



CITY OF CONCORD

REPORT TO PARKING COMMITTEE

From: Matthew R. Walsh, Dir. of Redevelopment, Downtown Services, & Special Projects

Date: June 27, 2016

Subject: Parking Strategic Plan & Financial Pro Forma

Recommendation:

Accept this report and forward the recommendations herein to the City Council for ratification.

Background:

1. Overview: The City's Parking System is a \$2.2 +/- million operation annually, and is comprised of the following assets within the greater downtown area:
 - 3,781 public parking spaces (on street, garages, and lots).
 - 3 parking garages containing 425,000SF and 1,235 parking spaces, combined. The garages were constructed in 1979, 1985, and 2007, respectively, and are currently valued at \$21.8 million, combined.
 - 9 surface parking lots totaling 2.3 acres with 203 parking spaces, combined.
 - Approximately 2,363 +/- regulated on-street parking spaces in the Downtown Central Business District, of which 770 +/- are metered. This figure excludes regulated on-street spaces in Penacook Village and McKee Square.

Daily operations of the system are carried out by the City's Parking Division, which has 7.6 employees and two vehicles. The General Services Department is responsible for daily maintenance as well as prosecution of capital improvements. Daily maintenance is provided with part time employees.

As part of the FY2014 Budget, the City implemented a reorganization of the City Parking Division. The reorganization, which was effective on August 19, 2013, resulted in staff within the City Manager's Office taking on responsibilities for crafting parking policies for consideration by the Parking Committee and City Council, fiscal administration of the Parking System, approval of major Parking Division purchases, negotiation of all parking leases, preparation of the Parking Fund Pro Forma and capital budget, as well as staff support for the Parking Committee.

2. Why Manage Parking: The City has been managing parking for decades. The first parking meters were deployed in Concord in 1947. Overnight parking regulations dated to the 1930s.

There are two basic reasons why municipalities manage public parking resources:

- a. Economic Development & “Tragedy of the Commons”: Municipal parking systems are shared public resources which serve multiple stakeholders. Because such systems have a finite capacity, they must be managed to balance the competing needs of stakeholders to the greatest extent practical.

Given high demand for parking resources downtown, if the system was unregulated, individual users would act independently and use the resource in accordance with their own self-interest. Such behavior would likely be contrary to the common good of all users, and would result in the unnecessary depletion of the resource. More simply stated, if parking was not regulated in Concord, individual users, especially in high demand areas, would use up finite parking resources without regard to the overall needs of the City, or its economic and community development goals. Economists refer to this scenario as “tragedy of the commons”, a term coined by William Forster Lloyd, apolitical economist at Oxford University, in 1832 regarding unregulated grazing of privately owned livestock on public “or common” lands in England and the devastation associated therewith.

Parking regulations, whether in the form of hourly rates, time limits, hours of enforcement (or all, in combination), affects behavior thereby helping to achieve the City’s broader community and economic development goals.

- b. Reduce Cost to the Taxpayers: The second public policy goal of managing parking is to shift cost of the system from the taxpayers to the users of the system. If the City’s General Fund (i.e. taxpayers) were to absorb the cost of operations and debt service for the Parking System, the municipal portion of the tax rate would increase \$0.54, or nearly 6% in FY2017. Based upon projects in the FY2017 budget pro forma, this amount would increase to approximately \$0.72 by FY2022.
3. Parking Fund Overview and Fiscal Condition: The City’s Parking Fund is a “special revenue fund”. As such, the Parking Fund is separate and autonomous from the City’s property tax supported General Fund (meaning that debt service and operating costs are supported solely by meter and lease revenues, as well as fines and penalties). With the exception of moneys transferred from the Sears Block TIF District for repayment of Parking Fund equity previously invested in the Capital Commons Garage Project during 2005-2007, property taxes are not used to directly support the parking fund.

The Fiscal condition of the Parking Fund has been deteriorating for several years, with expenditures consistently exceeding revenues since 2007. During the period of FY2007-2016 (budget), the Fund has lost approximately \$1 million. These losses have not gone

un-noticed, and the City has attempted to shore-up the fund through a variety of measures over the past few years. Such efforts included implementation of the new Kiosk meter system, rate increases (\$0.75 / hour for on-street parking in FY2010, sale of the Theatre Street Parking Lot (\$200,000), and new leases in the Capital Commons Garage (primarily related to new development at 45 and 49 South Main Street; albeit at reduced rates).

Beyond these revenue measures, the City has also worked to reduce expenses. Examples include delaying major capital projects, including \$4 million in much needed repairs to the Durgin Block Garage, reduction of a full time parking enforcement position in FY2015 (which had been purposely held vacant for a number of years), and delayed vehicle replacements by relying upon second hand surplus vehicles from various City Departments.

Despite these measures, the Parking Fund continues to struggle and bold action is now needed to make the system financially solvent. The proposed FY2017 budget, submitted to the City Council on May 6, 2016, represents a “status quo” budget, meaning it does not include any policy changes which would affect revenues or expenditures. The pro forma accompanying the budget predicts that the Fund will lose \$165,609 in FY2017. A loss of this magnitude loss will consume all remaining available fund balance, thereby resulting in negative fund balance totaling \$129,615 +/- . Further, assuming no changes to revenues or expenditures, the FY2017 budget pro form predicts that the Parking Fund will have a negative fund balance in excess of \$2 million by FY2022.

4. Factors Contributing to Financial Insolvency: There are a variety of factors which have contributed to the deteriorated financial condition of the parking fund. A brief summary of major factors are as follows:
 - a. Fractured Management / Lack of a “Champion”: As previously noted, the City’s historical approach to management of the parking system was historically shared by the Police and General Services Departments. In August 2013, staff within the City Manager’s office was placed in charge of all aspects of the Parking operation. However, daily management of the system was retained by the Police Department’s Parking Division and General Services retained responsibility for daily maintenance, as well as oversight of capital projects.

