



## STAFF REPORT ON PROPOSED LEGISLATION

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To: Mayor Gavin Buckley

From: Michael Mallinoff, City Manager

Date: October 17, 2023

Subject: R-54-23: Noah Hillman Garage Parking Concession Agreement

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### **Purpose of legislation**

The purpose of this legislation is to start an investigation into problems with the Noah Hillman Garage parking contractor and finding solutions to eliminate the overly complicated parking fee payment system that's discouraging the use of the parking garage.

### **Impact of legislation on operations**

The agreements that enabled the rebuilding of the Noah Hillman garage and that govern its operations afterward are complex and create clear expectations on the parties regarding how to resolve issues that may arise.

The concession agreement itself is between the City of Annapolis and the Maryland Economic Development Corporation (MEDCO), who issued the revenue bonds that financed the garage construction and is responsible for ensuring the payments on the bonds are made. MEDCO subcontracted with Annapolis Infrastructure Resilience (AIR) to develop and manage the garage and the downtown parking district (which collectively produce the revenue used to pay the revenue bonds), and AIR subcontracted with Premium Parking Services to manage the day to day operations of both the garage and the downtown parking district. The City therefore does not have a direct relationship with Premium Parking but must instead work through its agreement with MEDCO.

Section 23 of the concession agreement outlines the dispute resolution process agreed to by the parties. The first step is to provide written notice to the other party and then meet within 10

days of that notice to attempt to resolve the issue. If no resolution is found, the dispute is escalated to the Project Executive Committee, which will meet with the parties' designated representatives to attempt to resolve the dispute. Failing a resolution, the parties next must attempt non-binding mediation. After that, parties are then free to attempt other methods of remedy.

Note that the City is in the early days of a 30-year agreement with MEDCO. It behooves the City to ensure that all aspects of the agreement are being fulfilled, since this is something the City will be dealing with for a long time. It also behooves the City to fulfill its obligations under the agreement, since failure to do so could have major consequences for the City. Meeting with MEDCO and AIR per the concession agreement is the first step.

**Impact of legislation on staffing**

The City is planning to propose creating a dedicated parking manager staff position within the Department of Transportation.

*Prepared by Victoria Buckland, Assistant City Manager*