

EXECUTIVE
SUMMARY



To: Patti McLauchlin, City Manager

Through: Katie P. Halloran, Planning Director

From: Scarlet R. Hammons, AICP CTP, The Corradino Group

Meeting Date: January 18, 2023

Application: **Parking Agreement – 918 Fort Street (RE# 00001630-000801)** – A request for approval of a parking agreement with the City of Key West for the construction of 126 affordable housing residential units on property located within the Historic Neighborhood Commercial 4 – Bahama Village Truman Waterfront (HNC-4) Zoning District pursuant to Section 108-244 of the Land Development Regulations of the Code of Ordinances of the City of Key West, Florida.

Background:

The subject property at 918 Fort Street is located on the west side of Fort Street roughly between Angela and Olivia Street, just south of the Truman Waterfront Park, and consists of two lots of record. The leased areas consist of 103,989 square feet and 33,962 square feet respectively. Both leased areas are essentially vacant land, the south parcel is used as an athletic field. The property is located within the Historic Neighborhood Commercial – 4 Bahama Village Truman Waterfront (HNC-4) Zoning District. The site is within the Bahama Village Community Redevelopment Area, established in 1992. In 2002, the US Government conveyed the Truman Waterfront to the City of Key West in conjunction with a Memorandum of Agreement (Navy MOA) between the USA and the City. This property falls within the Navy MOA.

The two leased areas are separated by Allen Avenue, which will remain a public roadway. To the northwest of the property is a Navy communication tower, referred to as the TACTS Tower. Pursuant to the Navy MOA with the exception of roadways, walkways, and low level vegetation, no development may occur within 20' of the property line around the TACTS Tower. The US Navy requires an additional 50' setback along the side abutting the entrance gate to the Truman Annex Base. No vehicle parking or structures are permitted within the 50' setback for security purposes. Due to US Navy comments at the September 22, 2022, Development Review Committee meeting, the proposed site plan was modified to account for the 50' setback which eliminated surface parking which had been intended for this area. The applicant then approached the City to request consideration of a parking agreement to address needed parking spaces.

The City of Key West recently improved a surface parking lot directly to the north and adjacent to the development site for the use of visitors to Truman Waterfront Park (the "Truman Waterfront Park parking lot"). The parking lot is located on the same property (RE# 00001630-000801), and is within 100' of the proposed northern most building. The applicant has requested to utilize parking spaces in this lot to comply with Code requirements, as outlined below. The applicant is also proposing to relocate seven parking spaces from this parking lot to allow for an access driveway to the condominium building from Quay Road. Three spaces will be constructed adjacent to the existing Parking Lot #5, and four will be

relocated to a yet undetermined location within Truman Waterfront Park.

Request:

The applicant proposes to construct 126 affordable residential units, with on site parking, and to enter into a parking agreement with the City to utilize 16 parking spaces currently designated for the Truman Waterfront Park. Pursuant to the development and the code of ordinances (Section 108-244), and due to the land deed restrictions from the Navy when the parcel was conveyed, Bahama Village Partnerships requires a special long term contract in order to provide for its use of 16 parking spaces at the City's Truman Waterfront Park parking lot. The initial term of the proposed agreement is for 20 years, and may be renewed with review of appropriate payment by the City and the developer thereafter. If approved by the City Commission, the applicant would pay a lump sum to the City to compensate the City for a portion of lost revenue over the next 20 years. Per the agreement, the lump sum will be due at such time the spaces are being used, or at issuance of the first certificate of occupancy (including any temporary certificates of occupancy). The spaces will not be signed or marked and the tenants will use a placard in the car to indicate they are authorized residents of the units.

City staff negotiated with the project developer to determine a parking agreement payment for the use of 16 unmarked parking spaces at the Truman Waterfront Park parking lot for this affordable housing project. The lump sum was calculated by multiplying the number of parking spaces reserved for the Bahama Village Partnerships' development project by \$239.10, the current documented annual revenue per parking space at the City's Truman Waterfront Park Parking Lot 5 parking meter at the time of execution of the Agreement. The sum represents "present value" using a 4% discount rate, given that the payment will be made up front. The lump sum does not include current pay-by-phone revenue calculations for Lot 5 given that information is unavailable at this time for that specific lot. The payment does not include potential future increases in parking rates or increased demand/revenue at the park. A copy of the agreement is attached.

20 Year Agreement

\$ 11,237.61	Current annual revenue from Meter for all 47 spaces at Truman Waterfront Park Lot #5 (Dec-21 through Nov-22)
\$ 3,820.79	Annual revenue of 16 spaces at Lot #5 (34% of \$11,237.61)
\$ 76,415.75	Current annual revenue for 16 spaces multiplied by 20 years
\$ 52,061.69	Present Value

provides for signatures of all concerned property owners.

RECOMMENDATION:

The attached draft parking agreement has been finalized and is recommended for **approval** by the City Manager's Office and the Legal Department.