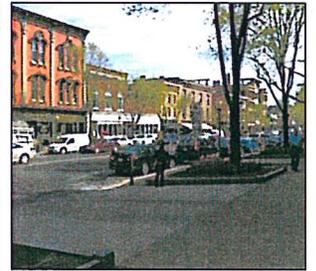


# Parking Structure Financial Feasibility Study – FINAL UPDATED REPORT



SARATOGA SPRINGS  
CITY CENTER



Saratoga Springs City Center  
Saratoga Springs, NY

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## 1.0 INTRODUCTION

### 1.01. Study Purpose and Approach

The primary objectives of this parking study were to review current parking adequacies in the designated study area and to determine potential parking-related revenues, expenses, and financing costs for a proposed 511-space parking structure. The parking study initially evaluated existing conditions, determined primarily through parking inventory and occupancy surveys and stakeholder input meetings. The examination of existing conditions provided the baseline data from which the revenues and expenses of the proposed parking structure could be estimated. Finally, alternatives were considered to help improve the financial performance of the proposed facility.



The scope of services for this study is summarized below:

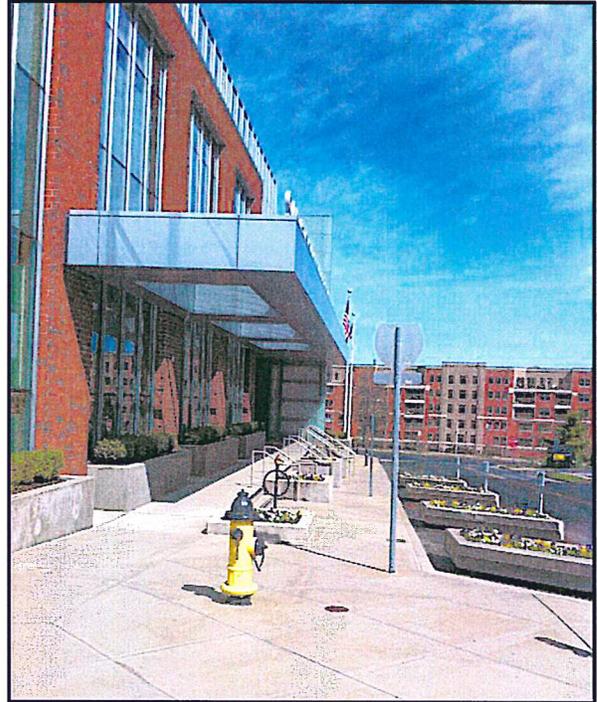
#### ***Phase 1 – Parking Supply and Demand Analysis***

1. Provide an initial Request for Information to become more familiar with study area issues, parking conditions, utilization, and other characteristics.
2. Conduct an initial visit to the site to meet with City Center staff, review existing conditions, and complete necessary field work.
  - a. Meet with City Center staff, City of Saratoga staff, designated stakeholders, and representatives from nearby properties to discuss current and future parking supply and demand issues.
  - b. Review current parking structure design concepts.
  - c. Review existing and proposed land uses in the study area with City Center staff and any other designated project stakeholders.
  - d. Conduct a field review of existing conditions and parking occupancies in the study area.
    - i. Verify the current parking supply in the study area (public and private, on-street and off-street).
    - ii. Conduct a two-day parking occupancy survey to determine current parking adequacies in the area.
    - iii. Review existing traffic conditions in the area.
    - iv. Review existing parking market conditions in the area.
3. Develop parking demand projections for the proposed parking structure.
4. Determine estimated typical peak parking demands generated in the area.

5. Review the anticipated parking supply in the parking structure and compare the supply to estimated parking demands. Determine potential parking surpluses or deficits.

### **Phase 2 – Parking Financial Pro Forma**

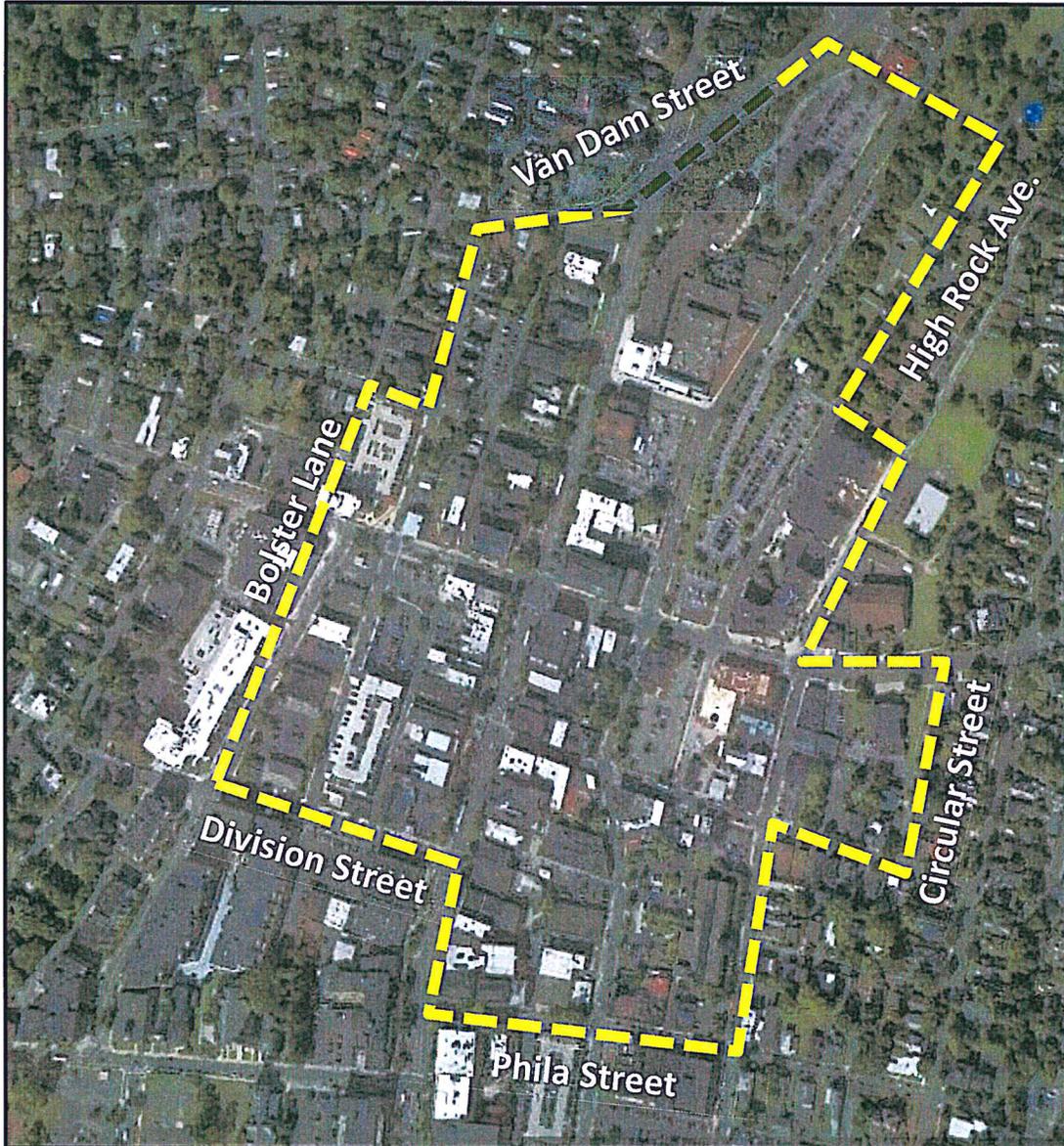
1. Review anticipated development plans for the proposed parking structure (prepared by others). Review preliminary parking structure design, financing, and construction costs.
2. Determine preliminary operating methodologies, staffing needs, payroll expenses, maintenance needs, equipment needs, insurance costs, hours of operation, services provided, etc. to estimate annual operating costs.
3. Utilizing available project data provided by City Center and/or project stakeholders, as well as the results of the parking supply and demand analysis, **Carl Walker** will estimate daily occupancies, event parking demands, typical parking durations/turnover, and seasonal fluctuations in parking demand. Parking demand estimates may be supplemented by data previously collected by **Carl Walker** for other similar projects.
4. Determine potential parking rates for all potential parking user groups (e.g., transient parkers, monthly parkers, overnight parkers, special event parkers, and valet parkers) based on available information concerning existing rates, parking demands, and potential parking expenses.
5. Review opportunities for revenue generation beyond traditional parking fees.
6. Determine the potential to use available or future downtown parking revenues (outside of those generated by the new parking structure) to support the structure, if available.
7. Develop a preliminary 10-year parking facility financial pro forma based on assumptions provided by City Center staff, project stakeholders, and/or recommended by **Carl Walker**.
8. Provide the preliminary 10-year pro forma and a draft financial feasibility report to City Center detailing the assumptions used, estimated parking demand characteristics, preliminary operation/management methodologies, projected parking structure development costs, estimated facility revenues and expenses, estimated annual debt service, and projected income. Incorporate draft report comments received into a final report.



