

Parking Garage Financials – Key Points

Garage vs. Surface Lot

- Garage: \$31,490/space
- Surface Lot: \$56,624/space
- Lot still requires surfacing, drainage, striping, kiosks, landscaping and screening

Enhancements to Increase Revenue

- Parking Permits (Resident \$25, Non-Resident \$150)
- Special Event Parking (Double Hourly Rate)
- Increased Enforcement/Restrictions
- Extending Time from 6pm to 8pm

Parking Program Projections

- Conservative off-street meter revenue based on current numbers; demand haircuts to reflect changes in hourly rate and addition of a garage
- Allows reduction of 150 spaces from waterfront, with a net addition of 75 spaces
- Allows for continued investments in downtown at a minimum of \$150,000 in year 1 to \$600,000 in year 10
- Maintains a fund balance greater than annual gross revenue at all times

Garage Projections

- Per stall revenue for the garage is estimated at ~\$1,000 in year 1 and ~\$2,000 in year 2; other regional garages generate \$3,000-\$4,000 per stall
- Assumes lot is filled 40% during winter, 60% in fall/spring, 80% during summer and 100% during special events
- Assumes 24/7 operation
- Mixture of transient parking and monthly passes will maximize revenue

State & Federal Funding

- Federal/state funding for >50% of the project
- \$5M state grant was awarded in July 2015 tying up state dollars for 2+ years
- It is unclear if failure to proceed with the grant may diminish the City's standing with the state/federal gov't, especially MassDOT, and risk access future funding



Photo credit: Bryan Eaton, Newburyport Daily News

Newburyport Intermodal Parking Facility

Financial Update as of August 2017

1) Budget Update

Project Budget

Soft Costs (Design/Construction Admin)	\$	2,097,719
Land Acquisition	\$	2,184,000
Construction	\$	9,134,653
Total Budget	\$	13,416,372

Funding Sources

FTA Transit Funding (0-30% design)	\$	398,000
FTA Transit Funding (construction)	\$	1,500,000
Commonwealth Grant (construction)	\$	5,000,000
Newburyport Parking Revenue Bond*	\$	6,518,372
Total Funding Sources	\$	13,416,372

*Newburyport Cost Per Space (207 Spaces)	\$	31,490
Surface Lot Per Space (55 Spaces)	\$	56,624
		\$630,300 bond + \$2,184,000 bond + \$300,000 lot prep = \$3,114,300

