



CITY OF CONCORD

REPORT TO MAYOR AND THE CITY COUNCIL

FROM: Matthew R. Walsh, Director of Redevelopment, Downtown Services, and Special Projects

DATE: March 12, 2018

SUBJECT: Strategic Parking Plan Implementation Appropriation & State Street Parking Garage Permit System

Recommendation:

- Accept the following report;
- Set the attached resolution appropriating the sum of \$5,000 in capital transfer from the Parking Fund for implementation of the Parking Strategic Plan for public hearing on April 9, 2018; and,
- Set the attached resolution appropriating the sum of \$30,000 in Parking Fund supported bonds and notes for public hearing on April 9, 2018; and,

Background:

On November 14, 2017, the Parking Strategic Plan was presented to the City Council. Subsequently, on December 11, 2017, the City Council passed a series of ordinances to commence implementation of the Plan. These ordinances, which shall take effect on July 1st, included expanded hours of enforcement (nights and Saturdays), changes to time limits in meter zones (3 hours /10 hours), as well as meter rates for on-street spaces and surface lots.

In addition, the Strategic Plan recommended that all reserved parking spaces in City owned garages be transitioned from the current lease system to a permit system. Specifically, the Plan recommended that the State Street Garage be converted from leases to a permit system on a trial basis in FY2020, and that all three City garages be permanently transitioned to permits by FY2021.

Discussion:

- 1) **General Overview - Implementation of City Ordinances for July 1st:** In order to implement these ordinances on July 1st, the Parking Division will need to complete a variety of tasks. These include, but are not limited to, the following:
 - a) Reprogram 375 mechanical meters and 85 kiosk pay stations for the new rates, and update informational face plates on meters and all related signage;
 - b) Update all downtown parking signage, including on-street, garages, and surface lots, for new rates, hours of enforcement, and meter time zone limits, as applicable.

Budget for these tasks is as follows:

<u>Task</u>	<u>Budget</u>	<u>Funding Source</u>
Reprogram Parking Meters / Kiosks	\$5,000	Parking Fund Capital Transfer
On-Street Signage Updates	\$10,000	Parking Fund Supported Bond
Storrs Street Parking Garage Signage Updates	\$10,000	Parking Fund Supported Bond
State Street Garage Signage Updates & Permit Program Implementation	\$10,000	Parking Fund Supported Bond
<u>Total</u>	<u>\$35,000</u>	

It should be noted that the \$5,000 required to re-program meters was deemed an operating expense by City bond counsel. As such, use of bonded funds is prohibited.

- 2) **Storrs Street Parking Garage:** The new enforcement hours for parking garages (i.e. Monday – Friday, 9AM – 7PM) are in conflict with current hours as established by multiple long-term lease agreements for certain reserved spaces in the Storrs Street Parking Garage.

Specifically, those lease agreements currently provide rights for exclusive use of lease spaces during the hours of Monday – Friday, from 8AM or 9AM to 5PM. Of the 391 lease spaces in the Garage, at least 336 parking spaces have these set hours for exclusive use. Further, of these 336 lease spaces, 275 are at discounted lease rates.

Because of these lease terms, these 336 tenants would have to pay for additional parking if they chose to continue to occupy their space after 5PM.

As the City Council knows, a key recommendation of the Strategic Parking Plan is to have the City transition to a permit system for all three garages by FY2021.

Given these considerations, City Administration intends to grant a temporary waiver to the affected lease spaces so that they will be able to use their spaces in accordance with the new hours of enforcement without additional compensation to the City. However, this waiver will only be granted for one year. The intention of waiver is to afford the

City and its lessees sufficient time to negotiate into the new permit program. If negotiations are not successful within the allotted time, the waiver will be revoked and lessees will be required to pay parking kiosk to use these spaces after 5PM.

The budget to update all signage in the Storrs Street Garage to make it compliant with new Ordinances is \$10,000.

- 3) **State Street Garage Permit System:** In addition to implementing these changes, staff also desires to expedite implementation of a permit system for the State Street Garage.

Although the Strategic Plan called for implementation of a permit program in the State Street Garage beginning in FY2020 as a “pilot initiative”, the interim permit program already enacted in the School Street Garage has proven to be a success. For that reason, and the significant operational efficiencies the permit would afford, staff desires to move forward with the permit system effective July 1st.

A formal ordinance to establish a permit program will be brought forward to the City Council in April for a May public hearing. In addition to the need to enact an Ordinance to establish permits in the State Street Garage, the City is obligated to adopt a permit ordinance no later than the end of May in accordance with the Purchase and Sales Agreement with Dol Soul Properties LLC for the former NH Employment Security property.

If implemented, and subject to the forthcoming ordinance, the permit system in the State Street Garage would be very similar to the system currently enacted in the School Street facility. Permit spaces will be segregated from meter spaces.

The budget to implement the permit system for July 1st is \$10,000. Funding must be appropriated now in order to order signage and other supplies (such as hang tags) to implement the new system on July 1st. Also, ample notice must be provided to the public and the City’s current lessees. All leases in the State Street Garage expire on June 30th.

Currently, the State Street Garage has 80 lease spaces. Staff anticipates that approximately 100 permits will be available to the public, with another 25 assigned to City staff, which currently have assigned spaces in the Garage. See the table below for more details.

Type of Space	Current	July 1, 2018	Notes
Leased Spaces	80	0	
Permits	0	130	105 Public, 25 City Employees
Metered Spaces	103	103	
City Employees - First Come / First Served Pool	18	18	
City Employees - Assigned Spaces	25	0	Transitioned to Permits
Handicap	7	7	
Total	233	258	

As the Council will recall, the pro forma for the Strategic Plan anticipated that the State Street Garage would remain a lease facility at the new rates of \$1,560 / covered space (\$130 / month) and \$1,170 / uncovered space (\$97.50 / month) until FY2020. This was recommended to help build the fund balance for the Parking System. Recognizing this circumstance, and couple with the Strategic Plan's recommendations for a 2 tier permit system, staff anticipates offering two types of permits in the State Street Garage as follows:

1. **Permit 1 "First Come / First Served" Spaces**: \$1,365 / year (\$113.75 / month), which is an average of the two lease rates originally modeled in the pro forma as discussed above. Permit would be valid for parking in a common pool of spaces on a first come / first served basis. Permit would be valid during new hours of enforcement for garages (M-F, 9AM-7PM). Because garages will be free on weekends, permits and market leases will not be valid in garages on weekends.
2. **Permit 2 "Exclusive Use"**: \$2,040 (\$170 / month). Permit would allow for exclusive use of permit spaces during garage hours of enforcement (M-F, 9AM-7PM). This rate is recommended by the Strategic Plan. Again, because garages will be free on weekends, permits and market leases will not be valid in garages on weekends. In accordance with the Strategic Plan, a very limited number of "exclusive use" permits (approximately 10) will be granted for the garage as such spaces make for very inefficient use of the asset.

Staff plans to use the Permit 1 rate for all permit holders in the School Street Garage which were not subject to long-term lease agreements. Permit type 2 will not be offered to the general public in School Street while the Garage remains under construction.

With this change, the Storrs Street Garage will be the only facility operating under a lease model in FY2019.

In time, City Administration plans to reduce the price of permits as recommended in the Strategic Parking Plan. However, the City will only be able to achieve this if all garages are permanently converted to permits, thereby affording the City the economies of scale necessary to reduce costs of permits.