### 1.02. Designated Study Area

The designated study area for this project is shown in Figure 1 (below). The study area is irregularly shaped and roughly bounded by High Rock Avenue and Van Dam Street to the north; Circular Street to the east, Division and Phila Streets to the south, and Bolster Lane to the west.

Figure 1. Study Area



For detailed mapping, parking inventory and data collection purposes, the study area was broken down by block and each individual block assigned a number for each of the 19 blocks in the study area. The main study area was then further sub-divided into two sub-areas for mapping purposes. Figures 2 and 3 (next page) illustrate the sub-areas and individual block numbers.

Figure 2. Study Area: Sub-Areas

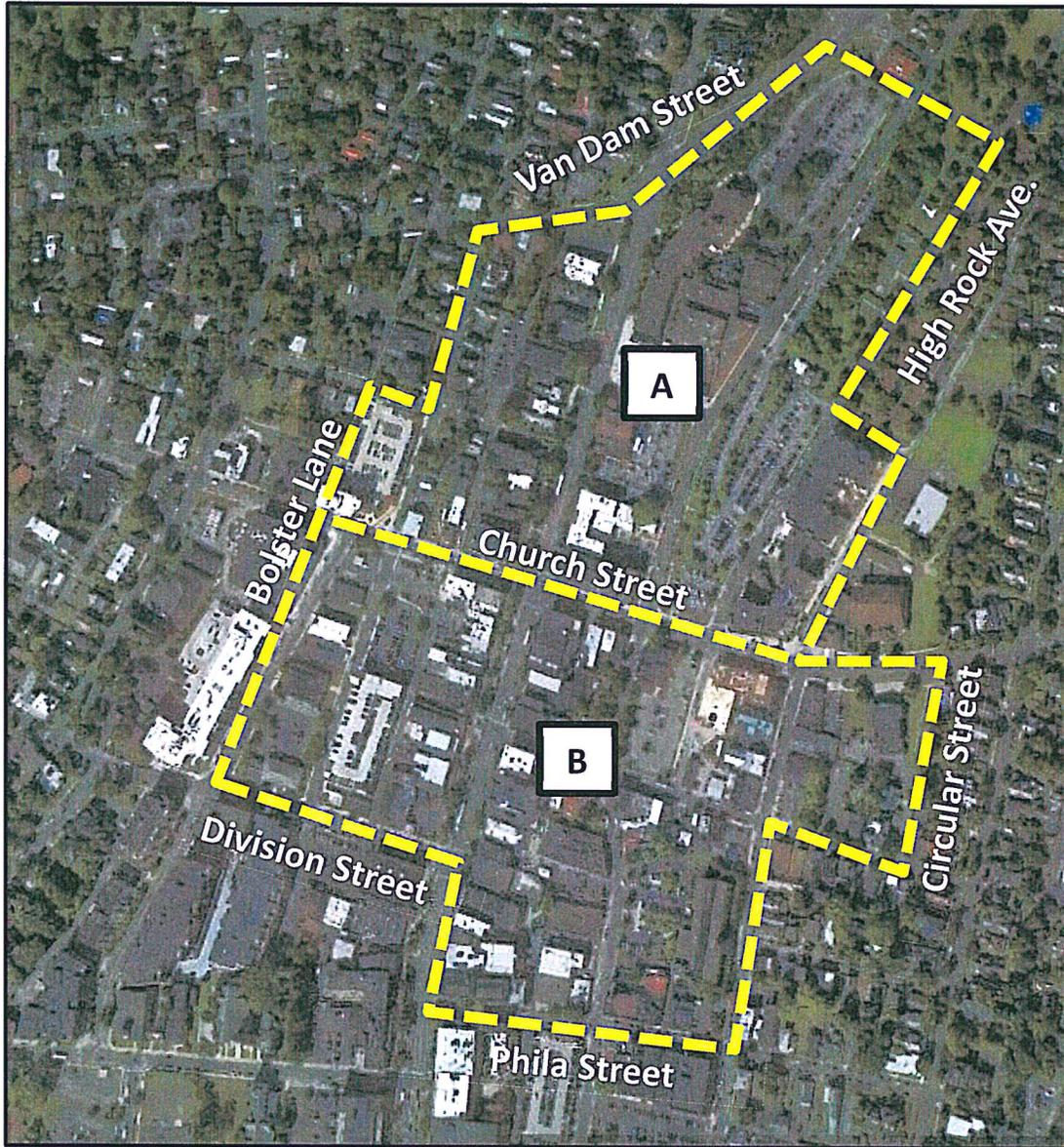
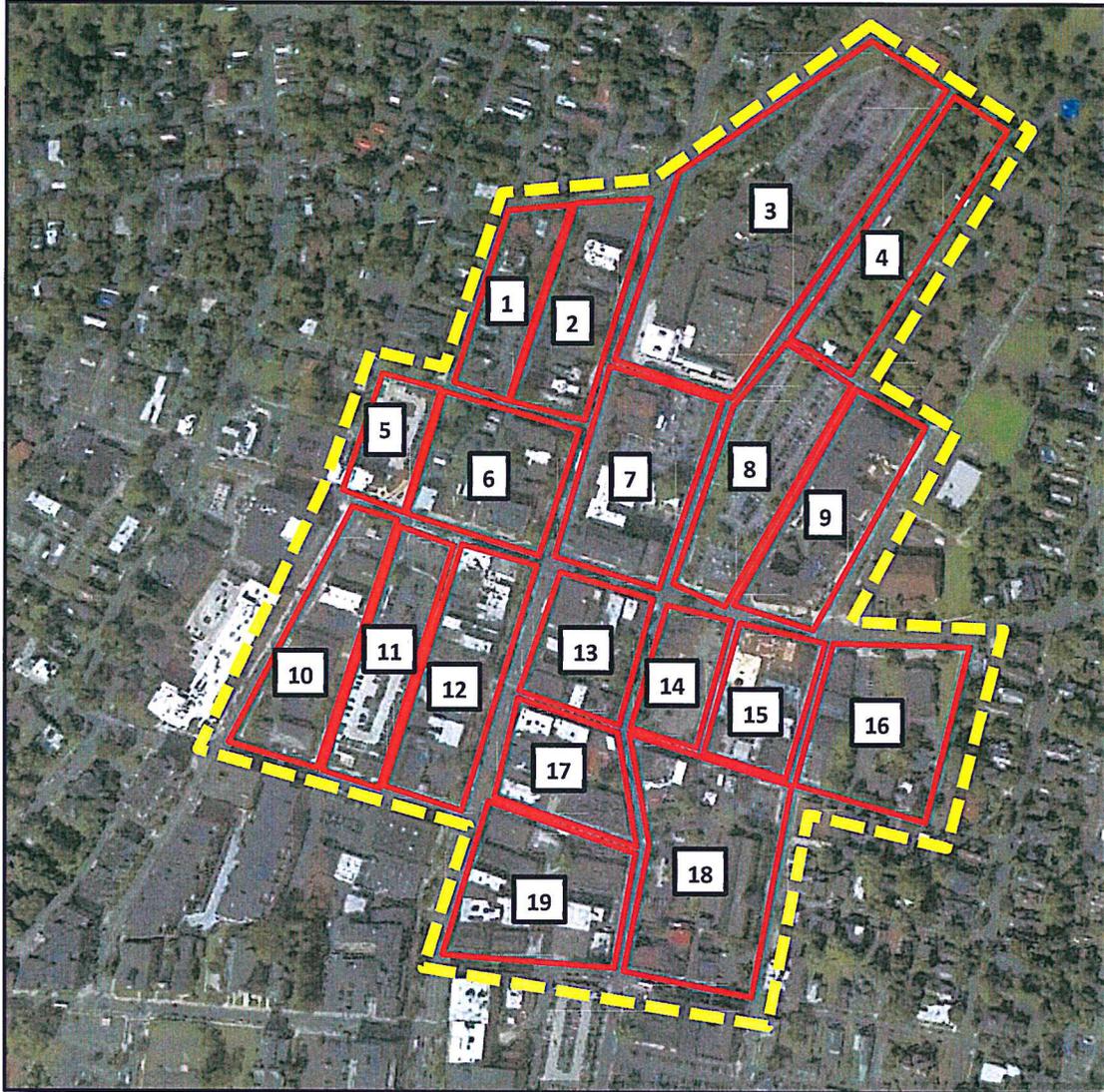


