



WALKER
PARKING CONSULTANTS

DOWNTOWN PARKING STUDY

COLUMBUS
REDEVELOPMENT
COMMISSION
COLUMBUS, INDIANA

Prepared for:

Mr. Tom Vujovich
President

FINAL REPORT

EXECUTIVE SUMMARY

Despite the current presence of 652± underused parking spaces in the Downtown Columbus area, the implementation of the Downtown Plan will result in a total deficit of 1,952± parking spaces. The best, and possibly only practical way to meet this anticipated demand is the construction of a parking garage.

The Vision 2020 Downtown Strategic Development Plan envisions dramatic change for the Downtown Columbus area. This change includes the introduction of a number of new land uses, the re-use of certain properties, and the development of properties currently used as surface parking lots. This report provides (1) an evaluation of the adequacy of the current parking available in the Downtown area, (2) an analysis of the impact of the Vision 2020 Plan on parking conditions, and (3) a preliminary financial analysis for a parking garage. It should be noted that this report is based specifically on the program items outlined by the "Next Steps" section of the Downtown Strategic Development Plan. As the specific elements of that program evolve (areas devoted to new uses, number of hotel rooms, number of residences, square feet of retail space, etc.) the figures in this document will need to be reviewed and updated.

The study area (shown on the map on page 7) currently contains a total of 1,877± parking spaces (481± public spaces and 1,396± private spaces). The private spaces include those that are owned by the City of Columbus but leased to specific individuals. The effective parking supply is calculated at 1,665± spaces; this adjustment accounts for misparked vehicles, snow removal, periodic minor construction, etc. At peak demand 1,013± parking spaces are occupied, resulting in a current adequacy (surplus) of 652± parking spaces. It should be noted that 585± of the 652± surplus spaces are private spaces (407± of the surplus spaces are reserved for Commons Mall use). This leaves a surplus of 67± public spaces.

The surplus that currently exists in the study area would be overwhelmed by the implementation of the Downtown Strategic Development Plan. The construction of all elements of the Downtown Plan will result in a net new demand of 2,604± parking spaces.

The net total demand is therefore 1,952± spaces (net new demand minus existing adequacy). It is anticipated that the new uses in the Downtown area will be compatible, and that some visitors will park once and walk between uses; therefore, a "shared parking" calculation as been applied to the demand figure. When shared parking habits are considered, the net total demand is reduced to 1,625± spaces.

It should be noted that the Downtown Strategic Development Plan proposes the construction of 850± parking spaces, which includes two new parking garages, parking associated with new residential development, and parking associated with new hotel development. This proposed new parking is identified in the analysis provided by this document, but not included in the demand calculations stated above. These proposed spaces are excluded from the figures above in order to provide a clear picture of the demand so that the appropriate size of any new parking areas or structure(s) can be determined.



Mr. Tom Vujovich, President
Downtown Parking Study
August 16, 2006

The following tables summarize both the existing parking supply and the demand that will result from the implementation of the Downtown Strategic Development Plan. Separate figures are provided for the entire study area and the area designated by the Plan as the "Entertainment District" – which is a portion of the study area. The results of the parking study are based on certain assumptions about future uses as the Downtown Plan is implemented. The evolution of the understanding of certain new uses may dramatically impact the demand for parking. For example, the proposed adult education facility is currently estimated to serve 500± students, generating a demand for 410± parking spaces.



