

Parking for Our New Arena



Savannah Arena
04.20.2019

SAVANNAH
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The path to 2,400 Spaces

Two-Part Parking Solution

1) 400-space attached garage

\$12.5 million construction cost

Funding source: Parking Fund and SPLOST

2) 1,952-space surface parking lot

\$5.9 million construction cost

\$525,000 annual lease payment (w/3% CPI)

Funding source: Parking Fund

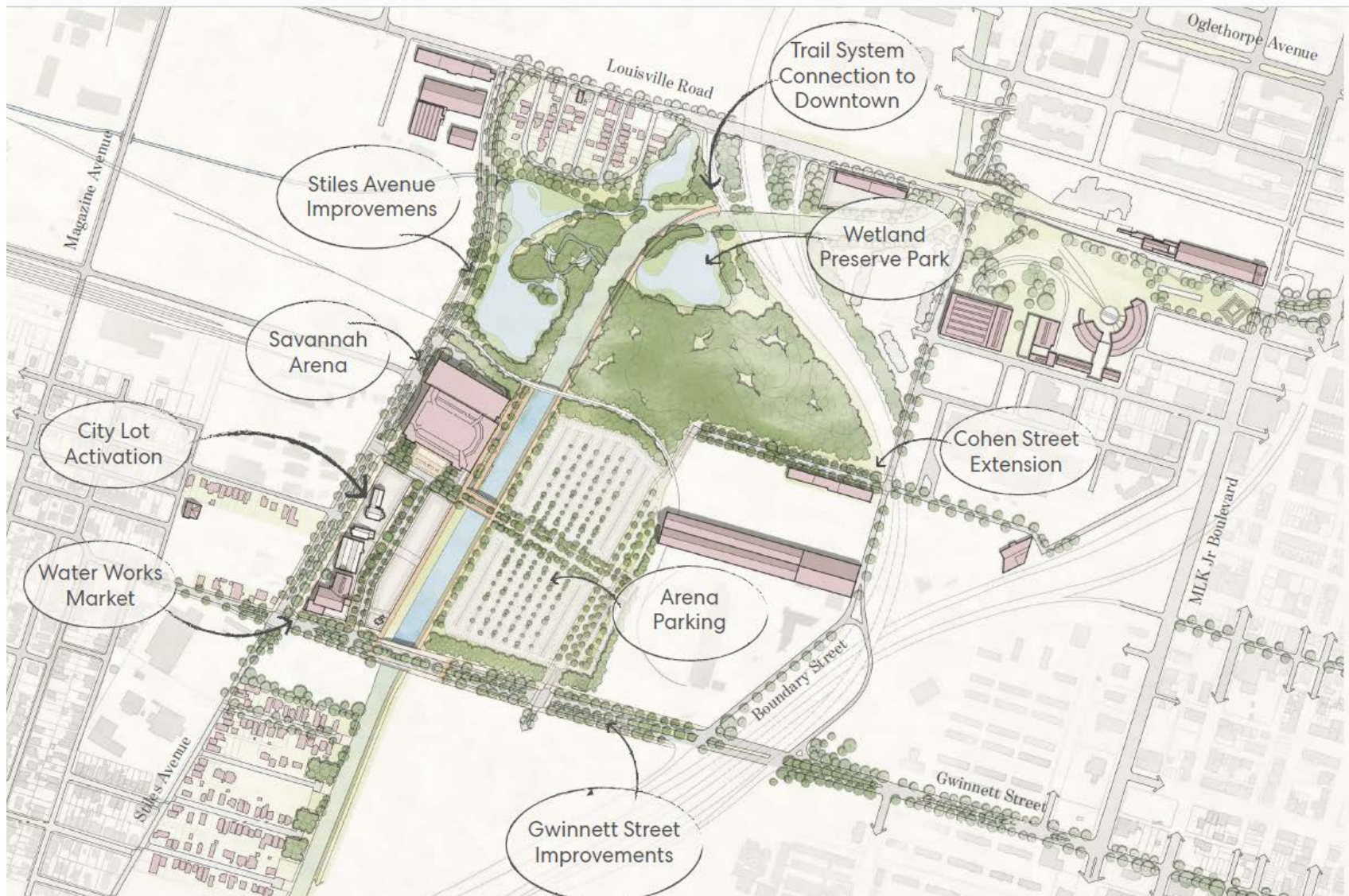
1) The Garage



400 Spaces

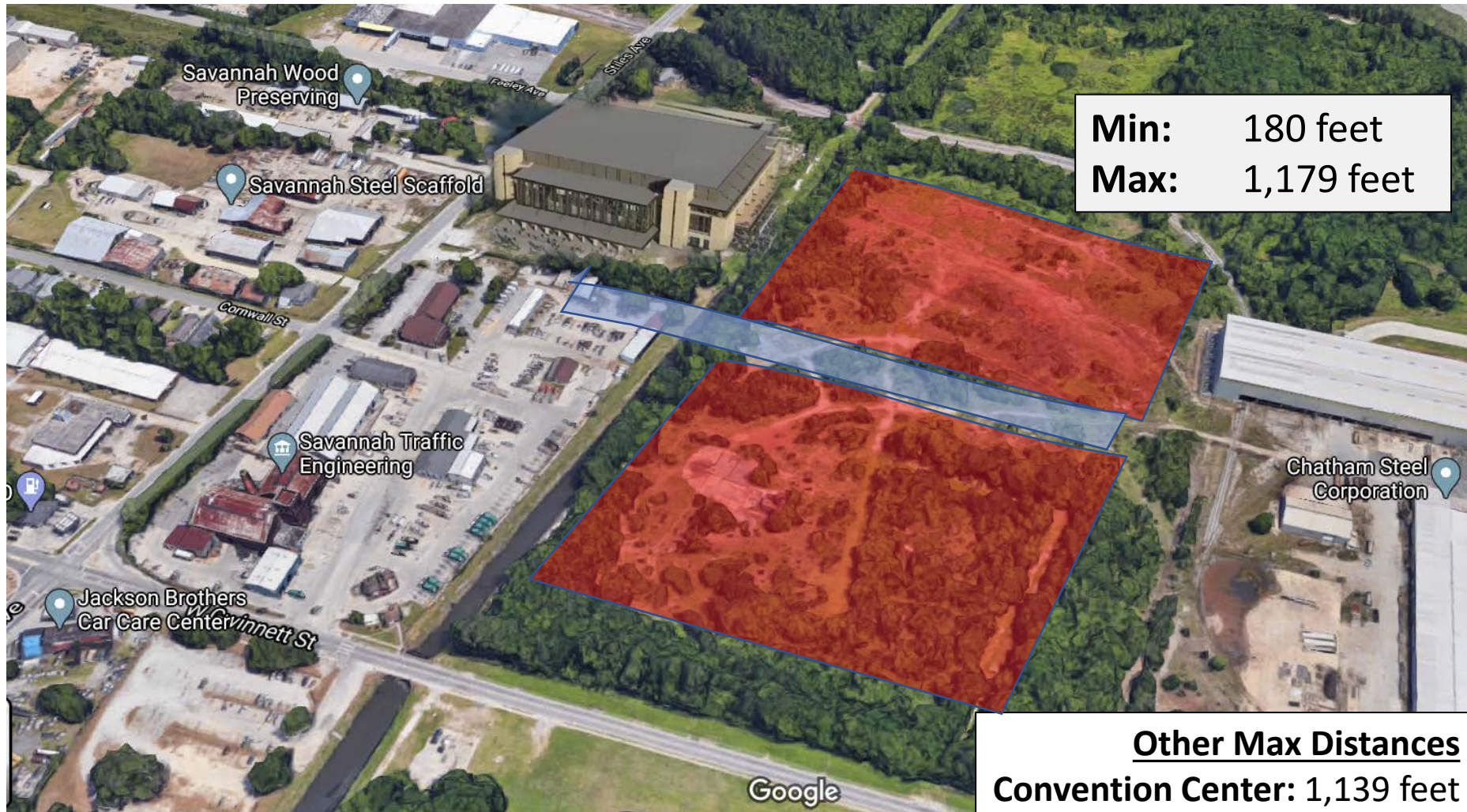
- ADA customers
- Suites
- Covered loading
- Special events

2) 1,952-Space Parking Lot





Distance to Arena



Property Lease History

August 29, 2019: City Council approves lease agreement for 22.5-acre property

- \$696,000 per year
- 5-year term, 5-year option

November 2019: First Amendment to lease extends due diligence period to May 31, 2020

May 28, 2020: Proposed Second Amendment to Lease

- Rent reduced to \$525,000 per year, with 3% CPI escalator (\$601,778 avg over 10 years)
- Term extended to 10 years

Why a Parking Lot?