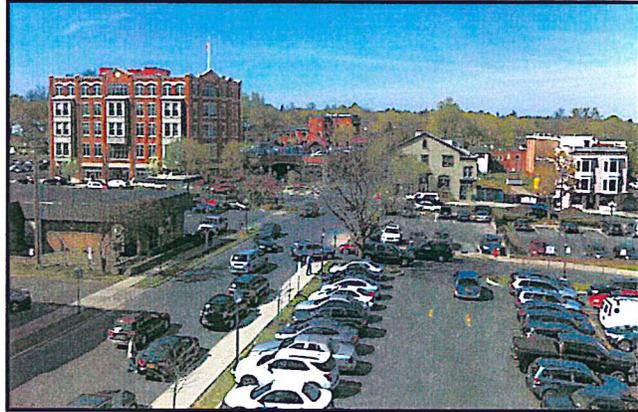
Figure 3. Study Area: Individual Blocks



## 2.0 CURRENT PARKING SUPPLY AND DEMAND

### 2.01. Current Parking Supply

Parking inventory surveys were completed by **Carl Walker** staff on May 6, 2014. There are a total of approximately 2,608 parking spaces located in the study area. Of this total number, 2,084 parking spaces are in off-street parking facilities (80%) and 524 spaces are located on-street (20%). Of the total number above, approximately 1,127 spaces are provided in private parking lots intended for employees and customers and not necessarily open to the general public. The on-street parking inventory includes both marked parking spaces and locations where on-street parking is possible but not currently marked. The amount of on-street parking in unmarked areas was estimated based on block face lengths and street widths.



Some parking areas could not be accurately inventoried, as they lacked parking stripes or existing stripes were not visible. In these situations, inventories were estimated based on the size of the parking area. Residential parking areas, including apartment complexes and private driveways were not counted in the parking inventory as they would not contribute to any shared parking opportunities.

Parking inventory maps by sub-area are included in **Appendix A**.

### 2.02. Current Observed Parking Demand

After the parking inventory was completed, **Carl Walker** conducted occupancy surveys over two days to determine how many parking spaces were utilized during a typical day. The completed survey essentially provided a "snapshot" of parking occupancy and did not attempt to determine the absolute peak parking period.

Based on other similar municipal parking occupancy studies conducted by **Carl Walker**, it was determined that weekday occupancy surveys would be conducted every two hours between 8:00 a.m. and 4:00 p.m. on Wednesday, May 7 and Thursday, May 8. The parking occupancy surveys focused on the two primary categories of parking in the study area, on-street and off-street. Each off-street parking area was counted individually. The intent of the survey was to determine the overall level of parking utilization in the study area by block. The results of the occupancy surveys serve as a baseline for determining potential parking demands that could be served by the proposed parking structure.

The observed peak period of parking occupancy for the entire study area occurred at 12:00 p.m. on Wednesday, May 7. During this time period, approximately 2,022 parking spaces were occupied (77.5% of the total available supply). The following tables (Tables 1 and 2, next page) illustrate the total observed occupancy levels for all blocks in the study area during each day (the peak period of parking demand is highlighted in yellow).

Table 1. Parking Occupancy Data (Wednesday, May 7)

Parking Type	Parking Inventory	8am	10am	12pm	2pm	4pm
<b>Total Off-Street</b>	<b>2,084</b>	<b>1,199</b>	<b>1,544</b>	<b>1,614</b>	<b>1,604</b>	<b>1,355</b>
<b>Total On-Street</b>	<b>524</b>	<b>273</b>	<b>342</b>	<b>408</b>	<b>405</b>	<b>388</b>
<b>Total Parking</b>	<b>2,608</b>	<b>1,472</b>	<b>1,886</b>	<b>2,022</b>	<b>2,009</b>	<b>1,743</b>
Total Off-Street Parking Occupancy %		57.5%	74.1%	77.4%	76.9%	65.0%
Total On-Street Parking Occupancy %		52.1%	65.3%	77.9%	77.3%	74.0%
<b>Total Parking Occupancy %</b>		<b>56.5%</b>	<b>72.3%</b>	<b>77.5%</b>	<b>77.0%</b>	<b>66.8%</b>

Table 2. Parking Occupancy Data (Thursday, May 8)

Parking Type	Parking Inventory	8am	10am	12pm	2pm	4pm
<b>Total Off-Street</b>	<b>2,084</b>	<b>1,017</b>	<b>1,473</b>	<b>1,604</b>	<b>1,578</b>	<b>1,357</b>
<b>Total On-Street</b>	<b>524</b>	<b>231</b>	<b>371</b>	<b>398</b>	<b>394</b>	<b>367</b>
<b>Total Parking</b>	<b>2,608</b>	<b>1,248</b>	<b>1,844</b>	<b>2,002</b>	<b>1,972</b>	<b>1,724</b>
Total Off-Street Parking Occupancy %		48.8%	70.7%	77.0%	75.7%	65.1%
Total On-Street Parking Occupancy %		44.1%	70.8%	76.0%	75.2%	70.0%
<b>Total Parking Occupancy %</b>		<b>47.9%</b>	<b>70.7%</b>	<b>76.8%</b>	<b>75.6%</b>	<b>66.1%</b>

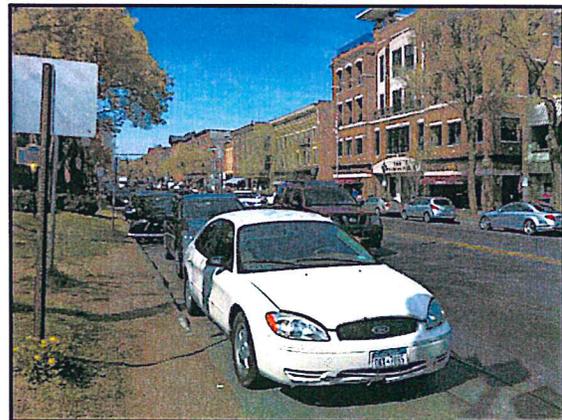
On Wednesday and Thursday, approximately 77.4% and 77.0%, respectively, of the total off-street parking supply and 77.9% and 76.0%, respectively, of the on-street parking supply was occupied during the peak period of observed parking occupancy.

Of the public parking effective supply located in the study area (both on-street and off-street), 95.8% of the spaces were occupied during the observed peak period of parking. In other words, approximately 1,277 public parking spaces, out of an effective supply of 1,333, were occupied during the overall observed peak demand parking period (see Table 7, Page 11).

Approximately 586 parking spaces (204 public parking spaces and 382 private parking spaces) in the study area were unoccupied during the observed period of weekday peak parking. It is important to note that the unoccupied private parking spaces may not be available for public use and some of the unoccupied public spaces may be at greater walking distances from primary demand generators than some people would typically tolerate – although many spaces are located within industry-standard acceptable walking distances to most demand generators (within 600 to 800 feet).