The historical lack of “a champion” for the Parking System has resulted in an individual to advocate for policy changes which would be in the system’s best interest.

- b. Lack of Data When Creating Policy: Lack of data has also been a challenge when developing past policy for the Parking System. Data, such as occupancy and utilization rates, are critical when managing the system in order to implement strategies like demand based pricing.
- c. Lack of Capital Planning & Deferred Maintenance: Historically, the City has not had the resources required to meet capital needs for the parking system. Lack of resources has had the following consequences:

- i. The costs of deferred maintenance are mounting and will be a serious challenge for the fund over the next decade. Presently, the Parking Study indicates the parking system will need approximately \$10.3 million in capital investment over the next 10 years. The parking pro forma predicts that debt service will account for upwards of 50% of annual expenditures. This is similar to other capital intensive City enterprise funds, such as the water and sewer systems.
- ii. Without a complete understanding of the system's capital needs, the City, lacked, in part, important justification to raise parking rates. Nor was it able to enter into informed negotiations for certain long-term parking leases. As a result, parking rates in Concord have been artificially low.

Consequently, there has been little incentive for the City to increase rates to increase fund balance.

- d. Discounted Lease Rates for Development Projects: Since construction of its first garage in 1979, the City, for the past 3 decades, has had a practice of offering significantly discounted parking leases to support various development projects downtown. While these projects have had important economic benefits for the City, including tax revenues for the General Fund, these deals were often not advantageous for the Parking Fund. Moreover, these agreements are very long lasting (upwards for 50-60 years in some cases). While these "legacy" agreements have expired for the State Street Garage (formerly Firehouse Block Garage), they will endure for decades for the Storrs Street and School Street Garages.

By way of example, some leases within the School Street garage, which commenced in 1985, are currently set at \$205 / space, plus taxes. The current market rate for these spaces would be \$1,044 / year. These leases will run through 2055 (i.e. a 70 year term).

Currently, of the 740 lease spaces in the City's 3 parking garages, 447, or 60%, are tied up in long-term leases with submarket leases. This figure will improve in FY2026 when discounted lease rates for 125 spaces allocated to the "Love Your Neighbor" project will expire.

- e. General Fund Subsidies: The Parking Fund, like all special revenue and enterprise fund, makes administrative payments to the General Fund. However, the General Fund has received other "in-kind" support from the Parking Fund. Therefore, the historical relationship between the two funds has not been equitable for the Parking Fund. During FY2016, it is estimated that the Parking Fund provided approximately \$700,000 of cash and in-kind support during FY2016. Examples are below. By comparison, the General Fund only provided \$26,000 in cash and in-kind support to the Parking Fund. Examples include:
 - i. Rent free use of Parking Division facilities for General Fund employees and municipal vehicles.

- ii. Use of the Parking Fund to finance snow removal of certain General Fund facilities.
- iii. Use of the Parking Fund to financially support General Fund employees within the Police and General Services Departments without receiving commiserate level of service for such investments.

Please see the attached summary for additional information.

- f. Cost of Business: Lastly, like all industries, the cost of doing business for the Parking Fund continues to increase. Despite cutting positions, wages and benefits continue to grow. However, beyond compensation, it is worth noting that the adoption of new technologies, while convenient for customers, have also increased the cost of business. For example, credit card fees for kiosk transactions total nearly \$50,000 in FY2017, or approximately 7% of all meter revenues. The average cost per transaction is \$0.21. Therefore, assuming a parker purchases 1 hour of parking at current rate of \$0.75 / hour with a credit card, the City would lose \$0.21 of that transaction (or nearly 1/3 of total revenues). Debt service for Kiosks was nearly \$75,000 in FY2016 (or 11% of meter revenues).
5. Parking Strategic Plan: In December 2013 the City Administration provided a comprehensive report to the City Council outlining the Parking Fund's mounting challenges and recommended that the City undertake a strategic parking plan to address financial challenges, as well as explore options to overhaul the system in accordance with industry best management practices.

On June 9, 2014, the City Council adopted Resolution #8779 which appropriated \$115,000 from the Economic Development Reserve Fund for the purpose of engaging a consulting team to complete a strategic plan for the parking system.

On June 23, 2014 the City engaged a team comprised of Nelson Nygaard and Desman Associates to complete the project. Nelson Nygaard was the lead consultant for the project. The project was limited to an area 435 acres in size (or 0.70 +/- square miles) in the downtown area. Please see the attached map for more detail about the study's geography. It is important to note that the study area purposely excluded the area around Concord High School as that area was extensively studied in 2004.

The project commenced in late summer 2014. Efforts were initially focused on reviewing past parking studies, as well as data collection including utilization data for public and private off-street facilities and on-street spaces within the study area. A community forum was held on October 6, 2014 to discuss utilization data, as well as input from customers of the parking system regarding what aspects of the system needed improvement. Interviews were held with 10 unique groups of stakeholders, including downtown residents, large leaseholders, downtown merchants and employees, as well as key institutions including UNH Law and the State of New Hampshire. A survey, which garnered 580 responses, was also employed to solicit opinions about the parking system. A second public forum was held on January 28, 2015 to discuss the results of data collection as well as preliminary findings and recommendations. The Parking Committee

met on March 16, 2015 to review draft recommendations of the plan. Following those presentations, the consulting team began efforts to develop a comprehensive pro forma to model recommendations of the study. The team also worked to develop a comprehensive capital improvement program for the parking system. The CIP was completed on November 9, 2015.