Table 1: Study Area Parking Summary

	Parking Spaces (Non-Shared Parking Model)
Supply	
Existing Parking Supply	1,877
Effective Existing Parking Supply (85% to 95% of existing supply)	1,665
Existing Parking Demand (at peak)	1,013
Existing Adequacy (Effective Supply - Existing Demand)	652
Demand	
Gross New Demand	2,194
Change to Existing Demand (replaced by new demand)	-282
Reduction in Existing Supply (replaced by new development)	692
Net New Demand	2,604
Net Demand (Net New Demand - Existing Adequacy)	1,952

Entertainment District Parking Summary

	Parking Spaces (Non-Shared Parking Model)
Supply	
Existing Parking Supply	1,345
Effective Existing Parking Supply (85% to 95% of existing supply)	1,195
Existing Parking Demand (at peak)	654
Existing Adequacy (Effective Supply - Existing Demand)	541
Demand	
Gross New Demand	2,194
Change to Existing Demand (replaced by new demand)	-282
Reduction in Existing Supply (replaced by new development)	692
Net New Demand	2,604
Net Demand (Net New Demand - Existing Adequacy)	2,063

Figure 1: Existing Adequacy



Figure 2: Post-Implementation Adequacy



Based on the analysis contained in this document, Walker recommends the following action items:

1. Construction of a parking structure in the study area. Preferred locations would be on blocks 1, 2, or 6. The timing of the structure should closely mirror development forecast for the implementation of Tier 1 of the Downtown Plan.
2. As development occurs in the remaining Tiers of development, careful examination of the overall effect the proposed development will have on parking will need to be reviewed. Adjustments to the overall projected parking demand and supply may need to be made.
3. Additional parking supply will need to be added for Tiers 3 and 4. Locations of the supply will need further study, once more concrete development plans materialize.
4. City parking operations should be consolidated and centralized with one department. Accounting and revenue collection should be utilized to further strengthen the parking operations of downtown. Monies collected through parking fees and fines and rents of facilities may be used to pay part or all of necessary improvements.
5. Re-introduction of parking meters on the on-street parking spaces is recommended. Parking meters are an effective way to regulate the parking habits of patrons, and can be used to free up short-term on-street spaces for visitors to downtown, instead of long-term users (employees/merchants) that are currently occupying those spaces. (based on observations of parking habits by Walker while in the study area)
6. If a parking structure is built on block 2 or 6, the one-way traffic patterns of some streets downtown may need to be studied to allow for two-way traffic. Two-way traffic patterns typically increase the efficiency of the entrance/exits of parking structures.
7. Overall wayfinding (signage) for vehicular and pedestrian traffic in the downtown area may need updated incorporating an overall theme that ties the parking element into the downtown atmosphere.

DEFINITION OF TERMS

The following terms are used in this report:

- **Effective Supply:** The supply of parking spaces remaining after an operating cushion is deducted from the total parking supply. The adjustment varies as to the amount and type of parking, but the typical effective supply is 85% to 95% of the total number of spaces. This 5% to 15% operating cushion is needed to provide for vehicles moving in and out of spaces, to provide for spaces unavailable due to maintenance/snow removal, and to reduce the time necessary for parking patrons to find the last few available spaces. The effective supply is estimated by multiplying the total number of spaces within a parking area by an appropriate effective supply factor.
- **Adequacy:** The difference between the effective parking space supply and the parking space demand.
- **Survey Day:** The day occupancy counts were taken in the study area. This day should represent a typical busy day.
- **Parking Demand:** The number of spaces required for employees and visitors on a design day at the peak hour. The parking demand can be measured by counting the number of vehicles present on a particular day and comparing the count to the activity levels on that day. Then the parking demand can be estimated, based on higher or lower (design day) activity levels, to plan for appropriate parking needs.
- **Demand Ratio:** The ratio of the number of vehicles observed to occupy parking spaces compared to a reference number. For example, if there are 1,000 full-time employees and an observed peak occupancy of 400 vehicles in the employee lot, the demand ratio is 0.40 (400/1000) per full-time employee.
- **Design Day:** The day that represents the level of parking demand the parking system is designed to accommodate. A parking supply designed to handle the absolute peak level of demand typically contains too many spaces that remain unused most of the time. This level of activity is typically the 85th to 95th percentile of absolute peak activity; however, a reasonable design day level of parking demand may be represented by a design standard that is exceeded on less than one day per month. Adequate parking conditions are sometimes defined as those that satisfy the design requirements of the client.