### 2.03. Current Observed Parking Adequacy

In determining the current parking adequacy for the study area, it is important to define two terms typically used in analyzing parking adequacy: Effective Supply and Design Day Conditions. When a parking area's occupancy reaches 85-90% of the total capacity, depending on the user group, the area becomes effectively full. When parking lot occupancy exceeds effective capacity, users become frustrated as it becomes increasingly difficult to find an available parking space. Users will begin to either park illegally in the lot or leave the lot altogether and search for parking elsewhere. When visitors are faced with significant parking difficulties, they could choose to avoid the downtown altogether and shop



elsewhere. The accepted effective fill percentage for parking in a typical downtown area is 90%. This 10% "cushion" of spaces is used to accommodate spaces lost temporarily due to construction, improper or illegal parking, and provides for shorter searches for available parking.

Design day parking conditions attempt to represent typical peak activity that may be exceeded only occasionally during the year. As recent historical parking utilization data is not available, **Carl Walker** reviewed available 2014 hotel occupancy data to determine potential design day adjustments. The following table (Table 3) illustrates the 2014 hotel occupancy information provided by the Saratoga Springs Convention Bureau.

Table 3. Hotel Room Occupancies (2014)

**Hotel Room Occupancies – 2014**

<u>Months</u>	<u>AVG Occupancy</u>	<u>Difference From Survey Month (May = 72.7%)</u>
Jan-Mar	55.7%	(-17.0%)
Apr-Jun	73.9%	+ 1.2%
Jul-Sep	83.1%	+10.4%
Oct-Dec	64.6%	(-8.1%)

Based on available tax and hotel occupancy data, it appears that the quarter in which the parking occupancy counts were completed is consistent with or greater than most months (approximately two-thirds of the year). However, parking activity may be significantly greater during the months of June through September.

Due to the limited nature of the occupancy study for this project, specific demand day adjustments for the overall area are estimated. It is not possible to accurately determine an overall design day adjustment (to the 85<sup>th</sup> percentile) based on the information available. It is unlikely that overall parking demands increase 100% or more during the peak months (as sales tax data could suggest). However, it does appear that the summer months following May are more active, particularly the months of July and August. During these two peak horse racing months, parking demands may significantly exceed supplies. In order to conservatively account for the change in parking demand, overall parking demands observed during the peak period are increased 25%.

Table 4. Current Parking Adequacy – Overall Study Area

		Number of Spaces
Current Total Parking Supply <sup>1</sup>		2,608
Current Effective Parking Supply (90% of Total)		2,347
Observed Parking Occupancy	77.52%	2,022
Design Day Adjustment <sup>2</sup>	25.00%	2,527
<b>Current Effective Parking Surplus/Deficit (Effective Supply minus Observed Occupancy)</b>		<b>-180</b>

## Notes:

1: Total parking supply equals both on-street and off-street inventories throughout the entire parking study area.

2: The design day adjustment increases observed occupancies by 25% to account for increased demand during the months of June through September.

Based on the overall study area parking supply, there is currently an estimated parking deficit of approximately 180 spaces (Table 4). However, this deficit includes both public and private parking spaces. The private parking spaces are often restricted to a specific user group (e.g., building-specific employees and specific customers only). Therefore, the actual public parking supply deficit could be greater.

Based only on the effective public parking supply in the study area, there could be a public parking deficit of approximately 263 spaces as shown in Table 5.

Table 5. Current Public Parking Adequacy

		Number of Spaces
Current Public Parking Supply <sup>1</sup>		1,481
Current Effective Parking Supply (90% of Total)		1,333
Observed Parking Occupancy	86.20%	1,277
Design Day Adjustment <sup>2</sup>	25.00%	1,596
<b>Current Effective Parking Surplus/Deficit (Effective Supply minus Observed Occupancy)</b>		<b>-263</b>

## Notes:

1: Public parking supply equals both on-street and publicly-owned off-street inventories throughout the entire study area.

2: The design day adjustment increases observed occupancies by 25% to account for increased demand during the months of June through September.

The parking adequacy estimates shown in Tables 4 and 5 are based on observed parking demands. However, as a majority of the land uses located within the study area likely peak during daytime hours (e.g., offices, retail stores, restaurants, and other commercial shops), the estimated adequacy shown in Tables 4 and 5 provide a reasonable estimate of daily peak parking demands for currently occupied land uses. (It should be noted that this parking study did not analyze evening parking demand).



On a block-by-block basis, estimated parking adequacies in the study area range from a deficit of approximately 103 spaces (Block 11) to a surplus of 58 spaces (Block 9). There are seven blocks with observed parking occupancies that are greater than 90% of the effective supply – three of which already exceed the estimated effective supply. Table 6 details the estimated total weekday parking adequacy for each block in the study area. As stated previously, these parking adequacies are based on observed parking demands.

Table 6. Current Parking Adequacies by Block – Overall Study Area

Block	Current Total Parking Supply	Effective Parking Supply (90%)	Parking Occupancy at Observed Peak	Estimated Design Day Adjustment	Estimated Parking Adequacy	Percentage of Effective Supply Occupied
1	88	79	76	25%	-16	96.0%
2	64	58	30	25%	20	52.1%
3	226	203	176	25%	-17	86.5%
4	156	140	118	25%	-7	84.0%
5	230	207	218	25%	-66	105.3%
6	40	36	30	25%	-2	83.3%
7	118	106	76	25%	11	71.6%
8	329	296	286	25%	-61	96.6%
9	153	138	64	25%	58	46.5%
10	84	76	64	25%	-4	84.7%
11	499	449	442	25%	-103	98.4%
12	66	59	47	25%	1	79.1%
13	19	17	13	25%	1	76.0%
14	97	87	44	25%	32	50.4%
15	96	86	37	25%	40	42.8%
16	77	69	49	25%	8	70.7%
17	11	10	12	25%	-5	117.5%
18	177	159	159	25%	-39	99.8%
19	78	70	81	25%	-31	115.4%
<b>Overall</b>	<b>2,608</b>	<b>2,347</b>	<b>2,022</b>	<b>25%</b>	<b>-180</b>	<b>86.1%</b>

Notes:

1. Blocks highlighted in yellow have adjusted occupancies greater than 75% of the effective supply.
2. Blocks highlighted in orange have adjusted occupancies greater than 90% of the effective supply.

With respect to public parking supplies in the study area, parking adequacies on a block-by-block basis range from -106 spaces to 13 spaces. There are currently 13 blocks with an estimated parking deficit. Table 7 details the weekday public parking adequacy for each block in the study area based on the peak period of observed demand.

Table 7. Current Parking Adequacies by Block – Public Parking

Block	Current Total Parking Supply	Effective Parking Supply (90%)	Parking Occupancy at Observed Peak	Estimated Design Day Adjustment	Estimated Parking Adequacy	Percentage of Effective Supply Occupied
1	17	15	10	25%	3	65.4%
2	19	17	17	25%	-4	99.4%
3	9	8	2	25%	6	24.7%
4	55	50	29	25%	13	58.6%
5	230	207	218	25%	-66	105.3%
6	29	26	26	25%	-6	99.6%
7	69	62	57	25%	-9	91.8%
8	281	253	247	25%	-56	97.7%
9	44	40	38	25%	-8	96.0%
10	20	18	19	25%	-6	105.6%
11	474	427	426	25%	-106	99.9%
12	36	32	30	25%	-5	92.6%
13	19	17	13	25%	1	76.0%
14	21	19	14	25%	1	74.1%
15	25	23	19	25%	-1	84.4%
16	15	14	4	25%	9	29.6%
17	11	10	12	25%	-5	117.2%
18	77	69	67	25%	-14	96.7%
19	30	27	29	25%	-9	107.4%
<b>Overall</b>	<b>1,481</b>	<b>1,333</b>	<b>1,277</b>	<b>25%</b>	<b>-263</b>	<b>95.8%</b>

Notes:

1. Blocks highlighted in yellow have adjusted occupancies greater than 75% of the effective supply.
2. Blocks highlighted in orange have adjusted occupancies greater than 90% of the effective supply.