Initial pro formas developed by the consulting team were insufficient as they lacked key details required to make the pro formas truly comprehensive. Therefore, after multiple attempts by the consulting team, City Administration opted to complete the pro forma in house. The pro forma was completed in December 2015. The pro forma and recommendations were presented to the City Manager on January 25, 2016. The City Manager completed his review on March 24, 2016.

Discussion:

1. **Key Findings:** The following are key findings of the strategic parking plan.
 - a. A total of 9,917 public and private parking spaces are located within the 435 acre study area. Based upon a shared parking model, there is more than ample supply to meet current and future parking needs. However, the way these public and private parking spaces are currently managed is very inefficient, thereby resulting in a perceived lack of parking. The City's current approach to managing leased parking spaces (i.e. exclusive leases rather than a permit system for a shared pool of spaces) exacerbates this perception and acts as impediment to economic development. Further, leases are cumbersome and labor intensive to administer and insurance requirements can be a barrier to getting leases accomplished.
 - b. There are over 5,000 private spaces with restricted access. If management of these spaces were modified, parking supply in downtown could be greatly expanded.
 - c. Time limits have no effect at distributing demand to areas with more availability. Rather they arbitrarily limit the time that customers can engage downtown establishments. The consultant has recommend elimination of all time limits for metered parking within the downtown central business district.
 - d. Current meter rates (\$0.75 / hour on-street and lots, \$0.50 / hour in garages) are ineffective at moving parkers away from high demand areas. Implementation of "demand base pricing" is recommended, whereby high prices are charged for the most desirable parking spaces.
 - e. Utilization of Public Spaces: Parking counts completed in September 2014 revealed the following:
 - i. Main Street: 255 spaces (Loudon Road to Perley Street).
 1. Weekday occupancy averages 70% occupancy, 8AM and 8PM. Peak utilization occurs from 6-8PM (87% occupancy).

2. On Saturdays, peak occupancy averages 76% from 10AM to 8PM.
- ii. Downtown On-Street Spaces: 767 spaces.
 1. Weekday occupancy averages 55%, 8AM to 8PM. Peak utilization occurs from 6PM – 8PM (66% occupancy).
 2. Saturday occupancy averages 53%, 10AM – 8PM. Peak utilization is 10AM – 2PM (60% occupancy).
 - iii. State Street Garage (formerly Firehouse Block): 252 spaces.
 1. Leased Parking: 71 spaces.
 - a. Weekday occupancy averages 50%. Peak utilization occurs 2PM – 4PM (62%).
 2. Metered Parking: 114 spaces.
 - a. Weekday occupancy averages 36% (8AM – 8PM). Peak utilization occurs 2PM – 4PM (46%).
 - iv. School Street Garage (formerly Durgin Block): 467 spaces.
 1. Leased Parking: 278 spaces.
 - a. Weekday occupancy averages 47%. Peak utilization occurs Noon – 2PM (65%).
 2. Metered Parking: 180 spaces.
 - a. Weekday occupancy averages 52% (8AM – 8PM). Peak utilization occurs 2PM – 4PM (68%).
 - v. Storrs Street Garage (formerly Capital Commons): 516 spaces.
 1. Leased Parking: 391 spaces.
 - a. Weekday occupancy averages 41%. Peak utilization occurs 10AM – Noon (51%).
 2. Metered Parking: 114 spaces.
 - a. Weekday occupancy averages 49% (8AM – 8PM). Peak utilization occurs Noon- 2PM (62%).
 - f. Parking data collected in January 2015 revealed that when the Legislature is in session, parking occupancy for the area around the State House increases to 84% at peak times. This is an increase of nearly 30% as compared to when the Legislature is not in session.
 - g. Over the next 10 years, the Parking System requires approximately \$10.3 million in capital investment.
2. **Pro Forma (FY17-26):** Attached, please find a new comprehensive financial pro forma for the City Parking System. This pro forma was developed to implement recommendations of the Strategic Parking Plan (with some modifications), as well as to restore the parking system to financial solvency.

Note, the pro forma itself is a Microsoft Excel spreadsheet which more than 50 interconnected tabs that model individual expense and revenue centers for all aspects of the parking system.

Per the attached summary spreadsheet, fund balance remains positive for all 10 years of the pro forma; however FY2017-2021 are weak due to costs associated with implementation of proposed strategies (capital investments, purchase of vehicles, additional staffing, etc.), as well as significant new debt service costs to address deferred maintenance. While initially weak, fund balance is projected to increase from \$38,000+/- in FY2016 to approximately \$321,000+/- by FY2018. Fund balance is projected to achieve \$2M +/- by 2026. Please see the pro forma for details.

3. Policy Recommendations Included Within Pro Forma: The following is a summary of key assumptions built into the proposed new pro forma for the parking system.

a. Operations:

i. Hours of Enforcement:

1. Current: Monday - Friday, 8AM – 5PM (9 hours / day, 250 days / year, 2,250 hours / year).
2. Proposed: Monday – Saturday, 9AM – 8PM, (11 hours / day, 302 days / year, 3,322 hours / year).
 - a. Applicable for all the on-street system, as well as garages and surface lots.
 - b. Presumes 10 City holidays / year during which free parking will be provided.
 - c. This change will bring the City more in line with other similar communities in New Hampshire, notably Portsmouth and Manchester.
 - d. 9AM start time will help encourage long-term downtown residential development.

ii. Organizational Structure and Operations:

1. Organization:

a. Observations:

- i. Current organization structure is too fractured.
 1. Daily operations / staff are overseen by Police.
 2. Policy and financial decisions are overseen by City Manager.
 3. General Services Department is responsible for maintenance, street signage installations, and capital improvements (except snow removal); no direct report to Parking, Police, or City Administration.
 - a. Parking pays \$85,000 +/- to General Fund for part-time GSD staff support; however the system does

not receive a commiserate level of service for this level of investment.

