

RESOLUTION

Approving the execution of several amendments related to the City's interest in the Water Street Parking Garage and the Water Street Parking Garage Condominium Association (WSPGCA)

WHEREAS, the City, by virtue of its membership in the Water Street Parking Garage Condominium Association ("WSPGCA"), entered into a 99-year ground lease for the land under the Water Street Parking Garage in 1994, which enabled the construction of a parking facility to support the growing Downtown Mall area; and

WHEREAS, the WSPGCA's governing documents provide that the base rent for the land underneath the Water Street Parking Garage (the "Garage") must be renegotiated every ten years, based on the appraised value of the land as if the land was unimproved; and

WHEREAS, in 2014, this renegotiation process led to significant litigation involving the City, the WSPGCA, the Charlottesville Parking Center ("the CPC" or "Landlord"), and other involved parties; and

WHEREAS, the WSPGCA is currently renegotiating the base rent for the land underneath the Garage, and this renegotiation is likely to result in a significant increase in the base rent, or litigation, or both; and

WHEREAS, the parties have currently negotiated a settlement agreement intended to prevent future disagreements between the parties which includes the following terms:

1. An amendment to the ground lease that sets the annual rent for the period from July 1, 2024 to June 30, 2044.
2. An amendment to the parking space lease that extends the term to June 30, 2044 and sets the annual rent for the period from July 1, 2024 to June 30, 2044.
3. An option for the City to purchase the land (subject to the ground lease mentioned above) and the parking spaces (subject to the above-mentioned lease) effective July 1, 2044. If the City does not exercise this option, then Charlottesville Parking Center will purchase the City's parking spaces.

BE IT RESOLVED by the Council for the City of Charlottesville, Virginia that the terms of the settlement agreement between the City of Charlottesville, as part of the WSPGCA, and the CPC are hereby approved, and the City Manager is authorized to execute any necessary documents, in form approved by the City Attorney's Office.