



VAI Parking Garage Space Use Agreement

December 10, 2024





Background

- The City acquired approximately 19.7 acres located at the Southwest corner of Cardinals Way and 91st Avenue to support the City's economic development growth within the Glendale's Sports and Entertainment District, including the Westgate Development, the Desert Diamond Arena, and the State Farm Stadium.
- In July of 2024, VAI Resorts contracted with the City to purchase approximately 8.25 acres of the vacant parcel to construct a private parking garage consisting of 4,250 private parking spaces.
- The VAI parking garage is currently under construction; VAI will own, maintain, and manage the operations of garage.
- The City remains the owner of the unimproved remnant lot (approximately 11.45 acres) adjacent to the parking garage located generally at the southwest corner of Cardinals Way and 91st Avenue. VAI has limited first right of refusal to purchase this parcel.



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The City desires to acquire rights to use 800 designated parking spaces on the ground level of the VAI Parking Garage that will be for the dedicated for:

- **the benefit of the adjacent unimproved city parcel by providing dedicated covered garage parking that will increase the value of this parcel;**
- **allow for the attraction of a higher quality of development; and**
- **allow for greater building height and density; and**
- **to support surrounding venues and future development that continues to grow within the Sports and Entertainment District; and**
- **to provide options to the city to make available critical additional parking to assist in the successful bidding for large-scale mega events that result in significant positive economic impact to the city.**

The 800 ground level spaces are comprised of 600 spaces available for use by the City at all times and 200 spaces available for use by the City between 6 a.m. and 6 p.m., seven days a week.



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Term of the agreement

- The initial term of the agreement is for 25 years. The agreement would commence shortly after the VAI Parking Garage completes construction and is issued a COO. The agreement also affords the City two 10-year renewal terms, for a total allowable agreement term of 45 years.

Use Fee

- The use fee for the initial 25 years is \$14,875,000.00
- Each 10-year renewal term is \$1,500,000
- Total agreement use fee is not to exceed \$17,875,000 **which is less than \$1.36 per day, per parking space over 45 years.**

In comparison, the average cost to construct a parking space in a garage is around \$27,900 per space.



Questions?



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