- One-fifth the cost of a garage
- Parking funds available today to cover costs
- Bond issuance not required
- 10-year solution allows City to determine true parking demand
- 10-year solution allows time for private Canal District development/P3 solution
- Parking easier to load/unload than garage
- Location sufficiently buffered from neighborhoods
- Allows development of Cohen Street extension
- Pedestrians not forced to cross street
- Located to also serve expected City Lot development
- Will be ready by arena opening in February 2022

Other Parking Lot Uses

Special Event Parking (St. Patrick's Day, Marathon, etc.)

Overflow Motor Coach Parking

- Save \$46,488 per year from Parking Fund

Lease spaces to other development

- \$1,200 per space annually

Motor Coach Permitting

- Free up space at Visitors Center on MLK

Inspection Site for Tour Vehicles, Taxis, and Wrecker Trucks

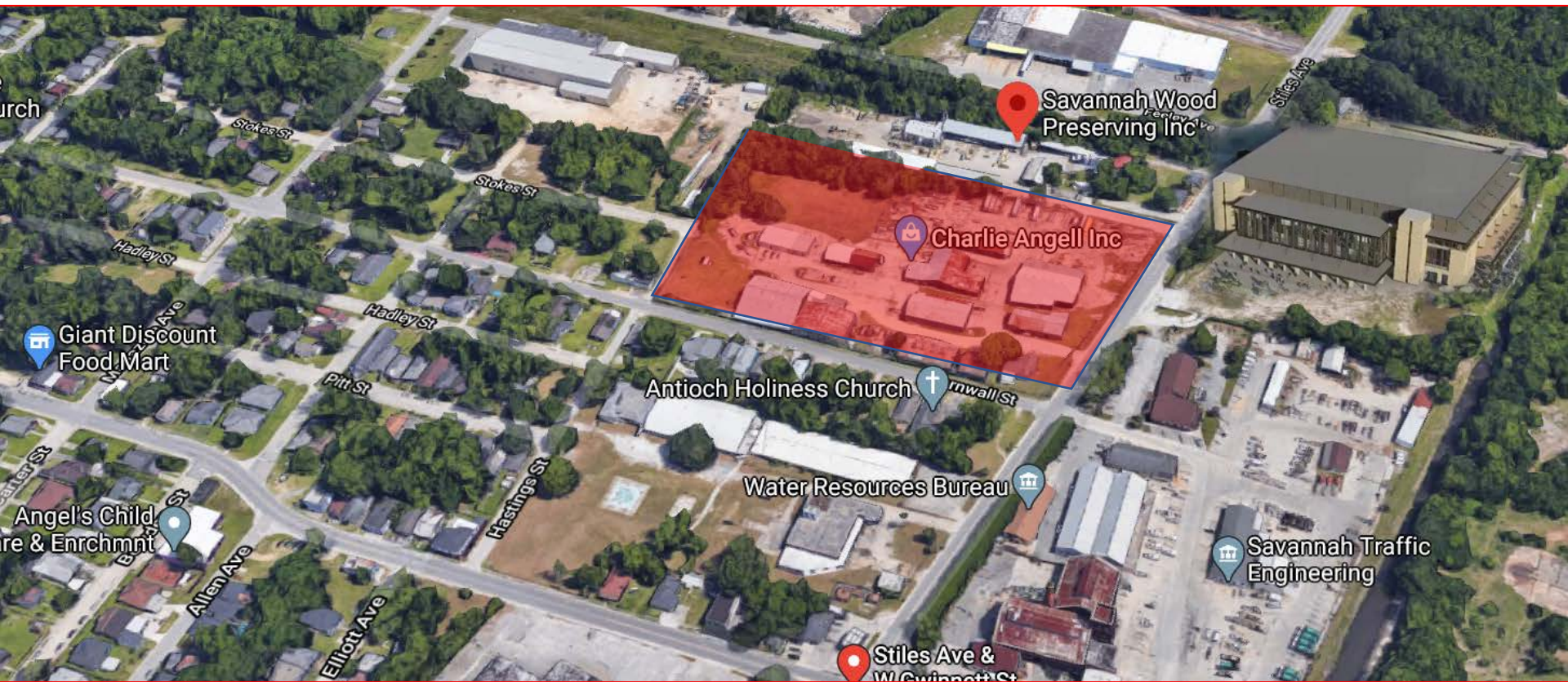
- Free up space at Visitors Center on MLK