- b. Parking is not able to effectively control when or how its own maintenance and capital needs are addressed. Further, the GSD's resources provided are shared and not solely dedicated to parking needs. As a result, parking system needs are not always the most urgent priority.
- b. FY2017 Proposed organizational structure:
 - i. Sole oversight of operations, staffing, and budgeting shall be transitioned to the Director of Redevelopment, Downtown Services, and Special Projects.
 - 1. Parking Supervisor would solely report to Director of Redevelopment, Downtown Services, & Special Projects. All other staff would report to the Parking Supervisor.
 - ii. The Division will remain housed in the Police Department.
 - 1. Necessary to provide for operational access to Police databases (SPOTS), dispatch, as well as vehicle maintenance.
 - iii. Long-term (3-5+ years or in the future):
 - 1. Consider relocating Parking Division to new leased office space downtown (off City Hall Campus).
 - a. Not currently carried in pro forma, but likely be supported in the out years due to improved fund balance.
 - 2. Consider creating a "Downtown Services Department" which would encompass the following:
 - a. Parking System operations and maintenance.
 - b. Downtown Services Maintenance Team (i.e. the General Services Complete Streets maintenance crew).
 - c. Maintenance of Public Squares (Eagle, Bicentennial, Capital Commons).
 - i. Could result in economies of scale for maintenance activities.

2. Parking Committee:
 - a. FY2016: Currently the Parking Committee is responsible for advising the City Council about all aspects of the Parking System (general policies, management strategies, rates, hours of enforcement, citation strategies, capital projects, ordinance changes, etc.).
 - b. Changes to management of the on-street system (removal or creation of on-street parking, establishment of loading zones and bus stops, etc.) customarily triggers review by the Parking Committee, as well as the Traffic Operations Committee (TOC), and Transportation Policy Advisory Committee (TPAC). Having 3 separate and equal entities reviewing such matters is inefficient and can result in disjointed policy recommendations to City Council.
 - c. Recommendation:
 - i. Discontinue the Parking Committee.
 - ii. Transfer responsibility for review of managerial and fiscal policies to the Fiscal Policy Advisory Committee (FPAC). FPAC would review and advise on such matters before presentation to the City Council. Areas within FPAC's prevue would include: organizational structure, hours of enforcement, and rates.
 - iii. Assign responsibility for review of citizen requests for ordinance based changes to the parking system to the Traffic Operations Committee. TOC would review and advise on such matters before presentation to the City Council. Areas within TOC's prevue would include the creation or elimination of parking spaces, bus stops, loading zones, and resident parking areas.
3. Staffing:
 - a. Current (FY2016):
 - i. Parking Division: 6.6 FTEs
 1. 1 FTE Parking Supervisor
 2. 3.6 FTEs Parking Enforcement Officers (PEOs)
 3. 1 FTE Meter Technician
 4. 1 FTE Administrative Assistant
 - ii. Police staff supported by Parking Fund
 1. 1 FTE Administrative Assistant
 - b. Year 1 (FY2017):
 - i. Add 2.25 Full Time Equivalent Employees (FTEs):
 1. 2.25 FTEs: Comprised of part-time Parking Enforcement Officers (PEOs)

- a. 2 positions for expanded hours of enforcement; 4 positions to cover mobile unit.
 - b. Budgeted 6 months of fiscal year (January 1, 2017).
 - i. May want to budget for December 1, 2016 start for training.
 - c. Existing FT PEOs become “shift supervisors”. Labor grade and compensation would be adjusted accordingly.
 - c. Year 2 (FY2018):
 - i. Add 5.6 FTEs:
 - 1. 1.5 FTEs: 4 additional part-time PEOs
 - a. For expanded meter geography.
 - b. Budgeted for 6 months of fiscal year.
 - 2. 1.5 FTEs: 4 additional part-time PEOs
 - a. For 2nd mobile unit
 - b. Budgeted for 9 months of fiscal year.
 - 3. 1 FTE: 1 full-time Meter Technician
 - a. Budgeted for 9 months of fiscal year.
 - 4. 0.6 FTE: 1 PT Admin Assistant
 - a. Budgeted for 9 months of fiscal year.
 - 5. 1 FTE: New full-time maintenance supervisor (budgeted for 9 months in FY2018); replaces GSD part-time staff.
- 4. Operations & Maintenance Changes:
 - a. Snow Removal:
 - i. Year 1 (FY2017) continues to be contracted with vendor.
 - ii. Year 2 (FY2018) and beyond snow removal in-house with Parking Division staff and equipment. Outside vendors used to help haul snow.
 - b. Maintenance & Capital Projects:
 - i. Starting in FY2017 (October 1, 2016), Parking Division (not GSD maintenance staff) shall become fully responsible for all maintenance and capital projects for Parking Division facilities.
 - 1. No GSD staff support has been budgeted for FY2017 in the attached pro forma.
- 5. Pro forma includes funding to purchase new uniforms in FY2018 to help re-brand the organization.

b. Revenues:

i. Hourly Metered Spaces:

1. Current (FY2016):
 - a. \$0.50 / hour (Garages).
 - b. \$0.75 / hour (On-Street & Surface Lots).
2. FY2017 (January 1, 2017):
 - a. \$0.75 (Surface Lots & Garages).
 - b. \$1.25 (All Streets, except Main Street).
 - c. \$1.75 (North and South Main Street – Loudon to Perley).
3. FY2022 (July 1, 2021):
 - a. \$1.00 (Surface Lots & Garages).
 - b. \$1.50 (All Streets, except Main Street).
 - c. \$2.00 (North and South Main Street – Loudon to Perley).
4. All post-rate increase revenue estimates are based on utilization data collected by Nelson Nygaard. To be conservative, projections were reduced by 30%. Revenue projections were then further reduced by an additional 17% in order to reconcile projections with historical budget trends. Specifically, revenue estimates derived by using Nelson Nygaard's utilization data were 17% higher than City's historical budgetary experience. This would suggest that, on average, approximately 17% of parkers are not paying for spaces they are occupying.

ii. On-Street Meters:

1. Continue to use Cale Kiosks where currently deployed (80 +/- units).
2. Meter Expansion / Replacement:
 - a. FY2018 (January 1, 2018): Expand by additional 312 meters in downtown, as well as north and west of Downtown.
 - i. Managed with IPS Smart Meters (not Cale Kiosks).
 - b. FY2019 Replace 375 mechanical meters with IPS Smart Meters.
3. Time Limits:
 - a. Time limits on Main Street, as well as side streets in the downtown core (between Storrs and State streets) will be increased from 2 hours to 4 hours. See attached map.
 - i. Consultant recommended no time limit.
 - ii. Staff believes time limit is important because:
 1. Limit handicap parkers use of prime non-handicap designated parking spaces downtown (which, per NH State Law, they are exempted from having to pay for).
 2. The new \$1.75 / hour rate for Main Street and \$1.25 / hour rate for side streets in the downtown core (Storrs to State) may not be enough of an economic incentive to

discourage all day use by some downtown employees.

- b. Time limits at all other on-street meters would be increased to 11 hours. This would match hours of enforcement (9AM to 8PM).

4. Customer Service Initiatives:

- a. Pay by Cell Phone App: Select a vendor to implement pay by cell phone app for parkers. The staff's preliminary preference would be to engage Passport Parking. The passport App is free for parkers to download and there are no start-up costs to the City. The pro forma assumes transaction fees paid by user. If adopted, it would likely be in the City's best interest to require parkers to use Passport's "wallet feature", which is similar to NHDOT EZ Pass accounts. Users would be responsible for transaction fees to replenish their accounts. The pro forma presumes that the City would pay credit card transaction fees, as parkers would likely be using Kiosk units by credit card if not for App.
- b. In Car Meters: Select a vendor to implement an "in-car meter" program. The staff's preliminary preference would be to select Easy Park. An in-car meter program would allow parkers to use a special module displayed in their vehicles rather than paying at a kiosk or meter. Again, the City would likely require parkers to use the "wallet feature" and users would pay the transaction fees for replenishing their accounts. And like Pay by Cell, the City would also cover credit card transaction fees. In-car meters would likely be sold to the public for around \$25-30 each, and the City would likely provide \$15 of free parking at time of purchase. Start-up costs to the City would be \$5,000, plus cost of meters unless the City were to have users purchase units from Easy Park directly.
- c. Both options could allow the City to discontinue use of the Parking Card in the future, if desired.

iii. Garages - Leases & Permits:

1. Overview:

- a. Goal is to negotiate out of all long-term leases in Capital Commons and Durgin Garage in favor of a permit system by FY2019.
 - i. May need to keep a small supply of leases in each facility.
 - ii. Currently no long-term leases in Firehouse Block; could implement a permit system prior to FY2019 if desired as a prototype program.

2. Key Pro Forma Assumptions:
 - a. Long-Term Lease Agreements: Pro Forma presumes that parking tenants associated with Capital Plaza I & II, Smile, and Love Your Neighbor buildings do not opt for permit system due to discounted long-term lease rates. However, the majority of tenants of the Capital Commons office building (116 spaces) are expected to opt for permits due to cost savings as compared to market lease rates.
 - b. Property Taxes:
 - i. Per RSA72:23, all parking leases are subject to property taxes.
 - ii. Opinion from the Legal Department, as well as NH case law (*Fallons Rexall Store V. Town of Hampton, October 1991, Board of Tax & Land Appeals*), indicates that permits will also be subject to taxation. The pro forma accounts for this.
 - iii. FY2016 tax bill was approximately \$170,000, of which the City paid approximately \$130,000 directly.
 - iv. City Council may wish to consider seeking legislative change to RSA 72:23 to clarify and limit the statute to lease of public property, and not permits to use property.

3. Lease & Permit Rates:
 - a. FY2016:
 - i. \$1,344 / covered space (\$112 / month), \$1,044 / uncovered space (\$87 / month).
 - ii. Unchanged since 2007.
 - b. FY2017 Rates (July 1, 2016):
 - i. Unchanged from FY2016.
 - c. FY2018:
 - i. \$1,550 / covered space (\$129 / month), \$1,150 / uncovered space (\$95 / month).
 - ii. All long-term leases remain as is.
 - d. FY2019:
 - i. Permit system commences.
 1. Permits:
 - a. \$1,350 for “24/7” permit. (\$113 / month)
 - b. \$800 for M-F (8AM – 6PM) work day permit. (\$67 / month).
 - c. Rates increase \$50 each year (\$4.16 / month).

- d. May consider overnight permit rate; say \$675 / year (or 50% of “24/7” permit).
 - i. **Not** currently modeled in pro forma.

2. Leases:

- a. \$2,000 / year (covered only, no uncovered spaces available.) (\$167 / month)
- b. Rates increase \$50 each year (\$4.16 / month).