Figure 3: Study Area



EXISTING PARKING EVALUATION

CURRENT CONDITIONS

This section of the report documents our understanding of the current parking characteristics of the study area. The information contained herein serves as the basis for analysis of the parking supply and needs of the study area. Included in this section is a discussion of parking supply, effective supply, observed parking occupancy, current parking demand and dynamics of the parking system.

PARKING SUPPLY

The foundation of a parking supply and demand study is an inventory of the existing parking supply. Parking in the downtown area is available in several forms. On-street parking is not metered and is offered at no-charge for various time limits (mostly 3 hour limits). For the most part, on-street parking was signed and restrictions are clearly marked. Off-street parking available to the public in lots is limited to two lots, located on blocks 6 & 9, consisting of approximately 75± spaces. Private parking is available for specific user groups in the study area. Observations indicated that a majority of businesses offer free parking to their visitors.

The parking inventory is compared to the parking demand to quantify the existence of a parking surplus or deficit. A surplus exists when the supply exceeds the demand; a deficit exists when the supply is inadequate to meet the demand. We conducted this analysis on a block-by-block basis within the study area.

Based on the data Walker and the city collected, there are a total of approximately 1,877± spaces in the study area. Following is a breakdown of these spaces: 406± are on-street and 1,471± are off-street. Of the off-street spaces, 75± are open to the public and 1,396± are private or restricted-use spaces. A complete block-by-block listing of the parking supply is listed in the following table.

Table 2: Parking Supply

Block #	Off-Street Supply		On-Street	Total Supply
	Public	Private	Supply	
1	0	503	0	503
2	0	74	13	87
3	0	0	22	22
4	0	216	8	224
5	0	6	52	58
6	57	58	52	167
7	0	47	42	89
8	0	166	32	198
9	18	73	43	134
10	0	70	41	111
11	0	63	39	102
12	0	56	36	92
13	0	64	26	90
TOTAL	75	1,396	406	1,877

Walker Parking Consultants, City of Columbus, 2005

EFFECTIVE PARKING SUPPLY

The inventory of parking within the study area is adjusted to allow for a cushion necessary for vehicles moving in and out of spaces, and to reduce the time necessary to find the last few remaining spaces when the parking supply is nearly full. We derive the effective supply by deducting this cushion from the total parking capacity. The cushion allows for vacancies created by restricting parking spaces to certain users (reserved spaces), misparked vehicles, minor construction, and snow removal. A parking supply operates at peak efficiency when parking occupancy is 85 percent to 95 percent of the supply. When occupancy exceeds this level, patrons may experience delays and frustration while searching for a space. Therefore, the parking supply may be perceived as inadequate even though there are some spaces available in the parking system.

As a result, the effective supply is used in analyzing the adequacy of the parking system rather than the total supply or inventory of spaces. Following are some factors that affect the efficiency of the parking system:

- Capacity – Large, scattered surface lots operate less efficiently than a more compact facility, such as a double-threaded helix, which offers one-way traffic that passes each available parking space one time. Moreover, it is more difficult to find the available spaces in a widespread parking area than a centralized parking area.

- Type of users – Monthly or regular parking patrons can find the available spaces more efficiently than infrequent visitors because they are familiar with the layout of the parking facility and typically know where the spaces will be available when they are parking.
- On-street vs. off-street – On-street parking spaces are less efficient than off-street spaces due to the time it takes patrons to find the last few vacant spaces. In addition, patrons are typically limited to one side of the street at a time and often must parallel park in traffic to use the space. Many times on-street spaces are not striped or are signed in a confusing manner, thereby leading to lost spaces and frustrated parking patrons.

The study area’s effective supply is determined to be 85 percent for all on-street spaces, 90 percent for all off-street private spaces, and 85 percent for all off-street public spaces. The study area contains a total of 1,877± spaces before any adjustments are made to account for an effective supply. The study area’s effective supply is 1,665± spaces. A complete block-by-block listing of the effective supply is illustrated in the following table.