Overall, there appears to be a deficit of overall parking (public and private) and a larger deficit of public parking in the study area during the busier months of the year. There are a significant number of blocks and lots with parking occupancies that are approaching or surpassing effective parking supplies. In these situations, existing parking demands must be distributed to other available parking supplies, new parking supplies will need to be constructed, or people will need to be encouraged to utilization alternative forms of transportation (e.g., local transit, bicycles, carpools, and/or walking).

### 3.0 PARKING STRUCTURE FINANCIAL ASSESSMENT

Based on the latest concept drawings for the proposed structure, the new facility will include approximately 410 parking spaces on 5 supported levels and 70 spaces on grade (480 total spaces). The structure will provide parking for conference center event attendees, downtown event attendees, members of the general public, and a small number of monthly parkers (approximately 10% of the total supply for employees). A parking access and revenue control system will be used to manage the facility.



Nearly all of the parking in the study area is provided free of charge (although time limits are posted and enforced). The only exceptions are the Saratoga Hilton (Block 3), the new Hampton Inn hotel garage, and certain public parking lots during summer special events (used for community fund raisers). The amount of free parking in the study area will pose a challenge to the financial feasibility of the proposed parking facility. Adjustments will be made to the parking demand projections to reflect the availability of free parking.

The following subsections detail the revenue and expense projections for the proposed parking structure based on information provided by Saratoga Springs City Center, other project stakeholders, and information concerning similar projects completed by **Carl Walker**. The financial assessment included in this study is based on the following assumptions:

- All project assumptions will be realized, including (but not limited to) the following:
  - The proposed facility will be designed and constructed so that it will be acceptable to its anticipated patrons and so that there will be no impediments to its use.
  - The proposed facility will contain the specified number of spaces.
  - The proposed facility will be constructed and opened within the specified time frame and budget provided by Saratoga Springs City Center.
  - The parking rates charged in the years projected in this analysis will be at the levels assumed. Parking fees will be charged to all guests using the parking facility (with first hour free).
  - Operating costs of the facility, including maintenance costs, will not exceed the levels reflected in this analysis.
  - The parking facility includes an appropriate marketing and advertising effort to help ensure event attendees and members of the general public know about the availability of parking in the new structure. Sufficient wayfinding signage is included to help direct potential parkers to the new structure.
- The projections presented in the analysis assume responsible ownership and competent management, including proper maintenance during the service life of the facility to assure its continued viability.
- The results and conclusions presented in this report may be dependent on force majeure events beyond anyone's control regarding the local, national, or international economy.

These assumptions and resultant conclusions may be invalid in the event of war, terrorism, economic recession, rationing, or other events that may cause a significant change in economic conditions. There will be no significant changes in the availability of fuel, transit, or roadways during the period of the pro forma.

- The assumed level of building occupancies in the study area will remain the same or higher during the period of the pro forma. The level of building occupancies during the parking inventory and occupancy surveys is assumed.
- **Carl Walker** assumes no responsibility for any events or circumstances that take place or change subsequent to the date of data collection.
- **Carl Walker** did not attempt to determine any site conditions that could impact the viability or construction cost of the proposed parking structure. Therefore, the Saratoga Springs City Center should retain a qualified expert in the appropriate field(s) if needed.
- All information, estimates, and opinions obtained from parties not employed by **Carl Walker** are assumed to be accurate. **Carl Walker** assumes no liability resulting from information presented by Saratoga Springs City Center, their representatives, or other third-party sources. This assessment does not include an audit of any historical financial information provided by Saratoga Springs City Center or any other party to determine its accuracy.
- **Carl Walker** assumes there are no mortgages, liens, encumbrances, leases, servitudes, encroachments, zoning issues, or building violations that will delay or prohibit the construction of the proposed facility.
- This report is to be used in whole and not in part.
- All opinions, recommendations, and conclusions included herein are rendered by the staff as employees of **Carl Walker, Inc.**, not as individuals.
- **Carl Walker** has provided this study to help determine the feasibility of the project, not to provide advice concerning the structure, timing, terms, or similar matters concerning a financial product or offering. It is assumed that Saratoga Springs City Center has established a relationship with a registered municipal financial advisor to provide these services.

### 3.01. Estimated Parking Structure Revenues

Estimated parking revenues for the proposed facility were estimated using information provided by Saratoga Springs City Center, the parking occupancy surveys completed by **Carl Walker**, and parking demand ratios from industry sources (e.g., the Urban Land Institute and the Institute of Transportation Engineers) and other projects completed by **Carl Walker**. The parking revenue projections in this report are organized by anticipated user group.

**Carl Walker** has used the best data and resources available to determine parking revenue projections for the proposed development. Actual parking revenues will be determined by many factors including event attendance levels, price and demand fluctuations in the market, building occupancies, the availability of parking in other existing or new facilities, managerial decisions made by Saratoga Springs City Center, and other decisions made by local, state, and national government officials.

Initially, it is assumed that the proposed parking structure will charge rates that are generally consistent with the Saratoga Hilton (the only other parking lot that regularly charges for parking in the study area). Initial parking rates are as follows:

- Per Hour Rate: \$1.00 (First Hour Free)
- Overnight Conference: \$10.00
- Event Rate: \$5.00
- Monthly Rate: \$50.00

The anticipated parking revenues for each portion of the proposed development are estimated as follows:

- Saratoga Springs City Center Conference Center Guests and Area Special Events:
  - A 2013 conference and event schedule for Saratoga Springs City Center was provided to **Carl Walker**. This schedule included event names, dates, and attendance levels for 149 events. The events included meetings, conferences, banquets, weddings, evening events, and large downtown events. In 2013, there were a total of 18,652 convention guests and 135,486 day guests.
  - **Carl Walker** reviewed each event and estimated parking ratios based on the type of event. The parking ratio for convention center guests was estimated at .50 spaces per guest (except Dance Flurry which is estimated at .33 spaces per guest). This ratio is consistent with parking demands for smaller convention centers that cater to local shows and conferences, as well as banquets and smaller events. Parking ratios for day guests range from .18 spaces per guest to .50 spaces per guest. The lowest parking ratio (.18) is used for events that tend to have more people arriving per vehicle (e.g., large religious events). A parking ratio of .33 is used for large events and consumer shows. A parking ratio of .50 is used for evening events, community meetings, weddings, etc. Applying these ratios to the various 2013 events, the following monthly parking demands are estimated:

Table 8. Estimated Total Parking Demands for Convention and Day Guests

	Total Convention Guests	Convention Guest Parking Demand	Total Day Guest	Day Guest Parking Demand
January	1,820	910	20,959	7,126
February	5,900	2,100	26,139	8,586
March	1,367	684	22,885	7,681
April	1,823	912	3,428	1,425
May	1,160	580	10,064	4,199
June	681	341	8,500	3,541
July	415	208	4,740	1,774
August	376	188	5,164	1,945
September	1,657	829	1,750	773
October	1,736	868	7,843	2,831
November	992	496	5,304	1,982
December	725	363	18,710	6,455
<b>Totals</b>	<b>18,652</b>	<b>8,476</b>	<b>135,486</b>	<b>48,318</b>

- The number of guests parking in the facility will likely depend on the time of year. During winter and early spring months, when parking demands are low, many people may opt for free parking in the area. During summer and early fall months, the free

parking areas may be effectively full – so, more people will have to park in the proposed parking structure and pay for parking. Based on available tax revenue, the following assumptions are used concerning potential seasonal parking demand adjustments (the percentage shown represents the percentage of estimated convention and day guests that will parking in the proposed facility). It is assumed that a higher percentage of convention guests will use the proposed facility than day guests.

