



Services Agreement for Parking Management

June 24, 2025

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Agenda

- Background
- RFP Process
- Proposal
 - Key Features
 - Financial Benefits
 - Other Benefits



City Investments in Parking

- Investments in parking fuel economic development
 - City receives direct sales tax on parking revenues
 - City receives indirect sales tax on activities in the surrounding businesses

Location	# of spaces	Approximate Initial Cost	Approximate Annual Cost	Annual Revenue
Bank of America Garage	568	\$17.3 million	\$175,000	\$0
Westgate Lots	1,809	\$5.0 million		\$0
Renaissance Garage	900	\$16.4 million		\$202,615
Yellow Lot (PN)	2,710	\$11.5 million		\$0
Black Lot (PS) inc. Ped Underpass	4,011	\$27.2 million	\$210,000	\$0
Youth Sports Fields	1,500	\$6.6 million	\$180,000	\$0



Background



- Purchased in 2015 as part of a parking settlement agreement
- Finished construction 2018
- Includes \$3.5 pedestrian passageway under Cardinals Way
- Added waterline for \$1 million
- Total cost \$27.2 million
- No economic development activity yet
- To date no parking revenue generated



Objective

- Find the best parking management partner
 - Demand for parking expected to increase with opening of VAI and Mattel Adventure Park
 - Important to find a balance between the benefits to the city and the Westgate Entertainment District
 - Understanding of demand fluctuations based on events
 - Ability to parking settlement agreement



Request for Proposal Process

- RFP issued February 19, 2025
 - Received four responses
 - Evaluated by 3-member panel of city staff
 - Notice of Intent to Award issued April 15, 2025
 - No protests



Request for Proposal Process

- Criteria
 - Experience and key management team members (40%)
 - Understanding of the project (40%)
 - Integrate into the success of the Westgate Entertainment District
 - Work with key stakeholders
 - Align proposal with the interests of the City
 - Revenue sharing or management fees (20%)
- Panel recommends VAI Resorts, LLC as the most responsible and responsive proposal



Key Features of Agreement

- Experienced personnel
 - VAI
 - Ben Yoo, VP of Hotel Operations
 - Winstar World Casino, Thackerville, OK
 - Wynn & Encore, Las Vegas, NV
 - Polo Towers, Las Vegas, NV
 - Partnership with Parking Management Company
 - Bradley Lombardo, VP of Operations
 - Over 10 years of experience
 - Jeremy Larson, Regional Director of Operations
 - Over 16 years of experience
 - Bernardo Pereira, Area Manager
 - Over 9 years of experience



Key Features of Agreement

- Strong approach
 - Synergy between security for parking lot and resort
 - Dynamic staffing model based on knowledge of events
 - High quality attendee experience
- Starts February 1, 2026
 - Twenty-five-year (25) term
 - Two 10-year options to renew at city's discretion
 - Total as many as 45 years
- City has the right to terminate or renegotiate
 - 24-month notice



Key Features of Agreement

- Subject to Parking Settlement Agreement
 - Will not manage or collect revenue on NFL event days
 - Will not manage or collect revenue on Mega Event days
 - Defined as over 40,000 in attendance
 - Responsible for removing illegally parked cars at their cost
 - Responsible for Operations and Maintenance
 - Asphalt maintenance and striping
 - Trash removal and sweeping
 - Utilities and lighting
 - Landscaping
 - Graffiti removal
 - Maintain two (2) retention basins



Key Terms of the Agreement

- Guaranteed fixed monthly fee starting at \$500,000 per year
- Escalates by CPI or 3%, whichever is lower
 - \$562,764 in year 5
 - \$652,387 in year 10
 - \$1,016,397 in year 25
 - Cumulative value of \$18,229,632 over the 25 years



Key Terms of the Agreement

- Guaranteed fee
 - Not dependent on the number of cars parked
 - Not dependent on the # of NFL event days excluded
 - Not dependent on the # of Mega Event days excluded
- Simplified reporting
 - Responsible for reporting 2.9% sales tax



25-Year Financial Benefits

Description	Amount
Revenue	\$18,229,632
Estimated Operations and Maintenance Savings	\$4,406,520
Estimated Sales Tax Revenue*	\$725,000
Grand Total	\$23,361,152

* Assumes taxable parking revenue of \$1,000,000 per year



Other Benefits

- VAI assumes the demand risk
 - Autonomous vehicles
 - Ride sharing
- VAI assumes supply risk
 - Competitive parking market
 - Westgate
 - Stadium lots
 - Other nearby parking
- VAI assumes inflation risk
 - Cost of maintenance, utilities, etc.



Summary

- Glendale has a history of supporting economic development
- Generates direct and indirect revenue from this investment
- Agreement with VAI Resorts, LLC
 - On the agenda for the voting meeting tonight
 - Staff recommends award of RFP 25-46 to VAI Resorts, LLC



Questions?