3. Long-term Lessees:

- a. Assumes that majority of Capital Commons L.L.C. tenants convert to permits due to cost savings compared to current market rates.
- b. Assumes that tenants of the Smile and Love Your Neighbor buildings do not give up lease spaces in Capital Commons Garage due to significantly discounted lease rates.
 - i. Love building discounted lease rates expire in 2026.
- c. Assumes Brady Sullivan and PRM do not give up lease spaces due to significantly discounted rates. However, staff believes the opportunity might exist to negotiate out of long-term leases due to cost sharing associated with upcoming repairs to the School Street Garage.

iv. Surface Lots:

1. Metered Lots

- a. Current facilities: Library, City Hall, Hills Avenue, and former NH Employment Security Lot.
 - i. Revenues for former NHES Lot not included as unclear when the lot might be discontinued due to a redevelopment project.
- b. FY2017: \$0.75 / Hour.
- c. FY2022: \$1.00 / Hour.

2. Leased Lots

- a. Storrs Street (beneath Loudon Road) and Dixon Avenue.
 - i. Anticipated to initially be used primarily by Remi Block tenants.
- b. FY2017 Assumes implementation of permit system for both lots.

- i. \$1,350 for “24/7” space. (\$113 / month)
- ii. \$800 for “work day” (M-F, 8AM – 6PM). (\$67 / month)
- iii. May consider overnight permit rate; say \$675 / year (or 50% of “24/7” permit). (\$56 / month)
 - 1. Not currently modeled in pro forma.
- c. 50% Vacancy rate presumed in pro forma.

v. Citations:

- 1. Proposed increases for FY2017 (January 1, 2017):
 - a. Against Traffic: \$20 to \$25.
 - b. Overtime Time Zone: \$15 to \$25.
 - c. Reserved Space: \$20 to \$25.
 - d. No Parking: \$15 to \$25.
 - e. Expired Meter: \$10 to \$25.
 - f. Encumbered Meter: \$10 to \$25.
 - g. Not Within Lines: \$5 to \$25.
 - h. Resident Permit Violation: \$10 to \$25.
 - i. All other citation amounts remain unchanged.
- 2. Change ticket late fees to following:
 - a. Face Value (if paid within 14 days, change to 30 days).
 - b. Double (currently if paid within 15-28 days, change to if paid within 60 days).
 - c. Quadruple (if paid after 28 days; change to triple if paid after 60 days).
- 3. Parking Fund would retain revenue from all tickets issued, including those by Police Officers (approximately \$100,000 annually).
- 4. Implement on-line payment by credit card for parking tickets. Pass on transaction costs to users (projected to be \$1.50 / ticket plus 2.9% transaction fee if the City’s current on-line payment vendor is used).

c. State Parking (Employees and Legislature)

i. FY2016:

- 1. State controlled facilities:
 - a. Legislative Garage (Storrs Street): 204 spaces.
 - b. Legislative Office Building Parking Garage: 120 spaces.
 - c. On-Street: 6 (Governor and Legislative leadership).
 - d. Stickney Avenue Shuttle.
 - e. Miscellaneous surface lots (State Library, Attorney General’s Office, State House Annex, and 33 Green Street).
- 2. Data collection completed in January 2015 indicates that peak utilization of parking increases nearly 30% in a 2 +/- block radius around the Statehouse when the Legislature is in session.
- 3. Legislature: The City’s Code of Ordinances, 18-1-7 vests all authority with the City Manager to regulate the State’s use of

municipally owned parking spaces for disabled members of the Legislature (i.e. the practice of bagging meters). Currently the State deploys 50 bags to reserve municipal on-street parking spaces for the Legislature. This excludes 6 additional parking spaces reserved for leadership positions (Governor, President of the Senate, etc.). The Legislature also owns a 204 space parking garage built over Storrs Street in 1976, as well as a 120 space garage located at the Legislative Office Building.

4. Official Vehicles: These vehicles currently use City on-street spaces without paying for said spaces. There are no statutes or ordinances which exempt State vehicles from paying municipal parking fees.
5. Employees: The State currently purchases \$50,000 annually for approximately 300 downtown based employees without dedicated parking. Remote parking at the former NHDOT Stickney Avenue property (with a shuttle service) is also offered to employees. Further, some employees using personal vehicles have created unofficial placards presumably to exempt themselves from paying for on-street parking. These placards have no legal authority.

ii. Recommendations:

1. Legislature: The consultant report recommends implementation of a valet parking system. Research undertaken by City staff indicates cost could be \$75,000 - \$100,000 in Year 1; it is unclear if the State would support this approach. Nothing has been included within the pro forma to implement such a program.
2. Official Vehicles: All state vehicles shall be responsible for paying for on-street parking and violators shall be ticketed. Alternatively, the State and City could negotiate an annual flat fee in lieu of parking payment, which might be easier for the State to administer.
3. Employees: Employees, including those coming to downtown to in their own vehicles for State business shall be required to pay for parking.

d. Neighborhood / Residential Parking Program

- i. Terminate and replace current resident program employed around UNH Law, previously established in early 1980s. This program is managed by the City Collections Office.
- ii. New Resident Permit System:
 1. Implement residential parking zones in congested neighborhoods. Streets would not be exclusively for residents. However, staggered sections of a street would be resident only (“zones”), with the goal of making approximately half of all parking on a street for resident parking.
 2. Zones would be reserved for residential parking only during hours of enforcement (Monday – Saturday, 9AM to 8PM).