- Jan. - Mar.: 50% for convention guests and 25% for day guests
  - Apr. - Jun.: 100% for convention guests and 75% for day guests
  - Jul. - Sept.: 100% for both convention guests and day guests
  - Oct. – Dec.: 75% for convention guests and 50% for day guests
- o Using the seasonal demand adjustments, the following guest parkers per quarter are estimated to use the parking facility. This is calculated by multiplying the estimated number of parkers by the estimated percentage parking in the proposed facility.
- Jan. - Mar.: 1,847 convention guests and 5,849 day guests
  - Apr. - Jun.: 1,833 convention guests and 6,874 day guests
  - Jul. - Sept.: 1,225 convention guests and 4,492 day guests
  - Oct. – Dec.: 1,296 convention guests and 5,634 day guests

It is assumed that 60% of convention guest will likely be overnight guests (although that will vary depending on the type of event). Day guest rates are based on an assumed six hour average stay. The estimates are for the total number of parkers per quarter, so no parking space turnover would apply. Applying these rates to the estimated number of guest parkers results in the following revenues:

▪ Overnight Guests:	\$37,206 (6,201 X 60% X \$10.00)
▪ Day Guests:	\$114,245 (22,849 X \$5.00)
▪ Total Guest Revenue:	\$151,451

- General Public Parking:

- o The amount of general public usage will likely vary significantly throughout the year. During months with lower parking demand, available free parking locations will likely be more attractive than the proposed parking structure. During the busy season, the proposed parking structure will likely be utilized more frequently as other free parking supplies become effectively full.

Using the observed peak parking occupancies in the lots where the proposed facility will be located (163 vehicles in Lots 8C and 8D) and the estimated public parking deficit in the study area during the peak season (263 spaces) as starting points, potential general public usage is estimate as follows:

- Jan. - Mar.: 25% of the observed peak demand each weekday, 13% of the observed peak demand each weekend day.
- Apr. - Jun.: 50% of the observed peak demand and 25% of the estimated deficit each weekday, 25% of the observed peak



- Year 3: 40 spaces at \$50 per month - \$24,000 in annual revenue
- Year 4: 50 spaces at \$50 per month - \$30,000 in annual revenue

The total estimated parking revenue for the first full year of operation is estimated to be approximately \$436,283 (\$151,451 City Center Day & Overnight; \$278,832 Public; \$6,000 Monthly). This equates to approximately \$908 per space annually.

### 3.02. Estimated Parking Structure Expenses

*Carl Walker* reviewed several potential operating strategies for the proposed parking structure including exit cashiering, central cashiering, and automated parking equipment solutions. Based on existing market conditions and anticipated user groups, an automated cashiering methodology is recommended as the primary fee collection methodology. This methodology is becoming the predominate strategy employed in similar parking facilities, downtown parking customers are likely familiar with this approach, and it provides a conservative estimate of parking facility expenses. During special events, a pre-pay (pay at entry) and/or parking pass approach is recommended.

Monthly parkers would use an access card to activate entry and exit lane gates. Day-to-day visitors would either use a parking pass created by Saratoga Springs City Center (e.g., a bar-coded or QR code pass) or use a Pay-on-Foot machine. During large events, cashiers would be stationed in the entry lanes to collect the parking fee as visitors enter the facility. This would help maximize the exiting capacity of the facility (customers would not have to pay for parking before they leave). The recommended automated operating methodology would be as follows:

- Monthly Parkers:
  - Parking control gates and access card readers would be installed in every entry and exit lane. Monthly parkers would be issued an access card that they would present to a reader each time they enter or exit the facility. Another option could be the use of Automatic Vehicle Identification readers and tags to provide entry/exit to the facility.
- Day-to-Day Visitors:
  - Ticket dispensers would be installed in every entry lane. Visitors would take a ticket from a dispenser and be reminded to keep the ticket with them. Prior to returning to their vehicle, the visitor would stop at a Pay-on-Foot machine to pay for their parking. After paying for parking, the visitor would drive to an exit lane, insert their paid ticket into an exit verifier, and the leave the facility.
- Pre-Pay Event Attendees:
  - Event attendees would pay a flat parking fee to a cashier as they enter the facility. At the end of the event, event attendees would be able to return to their vehicles and exit the facility without any additional payment.

- Attendees with Event Passes:
  - Some event attendees may utilize a parking pass provided by Saratoga Springs City Center. The pass would include a bar-code or QR code that can be read by scanners in the entry and exit lanes.

As the facility would operate in an automated fashion most days, the level of staff required is reduced. However, event cashiers will be necessary multiple times each year for special events. The following staff needs are estimated:

- **Manager** – A fulltime facility manager is likely not necessary. However, some management time will be needed to schedule staff, monitor facility performance, address maintenance needs, review revenue reconciliations, attend meetings, etc. It is assumed that 20 hours per week for a facility manager is needed. Assuming a rate of \$20.00 per hour, the annual cost of a facility manager is estimated at \$28,080 (includes 35% for taxes, benefits, etc.).
- **Bookkeeper** – A part-time bookkeeper will be needed to reconcile daily revenues, review facility expenses, prepare deposits, record activities, etc. It is assumed that 15 hours per week of bookkeeping time is needed. Assuming a rate of \$17.00 per hour, the annual cost of a part-time bookkeeper is estimated at \$17,901 (includes 35% for taxes, benefits, etc.).
- **Maintenance Porters** – Porters will clean the facility each day such as clearing debris, picking up trash, emptying trash containers, sweeping stairways and elevator lobbies, wiping stair rails, cleaning elevators, etc. Porters will also be responsible for low-level equipment maintenance (e.g., adding tickets and receipt paper, lubricating parts, replacing broken gates, and external wipe downs). It is assumed that 21 hours per week of porter time is needed. Assuming a rate of \$12.00 per hour, the annual cost of a part-time porter is estimated at \$17,690 (includes 35% for taxes, benefits, etc.).
- **Event Cashiers** – Event cashiers will process entry payments during certain special events. Cashiers will provide customer assistance as needed (e.g., answer questions and provide directions) and monitor facility activities. Up to three cashiers will be needed during large events. Assuming cashiers are used for all events with estimated attendance levels of 1,000 or more, **Carl Walker** estimated approximately 1,107 hours of cashier time will be needed each year (approximately 29 events per year). Assuming a rate of \$11.00 per hour, the annual cost for event cashiers is estimated at \$16,439 (includes 35% for taxes, benefits, etc.).
- **Security Officer** – A part-time security officer will be needed to patrol the facility during evening hours. It is assumed that the officer would patrol the facility between the hours of 10:00 p.m. to 6:00 a.m. each day. During daytime hours, existing conference center security officers would periodically patrol the facility and assist patrons. It is assumed that 56 hours per week of security officer time is needed. Assuming a rate of \$15.00 per hour, the annual cost of a part-time porter is estimated at \$58,968 (includes 35% for taxes, benefits, etc.).

Total annual staffing costs are estimated at \$139,078. This includes staff time and associated taxes, benefits, etc.

In addition to staffing needs, other expense items need to be included. The following additional operating expenses are estimated based on similar parking facilities reviewed by **Carl Walker** (estimated on a per space basis). The total annual cost for non-staff operating costs is estimated at \$127,408.

Table 9. Estimated Parking Facility Operations and Maintenance Expenses

	<b>Total Cost</b>	<b>Est. Cost per Space</b>
Maintenance Supplies	\$3,360	\$7
Operations Supplies	\$9,600	\$20
Office Supplies	\$1,162	\$2
Uniforms	\$750	NA
Postage	\$1,176	\$2
Sweeping	\$4,800	\$10
Snow Removal	\$3,360	\$7
Utilities	\$43,200	\$90
Insurance	\$9,600	\$20
Equip. Maintenance	\$2,400	\$5
Landscaping	\$2,400	\$5
Elevator Maint.	\$6,240	\$13
Miscellaneous	\$3,360	\$7
Annual Maint. Reserve	\$36,000	\$75

Overall, parking operating expenses for the proposed on-site parking facilities are \$266,486 in the first full year of operation. The estimated cost for operations and maintenance would be approximately \$555 per space annually.

