



CITY OF MARSHALL AGENDA ITEM REPORT

Presenter:	Sharon Hanson, City Administrator
Meeting Date:	Tuesday, May 9, 2023
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Lease of Downtown Parking Lot for Public Use, Terms for Use and Improvement
Background Information:	<p>Staff and Mayor have been discussing the use of the Knochenmus Enterprise parking lot, located adjacent to Ralco Headquarters/Upper Room, for use as public parking as result of Block 11 Development and the redevelopment of the Mercantile by Knochenmus Enterprises.</p> <p>Downtown businesses from 5th Street to West College Drive have been supported by City owned public parking lots.</p> <p>Knochenmus Enterprises wishes to continue to own this parking lot. Thus, staff have researched parking lot lease rates and the lease rate supports the terms of the agreement.</p> <p>Knochenmus Enterprises has requested the repaving of the parking lot during the 2023 construction season, with a six-inch concrete surface (the “Repaving Project”). Reimbursement to the City for these costs will be through our normal and ordinary assessment procedures.</p> <p>This agreement will supersede the previous agreement between the City and Schwans.</p>
Fiscal Impact:	<p>Tenant shall pay Landlord \$30,000/year in rent for the first 10 years of the term of this Agreement. Rent shall be payable by Tenant on January 1st of each year. No rent shall be charged by Landlord for the remaining 20 years of the term of this Agreement.</p> <p>The concrete construction project will be assessed to Knochenmus Enterprises, current estimated construction costs between \$280,000 to \$325,000.</p>
Alternative/ Variations:	Do not approve this agreement, current agreement stays in place, indefinitely.
Recommendations:	Recommend adoption of this agreement.