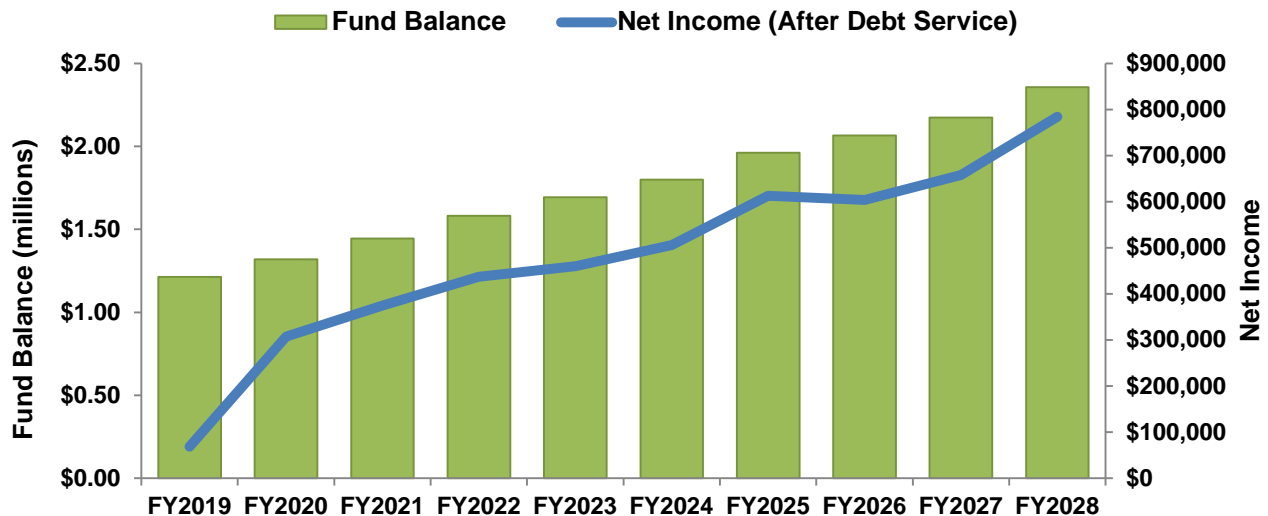
2) Bonding Estimates

Design (Authorized 3/14/16)	\$	630,300
Land Acquisition	\$	2,184,000
Construction	\$	3,704,072
Total Debt Issuance[†]	\$	6,518,372

[†]Estimated Annual Debt Service Based on 25 Year Bond @ 3.5% \$ 395,496

3) Paid Parking Financial Projection

Parking Program With Enhancements



**Downtown Parking Program
Financial Projection**

8/24/2017

Intermodal Facility

For Illustrative Purposes Only

PARKING PROGRAM WITH ENHANCEMENTS

	Actual FY2016	Actual FY2017	Projected FY2018	Year 1 Projected FY2019	Year 2 Projected FY2020	Year 3 Projected FY2021	Year 4 Projected FY2022	Year 5 Projected FY2023	Year 6 Projected FY2024	Year 7 Projected FY2025	Year 8 Projected FY2026	Year 9 Projected FY2027	Year 10 Projected FY2028
Revenue													
Annual Parking Permits ⁽¹⁾	53,558	83,178	48,099	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Parking Fines	236,514	258,957	261,768	261,768	238,340	238,340	238,340	238,340	238,340	238,340	238,340	238,340	238,340
Other Sources	2,811	6,505	6,505	6,505	6,505	6,505	6,505	6,505	6,505	6,505	6,505	6,505	6,505
Parking Meter Revenue ⁽²⁾	288,170	459,801	482,791	410,372	452,617	512,965	603,489	615,558	651,768	724,186	718,152	760,396	844,884
Garage Revenue ⁽³⁾	0	0	0	220,918	454,519	475,861	518,544	545,423	571,033	622,253	636,326	666,205	725,962
Gross Revenue	581,053	808,441	799,164	1,049,564	1,301,981	1,383,672	1,516,878	1,555,827	1,617,646	1,741,285	1,749,324	1,821,446	1,965,691
Hourly Rate	\$ 0.50	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.25	\$ 1.25	\$ 1.25	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.75	\$ 1.75	\$ 1.75
Space Counts⁽²⁾													
Riverside Park	58	58	58	58	58	58	58	58	58	58	58	58	58
Green Street Lot	227	227	227	227	227	227	227	227	227	227	227	227	227
Prince Place/Hales Court Lot ⁽⁴⁾	44	44	62	62	62	62	62	62	62	62	62	62	62
Harris Street Lot	31	31	31	31	31	31	31	31	31	31	31	31	31
Intermodal Facility	0	0	0	207	207	207	207	207	207	207	207	207	207
Total Off-Street Spaces	360	360	378	585	585	585	585	585	585	585	585	585	585
Downtown On-Street Spaces	923	923	923	923	923	923	923	923	923	923	923	923	923
NRA Lots (excluded from revenue)	375	375	375	375	225	225	225	225	225	225	225	225	225
Total Downtown Parking	1,658	1,658	1,676	1,883	1,733	1,733	1,733	1,733	1,733	1,733	1,733	1,733	1,733

Reduction of 150 spaces from waterfront

Notes:

(1) Assumes 3000 passes at \$25 and 500 passes at \$150.

(2) Excludes NRA lot revenue. Demand haircuts of 15% and 10% in years following rate increases. Add'l demand haircuts upon opening of garage 15% year 1, 10% year 2, 5% year 3.

(3) See attached projection for the Parking Garage.

(4) Increases by 18 spaces from lease of Hales Court lot from USPS.

