



Date: May 27, 2016

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Harmon E. Crutchfield, Interim Transportation Director

Subject: Proposed New Downtown Mixed-Use Parking Garage

Executive Summary

The City recently completed a Comprehensive Parking Study for Downtown and Ninth Street. A presentation of the findings and recommendations of the Study was provided to City Council at the October 24, 2013 work session. Many of the recommendations of the Parking Study have been implemented over the past 18 months.

One of the recommendations of the Comprehensive Parking Study is for the City to build a new parking garage to meet the demand in the Downtown area. Two sites for potential garages were initially identified within the Downtown Loop along West Morgan Street to meet the demand in the City Center. Further, the Study recommended that if the City should move forward with the redevelopment of the existing Chapel Hill Street garage and surface lot site, that the existing parking supply should be replaced by another garage within the Downtown Loop prior to demolition of the existing parking facilities.

Recommendation

The Department recommends that the City Council authorize the Administration to proceed with the design, construction and delivery of the new Downtown Mixed-Use Parking Garage, consisting of approximately 750-850 parking spaces, 15,000-20,000 square feet of ground-level commercial/retail space, and a 5,000 square foot office space for the City's Division of Parking Management. Administration will investigate as a deliverable of the design services scope additional concept designs that include an affordable housing component, associated additional parking and cost models for City Council consideration.

Background

In 2013, the City of Durham, under contract with Kimley-Horn, conducted a Comprehensive Parking Study of the existing parking system to be in a position to provide an improved experience to those that work, visit and live in Durham.

To meet future parking demand in the Downtown area, the Parking Study identified the need for a new City-owned parking garage. During the Comprehensive Parking Study, two sites for potential garages were identified within the Downtown Loop to meet the demand. In the Study, it was recommended that for planning purposes, revenues associated with a potential new City-owned parking garage were estimated and projected.

Urban Design Studio – January 2014

In an effort to engage Downtown stakeholders and to receive their input regarding considerations for a new Downtown parking garage, the Department collaborated with

Downtown Durham, Inc., and the City-County Planning Department to hold an Urban Design Studio charrette in January 2014. The purpose of this community engagement exercise was to provide an opportunity for public input in creating a vision for redevelopment of the public parking lots along the south side of Morgan Street between Mangum and Holland streets, and defined important design and functional characteristics for possible future parking structures at those sites. The event engaged stakeholders to identify and prioritize goals for redevelopment.

From this engagement exercise, we learned that the community desired that ground-level commercial/retail space be incorporated into the design to activate pedestrian activity. Also, the majority of the attendees favored the height of the garage not to exceed 7 stories. The office component was added to the overall design scheme based on the needs of an expanded parking program that will include the Paid On-Street Parking Program and its associated operational considerations.

As a result of the feedback from the Urban Design Studio and in consultation with Kimley-Horn, City staff determined that surface parking lot #14, located at the intersection of Mangum and West Morgan Streets as the preferred site of the new parking garage.

Site Visits

Since the City had not built a parking garage since the 1980s and given the fact that parking structures have unique characteristics that distinguishes them from other buildings, City staff conducted site visits to other municipalities that had constructed mixed-use parking garages. These cities included Raleigh, NC; Fayetteville, NC; Norfolk, VA; Virginia Beach, VA; Washington, DC. The purpose of these visits was for staff to learn about industry best practices, lessons learned, design considerations that were explored in the respective projects. Staff inquired about a diversity of issues, including structural engineering, feasibility and site analyses, planning and functional design elements, sustainable design, lighting and draining, intelligently balancing aesthetics, durability and cost for maximum benefit to the City, the parking customers and the environment. The best practices learned from our peer cities helped to frame our approach and methodology for the project.

Project Delivery Method Analysis

Prior to advertising for professional services, City Staff evaluated project delivery methods available under NC law for determining the most appropriate project delivery method. The General Services' Project Management Division is tasked with managing the design and construction of this project. As part of its evaluation process, General Services conducted an analysis regarding the delivery method (i.e., Design-Build (DB) and Construction Manager at Risk (CMAR) for the project. The analysis was project specific and included a test of the project against the General Service's criteria for procurement methods. Further, the analysis included consultation with scholarly documents on Design-Build versus CMAR for public construction projects; conversations with engineers and contractors who have worked on both Design-Build and CMAR parking garages; as well as conversations with a parking garage specialty contractor.

While there are merits to both Construction Manager at Risk and Design-Build delivery methods City staff recommended CMAR as the best method for this project. The Construction Management at Risk delivery method allows the construction management firm to be selected using a qualifications based selection process; the CMAR serves as the City's fiduciary and coordinates subcontract bid packages to develop optimum competition and compliance with the City's EBOP program; CMAR is the delivery method that most closely

affords the benefits of integrated project delivery, whereby the CMAR and Design teams are involved in the project development during the design and preconstruction phase as an integrated team contracted by the City. This allows the team to provide design and preconstruction services in the best interests of the project and as a team throughout the project lifecycle.