3. Streets north and west of downtown where expanded meter coverage is proposed would also feature limited “resident permit zones” on said streets (again roughly 50% of spaces).
4. Residential permits will allow parking on designated areas of said streets without paying a meter, but will be required to abide by time zone limits (if any).
5. For non-metered residential areas, enact resident parking sparingly only on congested streets after utilization studies.
 - a. May want to consider requiring a petition process whereby a super majority of property owners (at least 60%) on affected streets petition the city for implementing this on non-metered streets.
6. Permits:
 - a. To be administered by the Parking Division, not the Collections Office.
 - b. Limit 1 permit for household (or address) to ensure:
 - i. Do not provide a disincentive to residents to use existing off-street parking options (i.e. their private driveways).
 - ii. Do not over subscribe limited supply of on-street residential parking.
 - c. Conceptually, the permit would be a hang tab displayed from rear view mirror, and could be transferred to any vehicle (others in household, visitors, etc.).
 - i. Specific to a certain street, streets, or certain residential zones only.
 - d. A fee would be charged for permits. Likely \$50 / year in Year 1.
 - e. Must renew annually. Recommend July 1.
- iii. Will not provide on-street resident zones within the Downtown Central Business District, as parkers will have the option to secure permit parking within garages starting in FY2019.

e. Capital Improvement Program (CIP):

- i. Total capital needs for system FY2017-2026 are \$10,340,700.
- ii. All debt modeled at 4% taxable interest rate, regardless of term of year of issuance. Taxable rates are used because of high percentage of lease / permit spaces which, per IRS regulations, require taxable debt issuances. The 4% rate was used to be conservative. Tax exempt debt rates were approximately 2% as of January 2016.
 1. Vehicles: \$321,371 FY2017-2026
 - a. Includes pickup truck for in-house Maintenance Supervisor
 - b. Includes second mobile unit for neighborhood enforcement
 2. Garages: \$7,429,596 FY2017-2026
 - a. Surveillance and signage for rebranding / naming for all 3 garages.
 - b. Durgin Block: \$3,657,348 FY2017-2026.

- i. Excludes \$1.3M previously appropriated in FY2013 for repairs.
 - c. Firehouse Block: \$2,925,838 FY2017-2026.
 - d. Capital Commons: \$846,410 FY2017-2026.
 - 3. Surface Lots: \$922,152 FY2017-2026
 - a. Rebuild City Hall, Police, and Library Lots, cost of \$661,000 +/-.
 - 4. Meters: \$1,644,722 FY2017-2026
 - a. Expansion of 312 +/- meters (north and west of downtown). IPS Smart meters.
 - b. Replacement of all mechanical meters (375 in total) with IPS Smart Meters.
 - c. Replace 74 Cale Kiosks. (In kind; possible IPS kiosk conversion).
 - 5. Snow Emergency Beacons: \$138,938 FY2017-2026
 - a. Will add beacons on 24 traffic signals in Concord. Recommend proceeding with a limited area as a “pilot project”, which could be expanded to all 24 locations if desired by the City Council.
 - b. Unclear if legally permitted by Manual on Uniform Traffic Control Devices (MUTCD) or NH Department of Transportation; however, these are currently used in Manchester.
 - i. Likely need to limit installations to non-State or Federal routes.
 - 6. Technology and Equipment: \$181,652 FY2017-2026
 - a. Adds portable radios for expanded staff, as well as future replacement.
 - b. Adds portable printing units for citations, as well as future replacement.

f. General Fund / Parking Fund Inter-Relationship:

- i. See attached pro forma tab detailing cash and in-kind subsidies involving the Parking Fund and General Fund.
 - 1. FY2016 estimated total contribution to General Fund (direct payments and non-cash support) by Parking Fund is \$707,870.
 - 2. FY2016 estimated General Fund contributions to Parking Fund (direct payments and noncash support) are \$26,016.
- ii. Transfers from Parking to General Fund:
 - 1. Administration fee. \$96,150 in FY2016. Proposed to increase 3% FY2018-2026.
 - 2. Payment of rent and utilities for space occupied in CPD. Estimated at \$13,256 in FY2016. Increases at approximately 2% / year. Rent to commence in FY2018.
 - 3. Parking Fund will transfer monies for snow removal downtown (\$63,952 in FY2016). Increases 3% per year FY2017-2026.

4. Parking fund solely supports total cost of a Police Department Administration Technician II position (\$58,969 in FY2016). Position's workload is shared equally between Police (General Fund) and Parking Division (Parking Fund). Budget modelled at 50/50 share in FY2018.
5. Starting in FY2018, the Parking Fund will support 10% of total compensation for two positions in the Police Department (a Fiscal Technician III and a Records Supervisor), as both positions support parking operations (pay roll, purchase order preparation, accounts payable, etc.)

iii. Transfers from General Fund to Parking:

1. A total of 122 parking spaces in the Firehouse and Capital Commons garages, as well as Library, City Hall, Police, and Hills Avenue surface lots are occupied by City vehicles and employees. No rent is paid to the Parking Fund for these spaces. Lost revenues to the Parking Fund are estimated at \$123,026 in FY2016.

In the case of Capital Commons and Hills Avenue, 5 spaces are occupied by the GSD's Downtown Services Team's equipment paddock and job trailer.

Starting in FY2018, the General Fund will make a payment to the Parking Fund for its proportionate share of O&M costs of these spaces, as well as any capital investments thereto (i.e. prorated share of debt service payments / capital transfers). However, payment of rent will not be required.

2. Starting in FY2018, compensation for Police Department Admin Tech II position will be shared 50/50 between the Parking Fund and General Fund. (Currently the Parking Fund solely supports costs of this position).
3. Non-meter ticket revenues will be retained by the Parking Fund.
4. Administrative payments to the General Services Department, including staffing costs, will cease in FY2018 as Parking Division will bring maintenance staff in house.
5. Snow Removal:
 - a. FY2018
 - i. Parks and Rec will be responsible for plowing Penacook Riverfront Park.
 - ii. GSD will assume responsibility for plowing Prince Street and Railroad Avenue with its equipment.

g. Other Transfers into Parking Fund:

i. Sears Block TIF District

1. Starting in FY2018 the SBTIF will absorb all debt payments for the "Parking Fund" supported debt service, which financed the

Capital Commons Garage, through the full term of the debt (\$236,820 in FY2018).