Table 3: Effective Parking Supply

Block #	Off-Street Public Supply	Effective Supply Factor	Effective Supply	Off-Street Private Supply	Effective Supply Factor	Effective Supply	On-Street Supply	Effective Supply Factor	Effective Supply	Total Effective Supply
1	0	0.85	0	503	0.90	453	0	0.85	0	453
2	0	0.85	0	74	0.90	67	13	0.85	11	78
3	0	0.85	0	0	0.90	0	22	0.85	19	19
4	0	0.85	0	216	0.90	194	8	0.85	7	201
5	0	0.85	0	6	0.90	5	52	0.85	44	50
6	57	0.85	48	58	0.90	52	52	0.85	44	145
7	0	0.85	0	47	0.90	42	42	0.85	36	78
8	0	0.85	0	166	0.90	149	32	0.85	27	177
9	18	0.85	15	73	0.90	66	43	0.85	37	118
10	0	0.85	0	70	0.90	63	41	0.85	35	98
11	0	0.85	0	63	0.90	57	39	0.85	33	90
12	0	0.85	0	56	0.90	50	36	0.85	31	81
13	0	0.85	0	64	0.90	58	26	0.85	22	80
Totals	75		64	1,396		1,256	406		345	1,665

Walker Parking Consultants, 2005

PARKING DEMAND

To determine the parking patterns in the study area, the usage of all parking facilities located in the study area were evaluated. An understanding of these parking patterns helps define both patron types and parking locations. Occupancy counts were taken for all on- and off-street parking spaces on or about April 5, and November 9, 2005. These dates were representative of typical weekdays in Columbus.

Data collection was conducted at three specific times of the day: 10:00 a.m., 1:00 p.m., and 4:00 p.m. The following tables summarize the observed parking occupancy for on-street and off-street parking by time of day, segmented by type (on-street, off-street, public, private). The peak parking demand occurred at about 10:00 a.m.

Table 4: On-Street Occupancy

Block #	Supply	10:00 AM	Percentage	1:00 PM	Percentage	4:00 PM	Percentage
1	0	0	0%	0	0%	0	0%
2	13	10	77%	6	46%	9	69%
3	22	12	55%	15	68%	7	32%
4	8	8	100%	4	50%	6	75%
5	52	43	83%	29	56%	36	69%
6	52	38	73%	38	73%	25	48%
7	42	27	64%	17	40%	35	83%
8	32	14	44%	9	28%	21	66%
9	43	25	58%	15	35%	23	53%
10	41	30	73%	24	59%	23	56%
11	39	37	95%	31	79%	34	87%
12	36	34	94%	34	94%	33	92%
13	26	24	92%	18	69%	19	73%
Total	406	302	74%	240	59%	271	67%

Walker Parking Consultants, City of Columbus 2005

Table 5: Off-Street Public Occupancy

Block #	Supply	10:00 AM	Percentage	1:00 PM	Percentage	4:00 PM	Percentage
1	0	0	0%	0	0%	0	0%
2	0	0	0%	0	0%	0	0%
3	0	0	0%	0	0%	0	0%
4	0	0	0%	0	0%	0	0%
5	0	0	0%	0	0%	0	0%
6	57	30	53%	36	63%	35	61%
7	0	0	0%	0	0%	0	0%
8	0	0	0%	0	0%	0	0%
9	18	10	56%	12	67%	12	67%
10	0	0	0%	0	0%	0	0%
11	0	0	0%	0	0%	0	0%
12	0	0	0%	0	0%	0	0%
13	0	0	0%	0	0%	0	0%
Total	75	40	53%	48	64%	47	63%