Kimley-Horn Feasibility Study

In an effort to update the Parking Study recommendations to incorporate suggestions received from the Urban Design Studio, the Transportation Department consulted with Kimley-Horn to conduct a feasibility study on the proposed mixed-use garage. The study determined the number of parking spaces that is attainable given the available footprint and the seven story height constraint established in the Urban Design Studio charrette. The study also included options on how to incorporate commercial/retail space within the structure. Kimley-Horn considered conceptual layouts and functionality of a parking structure with the stated objective to provide between 750 - 850 parking spaces, approximately 15,000-20,000 SF of ground-level commercial/retail, and at least a 5,000 SF of office area. In addition to developing concepts, the feasibility study sought to identify key design questions that would need further study during the next phases of design, such as how to protect the public uses in the adjacent alley way. Finally, budgetary construction cost estimates were prepared and lifecycle costs of structural options were evaluated.

Overview of the RFQ Process

Request for Qualifications (RFQs) for CMAR and Design Services were advertised on February 17, 2016. The RFQs included the following items:

1. Scope of services, budget and schedule were provided to guide respondent firm responses and project approach.
2. A copy of the Kimley Horn Feasibility Study was attached as an appendix which enumerated design options, density studies and had preliminary cost estimates.
3. The survey responses from the 2014 Urban Design Studio was attached as an appendix to understand the origin of the project site selection as well as the initial design tenets the project would embody and input from the public (such as including a retail component to engage the streetscape along Morgan St, a garage that looked like a building, height sensitivity, etc.)

City staff held the Pre-Proposal Conference on March 2, 2016. Proposals were received from respondent firms on March 18, 2016. Upon receipt, City staff forwarded the proposals to the Equal Opportunity and Equity Assurance (EOEA) Department for compliance determination with the City's Equal Business Opportunity Program Ordinance. Eight Professional Services (Design) and four CMAR proposals were deemed compliant and were distributed to members of the interdepartmental review team for evaluation. Members of the evaluation committee independently reviewed and scored the proposals based on criteria outlined in the RFQs for Professional Services and CMAR.

The evaluation team's individual scoring sheets were compiled by General Services. The team met to discuss the cumulative RFQs and scoring results, and a "shortlist" was developed of the respondent firms. Finalist interviews for CMAR firms were held on April 18, 2016 and interviews for the Design firms were held on April 22, 2016. At present, City staff has put the final selections on hold pending the City Council's review of the original project approach and timeline.

Issues and Analysis

Downtown Durham has realized a significant increase in the number of residents and businesses in the Downtown corridor. Over the last decade, Downtown Durham has seen considerable investment and growth. According to Downtown Durham Inc. (DDI), since 2000, there has been \$1.3 billion of investment in downtown; more than 2,500 people live in Downtown Durham; there are more than 1700+ residential units presently available downtown; 16,500 people work downtown; there are over 90 restaurants and bars; 150 startups are located downtown; etc. Further, DDI has identified that more than 1,000 residential units, 450 additional hotel rooms, over 600,000 square feet of new office space and more than 25,000 sq. ft. of new retail space will be realized downtown through 2017.

As a result, there is unprecedented demand for parking in City-owned and operated public parking facilities. At present, the City's Off-Street parking garages (i.e., Chapel Hill Street Garage, Church Street Garage, Corcoran Street Garage, and the Durham Centre Garage) are operating at capacity for monthly permit holders. As a result, the City is not able to accommodate additional requests for monthly parking permits. Some examples of the recent requests for monthly parking, that cannot be accommodated, are as follows:

1. Measurement, Inc. – 50 spaces, increasing to 100 on or before Jan. 2017
2. City Center Project – 90 spaces (in 2017-18)
3. Durham Centre Tower, 150 parking spaces
4. Confidential #1 – PW Project, 50 parking spaces
5. Confidential #2 – RH Project, 50 parking spaces

Alternatives

1. The City Council authorizes the Administration to proceed with the design, construction and delivery of the new Downtown Mixed-Use Parking Garage, consisting of approximately 750-850 parking spaces, 15,000-20,000 square feet of ground-level commercial/retail space, and a 5,000 square foot office space for the City's Division of Parking Management. Administration will investigate as a deliverable of the design services scope additional concept designs that include an affordable housing component, associated additional parking and cost models for City Council consideration.
2. The City Council directs City staff to consider other considerations for the project. This may delay the provision of critically needed public parking in the downtown area.

Financial Impact

The City's parking assets operate as an enterprise. The current estimated cost for the new parking garage is approximately \$23 million dollars. Funding for the project is allocated in the Parking Enterprise Fund.

SDBE Summary

The SDBE Summary is not applicable.

Attachments

None