMMENTS: At the hearing any person may present oral or written testimony. The City Council will consider all objections or protests, if any, to the Agreement. Response to this notice can be made verbally at the Public Hearing and/or in writing before the hearing. Written comments can be made to the City Council by letter (for mail or hand delivery) to:

James Thompson, City Clerk
3200 E. Tahquitz Canyon Way
Palm Springs, CA 92262

Any challenge of the proposed in court may be limited to raising only those issues raised at the public hearing described in this notice, or in written correspondence delivered to the City Clerk at, or prior, to the public hearing. (Government Code Section 65009(b)(2)).

An opportunity will be given at said hearing for all interested persons to be heard. Questions regarding this case may be directed to John Raymond at (760) 323-8228.

Si necesita ayuda con esta carta, porfavor llame a la Ciudad de Palm Springs y puede hablar con Felipe Primera telefono (760) 323-8253.


James Thompson, City Clerk