Precision Driving Course

Low-rate Parking for Construction Workers

Food Truck Events

Other Options Explored: Stiles Avenue Site Unsolicited Offer



Unsolicited Offer: Stiles Avenue Build to Suit

May 15 & 18 Offers

	OPTION 1	OPTION 2	OPTION 2A
Size	2000	2000	2000
City Debt Payment	\$4.68M/yr	\$3.68M/yr	\$3.3M/yr
Total Cost	\$65 million	\$58 million	\$54 million
Commercial Space?	Yes	Yes	No
Further Obligations	Possible \$8M up-front cost	City contributes \$5M + \$3M in land	City contributes \$5M + \$3M in land
Term	30 yrs/debt recovery	30 yrs/debt recovery	30 yrs/debt recovery
Ownership	Debt holder owns until debt is paid	Debt holder owns until debt is paid	Debt holder owns until debt is paid

May 19 & 22 Offers

	OPTION 1	OPTION 2	OPTION 3
Size	2047	1000	1000
City Obligation	Unclear	Unclear	\$8/space/event
Total Cost	\$58.089 million	\$32.8 million	\$1.12M/yr
Commercial Space?	Yes	Yes	Yes
Further Obligations	None	None	City limits size of surface lot/markets garage
Term	30 yrs/debt recovery	30 yrs/debt recovery	Leasing of spaces
Ownership	Debt holder owns until debt is paid	Debt holder owns until debt is paid	Developer Owns

*Environmental testing not included

*Stormwater detention not included

Other City-Owned Property: 1,014 potential parking spaces



Other City-Owned Property:

\$191,695,000 in potential development



PARCEL	ACREAGE	POTENTIAL VALUE OF COMMERCIAL CONSTRUCTION (**)	POTENTIAL VALUE OF MULTI-FAMILY CONSTRUCTION (**)	TOTAL POTENTIAL CONSTRUCTION VALUE	LAND VALUE	TOTAL POTENTIAL VALUE OF CONSTRUCTION AND LAND	CITY TAXES BASED ON 12.856 MILS
City Lot	5	\$ 87,120,000	\$ -	\$ 87,120,000	\$ 5,312,500	\$ 92,432,500	\$ 475,324.89
SEC of Gwinnett at Stiles	4	\$ 8,712,000	\$ 33,750,000	\$ 42,462,000	\$ 4,250,000	\$ 46,712,000	\$ 240,211.79
Former School Site	4.5	\$ 9,801,000	\$ 37,968,750	\$ 47,769,750	\$ 4,781,250	\$ 52,551,000	\$ 270,238.26
TOTALS						\$ 191,695,500	\$ 985,774.94

Comparison

	Parking Lot	3 rd Party Garage
Total Cost	\$11.9 million	\$65 million
Annual Cost	Avg. of \$601,778/yr	\$3.68M/yr
Other	\$5.9M development cost	Does not include stormwater and environmental costs
Spaces	1,952	2,000
Term	10 years	30 years

Conclusion

Lease of the 22.5-acre private property offers the City the best option for providing adequate parking for the new arena while enhancing options, saving money, and protecting surrounding neighborhoods.

- Close to the arena, but buffered from residential areas
- Significantly less expensive – no bonding required
- Allows time for stormwater plan implementation / P3 solution to develop
- Allows for future Cohen Street extension
- Can be ready by Arena opening