**Downtown Parking Program
Financial Projection**

8/24/2017

Intermodal Facility

For Illustrative Purposes Only

PARKING PROGRAM WITH ENHANCEMENTS

	Actual FY2016	Actual FY2017	Projected FY2018	Year 1 Projected FY2019	Year 2 Projected FY2020	Year 3 Projected FY2021	Year 4 Projected FY2022	Year 5 Projected FY2023	Year 6 Projected FY2024	Year 7 Projected FY2025	Year 8 Projected FY2026	Year 9 Projected FY2027	Year 10 Projected FY2028
Expenses													
Personnel Services ⁽¹⁾	122,637	131,497	136,309	141,176	146,103	151,172	156,358	161,689	167,187	172,871	178,731	184,790	191,055
Purchase of Services ⁽²⁾	151,031	136,853	139,562	142,354	145,201	148,090	151,022	154,013	157,062	160,172	163,343	166,578	169,876
Waterfront Trust Agreement	34,250	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Garage Operations ⁽³⁾	0	0	0	160,404	165,025	169,714	174,519	179,422	184,451	189,619	194,941	200,410	206,042
R/E Taxes 90 Pleasant St. ⁽⁴⁾	0	0	11,013	11,288	11,570	11,859	12,156	12,460	12,771	13,091	13,418	13,753	14,097
Total Expenses	307,918	338,349	356,884	525,221	537,898	550,836	564,055	577,584	591,471	605,753	620,434	635,532	651,070
Expense Assumptions													
Hourly Labor Costs ⁽⁵⁾	3.0%	3.6%	3.7%	3.6%	3.5%	3.5%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Price Inflation ⁽⁶⁾	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Net Operating Income	273,135	470,092	442,280	524,343	764,083	832,835	952,823	978,243	1,026,175	1,135,532	1,128,890	1,185,915	1,314,621
Debt Service⁽⁷⁾	0	0	0	395,496	395,496	395,496	395,496	395,496	395,496	395,496	395,496	395,496	395,496
Maintenance Fund⁽⁸⁾	0	0	0	60,000	61,200	62,418	120,000	122,376	124,799	127,270	129,790	132,360	134,981
Net Income	273,135	470,092	442,280	68,847	307,387	374,922	437,327	460,371	505,880	612,766	603,604	658,059	784,145
Downtown Capital Improvements	55,905	120,676	100,000	150,000	200,000	250,000	300,000	350,000	400,000	450,000	500,000	550,000	600,000
Ending Fund Balance	602,440	951,855	1,294,135	1,212,982	1,320,368	1,445,290	1,582,617	1,692,988	1,798,868	1,961,635	2,065,239	2,173,298	2,357,442

Investments in Downtown Improvements

- Notes:
- (1) Based on FY17 actuals and increases in Hourly Labor Costs as shown.
 - (2) Based on FY17 actuals and increases in prices (Inflation) as shown.
 - (3) See attached projection for the Parking Garage.
 - (4) Based on 75% of the FY18 tax bill of \$14,683, increasing by 2.5% per year. There will still be taxable property at 90 Pleasant Street following the land acquisition for the Intermodal Facility.
 - (5) Source: Bureau of Labor Statistics. Hourly labor compensation is measured by the employment cost index for total compensation (wages, salaries, benefits) of workers in private industry.
 - (6) Source: Bureau of Economic Analysis. The overall inflation rate is based on the price index for personal consumption expenditures; the core rate excludes prices for food and energy.
 - (7) Funds a \$6,518,372 bond issue over 25 years.
 - (8) \$60,000 year 1 increasing to \$120,000 year 3. Price inflation in all other years.

The financial projection is based on certain hypothetical assumptions and is for illustrative purposes only. There is no guarantee that these results will be obtained.

