



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Economic Development

CM/ DCM/ ACM: Bryan Langley

DATE: August 22, 2017

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding Williams Square.

BACKGROUND

The City bought Williams Square (Exhibit 2) in 1925 for \$8,000. It has been a public parking lot since, and also was used on certain days for a farmers market until the 1960s.

The City has leased parking spaces in Williams Square to Wells Fargo Bank (formerly First State Bank of Texas) for more than 30 years. Ordinance 2011-184 and the attached lease (Exhibit 3) state that Wells Fargo has the option to renew at the same rate for seven years. Wells Fargo leases 58 spaces (at one time the spaces were numbered, so the lease states numbers 1-58) at \$17.50 per space per month for a total of \$12,180, which is paid once a year. The lease was amended by Ordinance No. 2017-052 (Exhibit 4) in order to comply with federal banking regulation requirements.

The City also has leased parking spaces to Denton County for more than 30 years. They County currently leases 15 spaces, but no specific location is identified. The rate is the same, \$17.50 per space per month, for a total of \$3,150; payment is made monthly. Ordinance 2011-183 and the attached lease (Exhibit 5) state that the County has the option to renew at the same rate for seven years. In a letter (Exhibit 6) dated Aug. 8, 2017, Denton County Judge Mary Horn notified the City that Denton County will not be renewing the lease after Sept. 30, 2017.

In 2005, the City leased 27 parking spaces in Williams Square to Denton County Transportation Authority (DCTA) for bus service while work was being completed on the Euline Brock Downtown Denton Transit Center. DCTA paid \$17.50 per space per month for an annual total of \$5,670. DCTA used the spaces through the spring of 2011.

In 2013, the City leased 1,089 square feet of land between Williams Square and Rusty Taco to VOW 210 Hickory Partners to construct a patio. Ordinance No. 2013-009 and the attached lease (Exhibit 7) stated that the first payment of \$3,267 would be due in 2013. The next payment, which was paid in February 2016, was adjusted on the basis of the then-current United States Consumer Price Index for all urban consumers for the Dallas-Fort Worth Bureau of Labor Statistics. The payment was \$1,112 and will remain that amount until it is again adjusted in 2019 per the lease. The lease terminates in 2023.

Occasionally, the City leases the parking lot to festivals and events (35 Denton, Day of the Dead, Oaktopia, etc.). The rates are:

Half day (six hours)	\$50
Full day (twelve hours)	\$100

24 hours	\$150
Multi-day (maximum four days)	\$450

In May 2017, Jack Bell Properties completed the purchase of the four parcels associated with the Wells Fargo Bank building at 101 S. Locust St.: the tower/bank lobby, the ATM lot, and two parking lots, one of which adjoins Williams Square. Jack Bell Properties is interested in a long-term land lease of Williams Square from the City for the purpose of constructing a parking structure to serve the Wells Fargo redevelopment project and provide public parking. During a May 9, 2017, work session on the project, Councilmember Briggs requested an outside counsel review of the City's ability to lease or sell Williams Square.

LEGAL INFORMATION

Please see your Legal Status Report dated August 18, 2017.

FISCAL INFORMATION

Please see Exhibit 8 for information regarding revenue from Williams Square.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: Economic Development
Related Goal: 3.3 Promote a business-friendly environment

EXHIBITS

Exhibit 1 – Agenda Information Sheet 17-793
Exhibit 2 – Map of Williams Square
Exhibit 3 – Wells Fargo Lease
Exhibit 4 – First Amendment to Wells Fargo Lease
Exhibit 5 – Denton County Lease
Exhibit 6 – Nonrenewal Letter from Denton County
Exhibit 7 – Rusty Taco Lease
Exhibit 8 – Williams Square Parking Revenue FY 2006-2007 to FY 2015-2016
Exhibit 9 – Presentation

Respectfully submitted:
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