

ORDINANCE NO.

Department of Community Development Shaia Parking Lease and Option to Purchase Agreement Executive Summary

Ordinance Amount: \$0

Legislative Request:

To prepare legislation that would allow the Director of Community Development to enter into a lease agreement between the City and Playhouse Square for ten years, beginning June 1, 2026 and terminating May 31, 2036. A separate Option to Purchase agreement is included as part of the legislation that will also expire May 31, 2036.

Purpose:

The current lease between Shaia Parking and the City followed a response by the lessee to a City released RFP. Shaia Parking, through their development entity Victory Properties, Inc., provided the only submittal to the RFP. The City entered into a five year lease with an option to purchase with Shaia. The lease and option to purchase were extended in 2021. The City will not renew the lease and the option to purchase, both of which expire May 31, 2026.

Playhouse Square has been selected by the City as the new operator of the parking lots currently leased by Shaia Parking. The parking lots are located at E. 13th Street and Chester Avenue on permanent parcel numbers 102-22-013 and 102-23-061. Playhouse Square has recently expanded its footprint with the acquisition of the former Greyhound Bus Station which is adjacent to the parking lots. The acquisition by Playhouse Square and the City's and Playhouse Square vision of a proposed development and expansion of the theater district have made Playhouse Square a viable partner to make future development a reality.

The City has negotiated with Playhouse Square and agreed to terms that will include:

- A lease of the parking lot from June 1, 2026 to May 31, 2036
- Improve lighting, signage, and security/safety measures as it relates to the City's updates to Chapter 352 for parking facility operations.

- Provide ongoing site maintenance (e.g., surfacing condition, and removal of debris/trash).
- Address baseline physical conditions through striping and circulation clarity, surface repair and housekeeping, and other site improvements as appropriate.
- Option to Purchase agreement from June 1, 2026 to May 31, 2036.
- Acquisition price is based on fair market value as determined by appraisal.
- Any future development by Playhouse Square is subject to compliance with a Community Benefit Agreement.