



AGENDA MEMORANDUM

CRA

Community Redevelopment Agency Board

Meeting Date: June 10, 2021

To: Community Redevelopment Agency Board
From: Dana A. Souza, Deputy City Manager
Date: June 3, 2021

SUBJECT:

Parking Garage Agreement between the City of Naples, Gulfshore Playhouse, Inc., and Downtown Naples, LLC structuring the terms and conditions of a transfer of land from Downtown Naples, LLC and Gulfshore Playhouse, Inc. near 1st Avenue South to the City of Naples on which Naples CRA will construct a public parking garage.

SUMMARY:

A Memorandum of Understanding (MOU) was negotiated over several months between the City, Gulfshore Playhouse, Inc., and Downtown Naples, LLC that outlined the basic conditions of a transfer of land owned by Gulfshore Playhouse, Inc. and Downtown Naples, LLC to the City of Naples upon which the Naples Community Redevelopment Agency and City would cause a parking garage to be built. On February 2, 2021 the CRA recommended approval of the MOU by the City Council who subsequently approved the document at their February 17, 2021 meeting. Upon the approval of the MOU, Staff and the Parties representatives continued to meet and negotiate a final agreement to include all specifics of the transfer of land to the City, the amount of parking spaces that would be exchanged for the land, conditions for the use of adjacent land of Downtown Naples, LLC to be used for staging of construction of the future garage, and other specifics. The Parties have reached agreement on a Parking Garage Agreement that will be presented to the CRA as the subject of this agenda item. The CRA will hear an item on the same agenda as this agreement which is designed for the CRA to determine the size of a garage it would like to see on the site, and the determined size should be introduced into the Agreement during the discussion of this item. Should the Draft Agreement then be acceptable to the CRA, the Board will need to approve a motion to recommend that the City Council approve the agreement.

BACKGROUND:

In December 2017, the CRA received a letter from the Gulfshore Playhouse proposing a partnership with the Playhouse donating approximately 1.02 acres of land for to build a parking garage upon.

Subsequently, on September 1, 2020, the CRA approved a FY 2020-21 budget that included \$1,000,000 for design of a potential garage and included an amount of \$9,000,000 for the potential construction of a garage at this site in FY 2021-22 within their Five-Year Capital Project Budget. This was all done in anticipation of a partnership agreement that would move the project forward. During this same meeting, the CRA Board received an update on the potential partnership with Gulfshore Playhouse and others.

June 3, 2021

At the December 2, 2020, CRA Board meeting, the Board directed staff to begin discussions with Gulfshore Playhouse, Inc., and Downtown Naples, LLC, (Parties) that would allow the City/CRA to construct a parking garage on land currently owned by the parties that would be transferred to the City in exchange for parking allocations of spaces within the garage to support their individual development projects. Shortly after that meeting, staff and the Parties' representatives worked to develop a MOU that outlined the basic terms and structure of an agreement. The purpose of the MOU was to ensure each party substantially agreed to the basic terms and conditions before continuing with the effort and expense of a necessary replat of parcels to allow for the most advantageous portion of land owned by Gulfshore Playhouse, Inc., and Downtown Naples, LLC, to be transferred to the City. This document was presented to the CRA at its February 2, 2021, meeting, at which time the CRA recommended the City Council approve the MOU with a few minor revisions. The City Council proceeded to approve the MOU at their regular meeting of February 17, 2021.

The value of the land the

The City and the Parties have continued to negotiate some of the more specific details of an agreement since the approval of the MOU and together have completed a Draft Agreement which is now, via this item, presented to the CRA for discussion and potential recommendation to the City Council to approve. Those who have participated in the negotiations are listed below.

City of Naples	Gulfshore Playhouse	Downtown Naples, LLC
Attorney Sean Ellis	Kristen Coury	Jeff Wynn
Jeff Oris	Matt Edwards	
Dana Souza	Joel Markus	
Attorney Nancy Stuparich	Attorney William Taxay	

The agreement identifies the value of the land the project partners are providing as:

Landowners	Land Value
Gulfshore Playhouse	\$3,400,000
Downtown Naples, LLC	\$1,318,090
Total	\$4,718,090

While the City is not paying for land, it is exchanging the value of the land by providing parking space allocations and a valet parking area to the Gulfshore Playhouse and parking space allocations to the Downtown Naples, Inc. The value of the City's allocations is:

City Allocations to Landowners	Allocation Value
Gulfshore Playhouse Parking Space Allocation 132 spaces at \$20,000 each	\$2,640,000
Gulfshore Playhouse Valet Parking Area Allocation (with terms)	\$760,000
Downtown Naples, LLC Parking Space Allocation of 65 Spaces at \$20,000 each	\$1,300,000
Total	\$4,700,000

FUNDING SOURCE:

Tax Incremental Funding

A borrowing of funds by the CRA may be required.

RECOMMENDED ACTION:

Discussion. Insert a minimum number of parking spaces into Terms and Conditions Section 4.a.

Motion to recommend approval of the Parking Garage Agreement between the City of Naples, the Gulfshore Playhouse, Inc. and Downtown Naples, LLC, for the construction of a parking garage on land currently owned by the Gulfshore Playhouse, Inc. and Downtown Naples, LLC, to the Naples City Council.