### 3.03. Debt Service Projections

Parking construction cost estimates for the proposed facility were provided by Bette Cring Construction Group (through Saratoga Springs City Center). The potential debt service projection for the proposed parking facility was estimated as follows:

- Estimated construction costs are approximately \$17,916 per parking space (per Bette Cring). Assuming 480 parking spaces are constructed, total construction costs have been estimated at \$8,599,680. Land costs are not included.
- Development costs are estimated at 12% of construction costs. Development costs include professional services such as architecture, engineering, surveys, soil report and testing, inspections, legal services, etc. Development costs are estimated at \$1,031,953.
- Total construction and development costs are estimated at \$9,631,561. Saratoga Springs City Center has approximately \$3,000,000 in a capital reserve that will be used to help fund the construction of the proposed parking facility. Therefore, it is estimated that Saratoga Springs City Center will finance approximately \$6,631,561.
- Adding estimated financing costs to the aforementioned construction and development costs (minus the capital reserve), a total financed project cost of \$6,631,642 is estimated. Assuming an interest rate of 3.5% for 20 years, estimated annual debt service for the proposed parking facility would be approximately \$.

The following table (Table 10, next page) illustrates the estimated debt service calculation.

Table 10. Estimated Annual Debt Service

<b>PROPOSED PARKING GARAGE - 480 Spaces</b>		<b>2014 \$</b>
<b>Estimated Annual Debt Service</b>		
Number of parking spaces	480	
Square footage	NA	
Parking efficiency (s.f. per space)	NA	
Estimated cost per s.f.		
Estimated cost per space	\$17,916	
Construction cost		\$ 8,599,608
Land acquisition		\$ -
<b>TOTAL CONSTRUCTION COST</b>		<b>\$ 8,599,608</b>
Professional Services, including architecture/engineering, survey, soil report and testing, P.E. inspection, legal services (1)		<u>\$ 1,031,953</u>
<b>TOTAL DEVELOPMENT COST</b>		<b>\$ 9,631,561</b>
<b>PAYMENT FROM CAPITAL RESERVE</b>		<b>\$ 3,000,000</b>
<b>AMOUNT TO BE FINANCED</b>		<b>\$ 6,631,561</b>
<b>FINANCING COSTS</b>		
Issue and other fees (2)		\$ 322,026
Debt service reserves (3)		\$ 731,877
Net interest during construction (less interest earned) (4)		<u>\$ 365,186</u>
Subtotal		<u>\$ 1,419,090</u>
<b>TOTAL FINANCED PROJECT COST</b>		<b>\$ 8,050,651</b>
<b>LOAN CALCULATION</b>		
Principal		\$ 8,050,651
Interest rate	3.5%	
Term (years)	20	
Annual Debt Service		\$ 566,452

**Notes:**

- (1) 12% of construction cost.  
 (2) 4% of total project cost.  
 (3) 10% of total project cost (less reserve fund).  
 (4) First year interest (debt service) less interest earned on construction budget during periodic drawdowns (12 mo. construction period and 5% investment rate).

The combined annual operating cost and debt service for the proposed parking facility is approximately \$832,938. This equates to an annual expense of approximately \$1,735 per space.

### 3.04. Financial Pro Forma

The following Table 11 below summarizes the revenue and expense projections detailed in the previous sections of this report. Overall, the proposed development could generate approximately \$435,683 in parking-related revenues during the first full year of operation. Operating expenses for the proposed parking facility are estimated at \$266,486 during the first year. Therefore, the total net operating income for the proposed parking facility is estimated at \$169,197. However, this income would be off-set by approximately \$566,452 in annual debt service.

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Estimated Facility Revenues</b>					
Event Revenues <sup>1</sup>	\$151,451	\$155,995	\$160,674	\$165,495	\$170,459
Public Parking Revenues <sup>1</sup>	\$278,832	\$287,197	\$295,813	\$304,687	\$313,828
Monthly Parking Revenues	\$6,000	\$15,000	\$24,000	\$30,000	\$30,900
Total Facility Revenues	\$436,283	\$458,191	\$480,487	\$500,182	\$515,187
<b>Estimated Facility Expenses</b>					
Staff Expenses <sup>2</sup>	\$139,078	\$143,250	\$147,548	\$151,974	\$156,534
Operations and Maint. Expenses <sup>2</sup>	\$127,408	\$131,230	\$135,167	\$139,222	\$143,399
Total Facility Expenses	\$266,486	\$274,481	\$282,715	\$291,196	\$299,932
<b>Estimated Facility Net Operating Income</b>	\$169,797	\$183,711	\$197,772	\$208,985	\$215,255
<b>Estimated Facility Debt Service <sup>3</sup></b>	\$566,452	\$566,452	\$566,452	\$566,452	\$566,452
	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
<b>Estimated Facility Revenues</b>					
Event Revenues <sup>1</sup>	\$175,573	\$180,840	\$186,266	\$191,854	\$197,609
Public Parking Revenues <sup>1</sup>	\$323,243	\$332,940	\$342,928	\$353,216	\$363,813
Monthly Parking Revenues <sup>1</sup>	\$31,827	\$32,782	\$33,765	\$34,778	\$35,822
Total Facility Revenues	\$530,643	\$546,562	\$562,959	\$579,848	\$597,243
<b>Estimated Facility Expenses</b>					
Staff Expenses <sup>2</sup>	\$161,230	\$166,066	\$171,048	\$176,180	\$181,465
Operations and Maint. Expenses <sup>2</sup>	\$147,701	\$152,132	\$156,696	\$161,397	\$166,239
Total Facility Expenses	\$308,930	\$318,198	\$327,744	\$337,576	\$347,704
<b>Estimated Facility Net Operating Income</b>	\$221,713	\$228,364	\$235,215	\$242,271	\$249,540
<b>Estimated Facility Debt Service <sup>3</sup></b>	\$566,452	\$566,452	\$566,452	\$566,452	\$566,452

Notes:

1. Estimated revenues are based on the first full year of operation and increased 3.0% each year in Years 2 through 10.
2. Estimated expenses are based on the first full year of operation and increased 3.0% each year in Years 2 through 10.
3. Estimated debt service is shown in Table 10. Does not include any land costs.