Parking Garage Operations Projection 8/24/17

Revenue

Transient Parkers	% Filled	# Days	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Fall	60%	88	43,718	92,902	98,366	109,296	111,482	118,040	131,155	130,062	137,713	153,014
Winter	40%	88	29,146	61,934	65,578	72,864	74,321	78,693	87,437	86,708	91,809	102,010
Spring	60%	89	44,215	93,957	99,484	110,538	112,749	119,381	132,646	131,540	139,278	154,753
Summer	80%	81	53,654	114,016	120,722	134,136	136,819	144,867	160,963	159,622	169,011	187,790
Special Events	100%	14	23,184	57,960	57,960	57,960	69,552	69,552	69,552	81,144	81,144	81,144
Total Transient			193,918	420,769	442,111	484,794	504,923	530,533	581,753	589,076	618,955	678,712

(Assumes 8 hours per filled stall per 24 hour period; Year 1 50% revenue during ramping period)

Hourly Rate		\$1.00	\$1.25	\$1.25	\$1.25	\$1.50	\$1.50	\$1.50	\$1.75	\$1.75	\$1.75
Special Event Rate		\$2.00	\$2.50	\$2.50	\$2.50	\$3.00	\$3.00	\$3.00	\$3.50	\$3.50	\$3.50
Demand Factor		1	0.85	0.9	1	0.85	0.9	1	0.85	0.9	1

Monthly Passes

	Count	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Resident	25	12,000	15,000	15,000	15,000	18,000	18,000	18,000	21,000	21,000	21,000
Non-Resident	25	15,000	18,750	18,750	18,750	22,500	22,500	22,500	26,250	26,250	26,250
Total Monthly Passes		27,000	33,750	33,750	33,750	40,500	40,500	40,500	47,250	47,250	47,250

Resident Rate		\$40.00	\$50.00	\$50.00	\$50.00	\$60.00	\$60.00	\$60.00	\$70.00	\$70.00	\$70.00
Non-Resident Rate		\$50.00	\$62.50	\$62.50	\$62.50	\$75.00	\$75.00	\$75.00	\$87.50	\$87.50	\$87.50

Total Revenue		220,918	454,519	475,861	518,544	545,423	571,033	622,253	636,326	666,205	725,962
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<i>Per Stall Revenue</i>		<i>1,067</i>	<i>2,196</i>	<i>2,299</i>	<i>2,505</i>	<i>2,635</i>	<i>2,759</i>	<i>3,006</i>	<i>3,074</i>	<i>3,218</i>	<i>3,507</i>
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Expense

Personnel (1.5 FTE @ \$60,000)		90,000	93,213	96,466	99,814	103,237	106,757	110,387	114,140	118,010	122,010
Benefits		18,204	18,568	18,939	19,316	19,699	20,089	20,487	20,892	21,306	21,728
Prof Services		1,000	1,020	1,040	1,061	1,082	1,104	1,125	1,148	1,170	1,194
Telephone		300	306	312	318	325	331	338	344	351	358
Cleaning		500	510	520	531	541	552	563	574	585	597
Security		10,000	10,200	10,404	10,611	10,821	11,035	11,254	11,477	11,704	11,936
Utilities		10,000	10,200	10,404	10,611	10,821	11,035	11,254	11,477	11,704	11,936
Repairs-Structure		5,000	5,100	5,202	5,306	5,411	5,518	5,627	5,738	5,852	5,968
Repairs-Elevator		10,000	10,200	10,404	10,611	10,821	11,035	11,254	11,477	11,704	11,936
Repairs-Parking		10,000	10,200	10,404	10,611	10,821	11,035	11,254	11,477	11,704	11,936
Materials		4,000	4,080	4,162	4,244	4,328	4,414	4,502	4,591	4,682	4,774
Janitorial Supplies		900	918	936	955	974	993	1,013	1,033	1,053	1,074
Other		500	510	520	531	541	552	563	574	585	597
Total Expense		160,404	165,025	169,714	174,519	179,422	184,451	189,619	194,941	200,410	206,042

Hourly Labor Costs			3.6%	3.5%	3.5%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Price Inflation			2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Net Income		60,514	289,494	306,146	344,025	366,000	386,582	432,634	441,385	465,794	519,919
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