2. Per historical practice, the SBTIF will continue to partially support the “Parking Lease” supported debt service through the term of the debt.

ii. Downtown Solid Waste District (DSWD):

1. Starting in FY2018, the DSWD will make an annual payment to the Parking Fund for placement of dumpsters on Parking Fund property at Durgin Block, Capital Commons, and the Hills Ave surface lot. FY2018 payment would be \$11,500 for 10 Dumpsters.
 - a. Billed at \$1,150 each (FY2018 proposed uncovered parking space lease rate).

iii. Durgin Block:

1. Brady Sullivan and PRM will start making payments to the City for their proportionate share of debt service for \$4M +/- repair to the facility. Projected to be approximately \$203,000 in FY2018.
2. \$10,500 in Trust will continue to be used to support the pro forma.

4. Other Policy Recommendations:

- a. Vehicle Registrations and Unpaid Tickets: The City should adopt the provisions of RSA 231:130-a and 261:148 which would prohibit registration of automobiles that have outstanding unpaid parking tickets. This statute has been adopted by Nashua and Manchester. Keene is reportedly currently considering adoption.

As of February 2016, the City had a total of \$411,985 in outstanding parking tickets for FY2010-2015, combined. On average, the City loses nearly \$69,000 of revenue associated with unpaid parking tickets.

- b. Handicap Parking: State Law exempts those parkers with valid handicap license plates or placards from paying for on-street parking. However, municipalities have the authority to enforce prevailing time limits for handicap parking which govern all other parking spaces. Historically, it has not been the City’s practice to do there. Therefore, the City should amend applicable ordinances to enforce applicable time limits.
- c. Non-City Governmental Vehicles: Governmental vehicles from the State, as well as other political subdivisions, are not exempt for paying for parking. The City should adopt a policy of ticketing all non-City governmental vehicles that have not paid for parking, or violated City ordinances.
- d. Valet Ordinance: Independent of a recommended valet program for the State Legislature, the City should enact an ordinance allowing businesses within the central business district to provide periodic, short-term valet services using a limited supply of municipal parking spaces for pick-up and drop off of vehicles.

Such a program would be beneficial for theatres and restaurants. The genesis for this recommendation was an inquiry by the Capitol Center for the Arts.

Parking Study Area



Financial Inter-relationship Between Parking Fund & General Fund			
	FY2016	Cash / Inkind	Notes
Parking Fund Support of General Fund			
1 Overhead / Administrative Payment	\$96,150	Cash	
2 Rent & Utilities @ Police Station	\$0	Not Charged	
3 Administrative Specialist Support (Cannon)	\$58,969	Cash	Bottomley Cannon
4 GSD Administrative Fee	\$9,480	Cash	
5 GSD Labor (for Part-Time Coverage)	\$85,998	Cash	
6 Downtown Snow Removal Payment	\$58,200	Cash	
7 Property Taxes (City, School, County, State)	\$170,295	Cash	FY17 \$133,439 paid directly by City. Rest PRM & Brady Sullivan
8 Nonmeter Ticket Revenues	\$100,000	Cash	
9 Snow Removal - Riverfront Park Lot	\$3,024	Cash	A City Park
10 Snow Removal - Prince Street	\$1,000	Cash	Part of City Hall Lot contract
11 Snow Removal - Railroad Ave	\$1,728	Cash	Part of Capital Commons Garage contract
12 Free Employee Parking / City Vehicle Parking - Firehouse Garage	\$63,684	Inkind	41 Spaces
13 Free Employee Parking / City Vehicle Parking - City Hall Lot	\$21,261	Inkind	23 Spaces; 66% Utilization. Presumes metered.
14 Free Employee Parking / City Vehicle Parking - Library Lot	\$6,835	Inkind	8 Spaces; 61% Utilization.
15 Free Employee Parking / City Vehicle Parking - Police Lot	\$46,980	Inkind	45 Spaces. Presumes Lease.
16 Downtown Services Team - Loss of 3 Spaces in Capital Commons for Equipment Storage	\$4,032	Inkind	3 Covered Spaces
17 Downtown Services Team - Loss of 2 Spaces in Hills Ave Lot for Office Trailer	\$1,114	Inkind	2 Uncovered Meter Spaces
18 Police Admin Support - Purchase Orders & Accounts Payable	\$0	Not Charged	Emerson
19 Police Admin Support - Pay Roll	\$0	Not Charged	Kenard
Subtotal	\$728,750		
General Fund Support of Parking Fund			
1 Snow Removal (City Hall, Library, Police, River Front Lot, FHB Garage)	\$0		
2 City Hall Lot O&M	\$0		
3 Library Parking Lot O&M	\$0		
4 Police Station O&M	\$0		
5 Firehouse Block Garage O&M	\$0		
7 Firehouse Block Garage CIP	\$0		
8 City Hall, Library, Police Lots - CIP	\$0		
9 Free Rent & Utilities for Parking Division	\$13,256	Inkind	
10 Police Admin Support - Purchase Orders & Accounts Payable	\$6,696	Inkind	Lori Emerson. 10% of total time.
11 Police Admin Support - Pay Roll	\$6,064	Inkind	Karen Kenard
Subtotal	\$26,016		

Proposed Meter Geography & Time Zones