## Final Comments and Alternatives for Improving the Financial Performance of the Parking Facility:

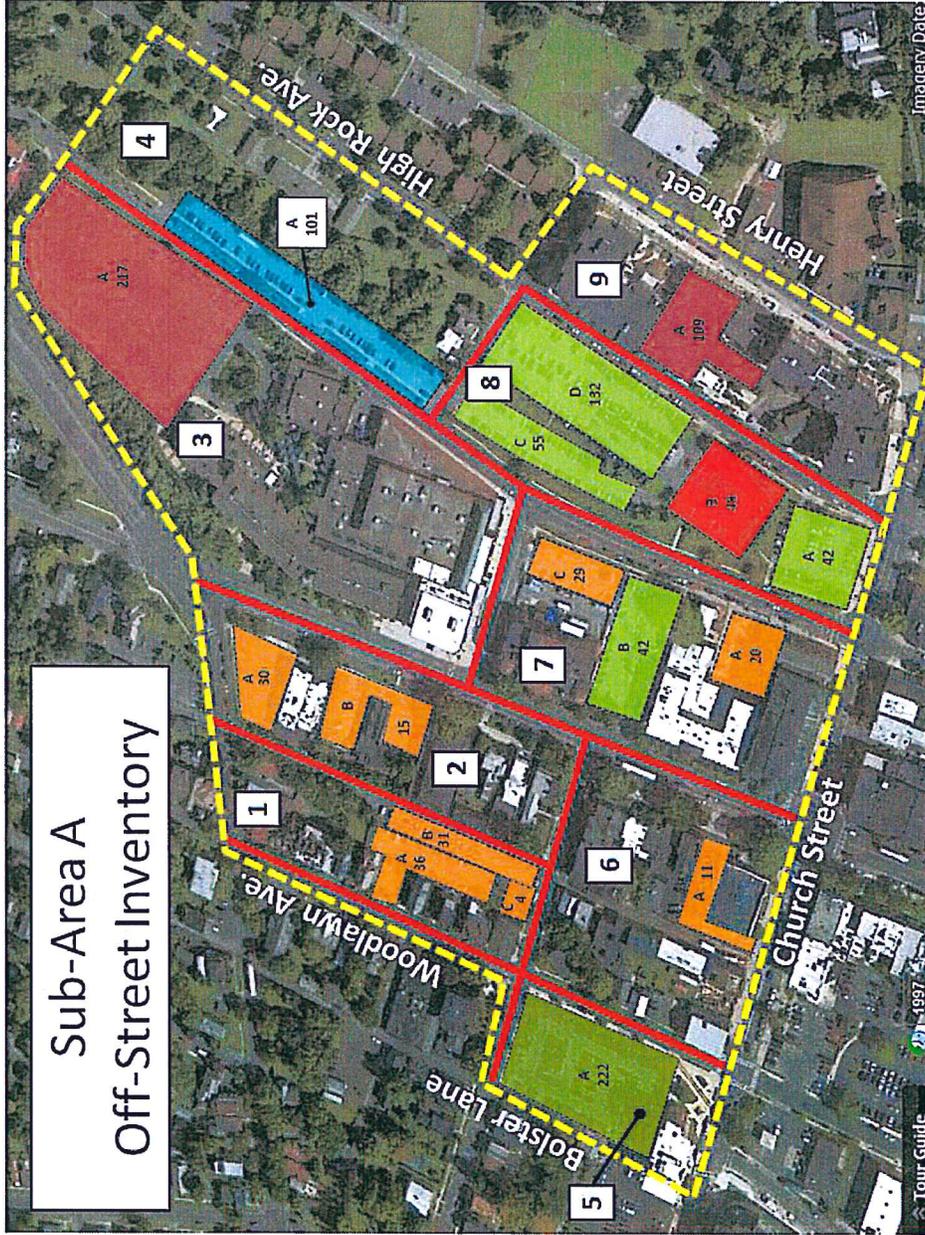
### Estimating Parking Structure Revenues

- Our approach to estimating the potential revenues for the proposed new parking structure is very conservative due to a number of limiting factors, which include:
  - The fact that all public parking downtown is currently free and there is very little market rate private parking in the downtown area.
  - The proposed parking structure at the proposed location is very well situated to serve the City Center facility well, but will require greater walking distances to access other downtown dining, entertainment and retail venues in the core downtown area.
  - Our revenue estimates account for event activity at the City Center facility itself, but do not necessarily account for other community/regional special events that may be able to generate additional special event revenues.
  - While we were able to observe the downtown area during a somewhat "busy" time of year in mid-Spring, the timing of our field observations in May did not reflect the peak activity time for downtown – which we understand is July/August.

### Recommendations for Maximizing Potential Parking Structure Revenues

- Ensure consistent enforcement of on-street and off-street parking time limits to deter long-term parking in short-term areas. This will help encourage people to park in appropriate off-street parking lots/structures. Monitor on-street parking turnover and durations and adjust time limits as needed.
- Work with the city to implement pay parking in the study area. The availability of free parking in the blocks surrounding the proposed garage will make generating sufficient revenues very difficult – especially during periods of low parking demand.
- Identify other funding sources that could be used to support the proposed parking facility. This could include available city revenues, parking enforcement revenues, future public parking revenues, fees charged to conference center event holders, a special assessment in the area surrounding the proposed structure, etc.
- Sufficient effort will need to be placed on aggressively marketing the new parking structure once it is opened for public use, particularly regarding major special event parking opportunities.

## APPENDIX A – PARKING INVENTORY OVERLAY MAPS



**City Center Guests Only**  
101 Spaces

**Hotel Parking Only**  
326 Spaces

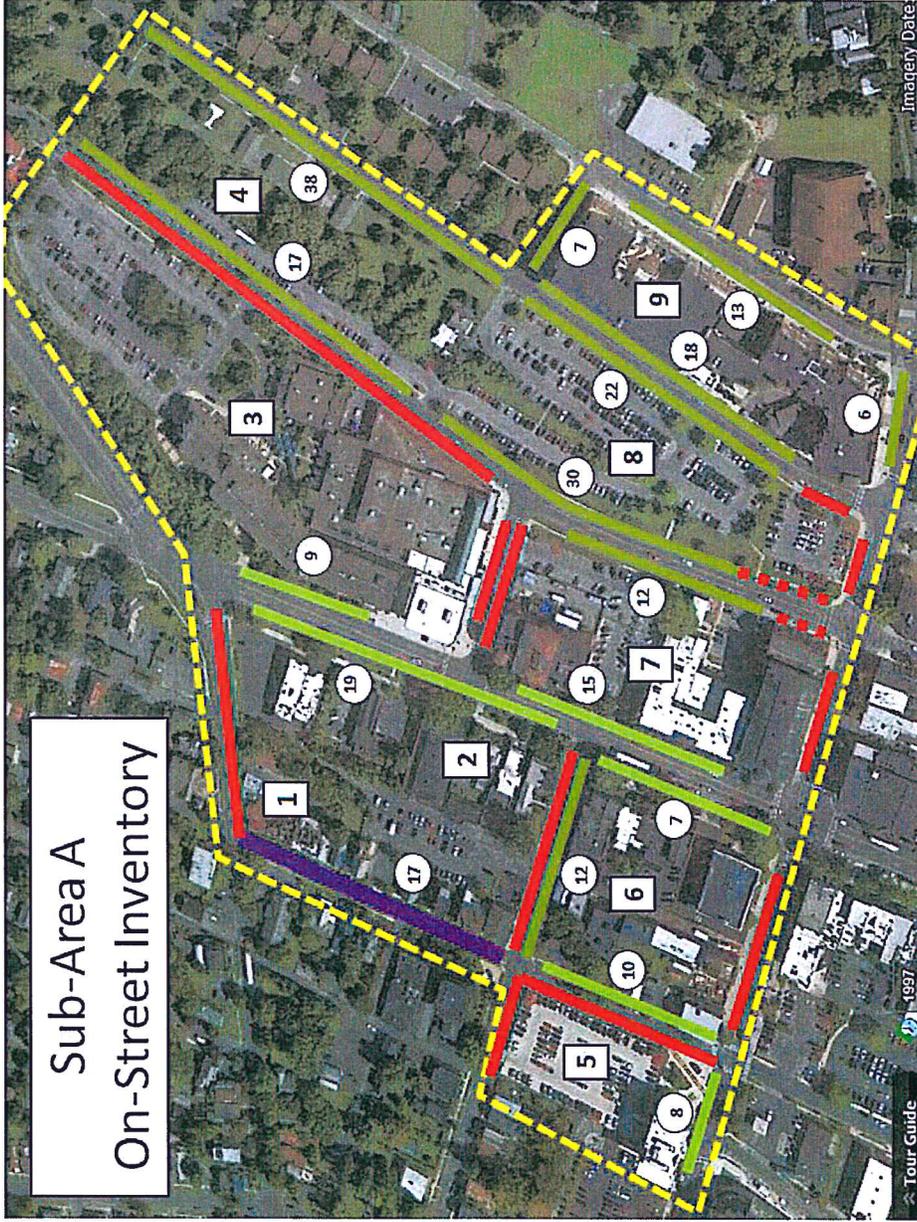
**Public Surface Lot**  
271 Spaces

**Public Parking Structure**  
222 Spaces

**Private Parking Lot**  
176 Spaces

**City Reserved/Permit Only**  
48 Spaces

**Sub-Area A Total Off-Street = 1,144  
Spaces**



Free: Two-Hour Limit  
68 Spaces

Free: No Time Limit  
175 Spaces

Alternate Side Parking: No Limit  
17 Spaces

Police Parking Only  
10 Spaces

No Parking On-Street

**Sub-Area A Total On-Street = 260 Spaces  
(not including police spaces)**



**Private Parking Lot**  
392 Spaces

**Public Surface Lot**  
163 Spaces

**Public Parking Structure**  
385 Spaces

**Sub-Area A Total Off-Street =**  
**940 Spaces**

