

Dawn Perez

From: Ryan Swehla <ryan@naibenchmark.com>
Sent: Friday, June 13, 2014 9:35 AM
To: Garrad Marsh; Brent Sinclair; Josh Bridegroom
Cc: David Quinonez
Subject: Valley First Credit Union parking

Mayor, Brent, and Josh,

Following up on our meeting earlier this week, I have discussed with Valley First Credit Union and they would like to provide the following proposal for parking incentive to relocate their headquarters to downtown Modesto – bringing 70 full time employees initially and grower to 100 or more.

Valley First initially planned to buy a building on the freeway in the Salida area, but decided to consider downtown after David White's suggestion. This building will meet their needs after significant renovation (including improving the exterior). But the primary barrier to moving forward is the cost (and uncertainty of future cost) of parking. Based on this and our preceding discussions, Valley First proposes the following:

1. 100 spaces on the top levels of the 11th St. garage
2. Exclusive use during business hours
3. Free parking for the first five years
4. \$15/stall thereafter plus an annual increase based upon inflation
5. They can separate/signage as needed to denote their exclusive use

Please keep in mind the following when evaluating this proposal:

- The 11th St. parking garage is substantially vacant during normal business hours (including complete vacancy on the top two floors). So there is no current or foreseeable near future use of these stalls – and no income whatsoever from them.
- The \$15/month cost going forward is based upon the approximate cost of maintaining surface parking stalls (Valley First's alternative if they did not locate downtown)
- While the city is evaluating incentives to bring professional employment (and residential) to downtown Modesto, this represents a major one time negotiation for a major employer that is considering locating in the downtown. The odds of recruiting one employer bringing 100 jobs to downtown Modesto in the future is extremely low, and we need to recognize the singularity of this potential windfall for the downtown.
- As you know, the economic multiplier of 100 full time professional employees in downtown Modesto will add millions of dollars to the downtown economy over time.
- If future incentives mirror this plan, they can be capped to a certain number of total parking stalls. Given that half of the 15,000 available on/off street parking stalls are unoccupied at peak hours, there are plenty of stalls to fold into an incentive plan

We are submitting a letter of intent with the landlord that will be contingent upon city approval of a suitable parking incentive. Ideally, as discussed, this approval will happen at the July 8 city council meeting so the current building owner doesn't proceed with auctioning the building.

We look forward to meeting next Tuesday at 9am and determining next steps to get this approved.

Thank you much,
Ryan

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