Walker Parking Consultants, City of Columbus 2005

Table 6: Off-Street Private Occupancy

Block #	Supply	10:00 AM	Percentage	1:00 PM	Percentage	4:00 PM	Percentage
1	503	146	29%	171	34%	130	26%
2	74	24	32%	6	8%	36	49%
3	0	0	0%	0	0%	0	0%
4	216	94	44%	92	43%	94	44%
5	6	2	33%	0	0%	1	17%
6	58	43	74%	42	72%	42	72%
7	47	31	66%	32	68%	21	45%
8	166	121	73%	109	66%	116	70%
9	73	46	63%	45	62%	43	59%
10	70	55	79%	29	41%	40	57%
11	63	49	78%	37	59%	42	67%
12	56	24	43%	28	50%	32	57%
13	64	36	56%	31	48%	35	55%
Total	1,396	671	48%	622	45%	632	45%

Walker Parking Consultants, City of Columbus 2005

Table 7: Total Off-Street Occupancy

Block #	Supply	10:00 AM	Percentage	1:00 PM	Percentage	4:00 PM	Percentage
1	503	146	29%	171	34%	130	26%
2	74	24	32%	6	8%	36	49%
3	0	0	0%	0	0%	0	0%
4	216	94	44%	92	43%	94	44%
5	6	2	33%	0	0%	1	17%
6	115	73	63%	78	68%	77	67%
7	47	31	66%	32	68%	21	45%
8	166	121	73%	109	66%	116	70%
9	91	56	62%	57	63%	55	60%
10	70	55	79%	29	41%	40	57%
11	63	49	78%	37	59%	42	67%
12	56	24	43%	28	50%	32	57%
13	64	36	56%	31	48%	35	55%
Total	1,471	711	48%	670	46%	679	46%

Walker Parking Consultants, City of Columbus 2005

The observed peak parking occupancy for the entire area was approximately 711± vehicles. This occurred during the 10:00 a.m. count, utilizing 48 percent of the parking supply. On-street peak occupancy occurred during the 10:00 a.m. count, utilizing 72 percent of the parking supply.

PARKING ADEQUACY

Parking adequacy is the ability of the parking supply to accommodate the parking demand. In the case of Columbus, the demand was estimated based on the observed peak parking occupancy counts. The peak observation occurred during the midmorning hours. The observed occupancy was subtracted from the effective supply to determine the adequacy for the study area. The following table summarizes the parking adequacy for the study area by type (on-street, off-street, public, and private).

Based on tables below, the current parking system has a surplus of approximately 652± spaces at peak occupancy, which occurs during a weekday around 10:00 a.m.

Table 8: On-Street Adequacy

Block #	Effective Supply	Current Demand	Adequacy
1	0	0	0
2	11	10	1
3	19	12	7
4	7	8	-1
5	44	43	1
6	44	38	6
7	36	27	9
8	27	14	13
9	37	25	12
10	35	30	5
11	33	37	-4
12	31	34	-3
13	22	24	-2
Total	345	302	43

Table 9: Off-Street Public Adequacy

Block #	Effective Supply	Current Demand	Adequacy
1	0	0	0
2	0	0	0
3	0	0	0
4	0	0	0
5	0	0	0
6	48	30	18
7	0	0	0
8	0	0	0
9	15	10	5
10	0	0	0
11	0	0	0
12	0	0	0
13	0	0	0
Total	64	40	24

Walker Parking Consultants, 2006

Table 10: Off-Street Private Adequacy

Block #	Effective Supply	Current Demand	Adequacy
1	453	146	307
2	67	24	43
3	0	0	0
4	194	94	100
5	5	2	3
6	52	43	9
7	42	31	11
8	149	121	28
9	66	46	20
10	63	55	8
11	57	49	8
12	50	24	26
13	58	36	22
Total	1,256	671	585

Walker Parking Consultants, 2006

Figure 4: Current Adequacy



Walker Parking Consultants, 2006

DOWNTOWN PLAN DEMAND ANALYSIS

PLANNED DEVELOPMENTS

According to the Downtown Columbus Strategic Development Plan (August 2005), a re-investment project for the downtown is planned. The Columbus Entertainment District (CED) is projected to be developed in four tiers over a ten year period.

Block 3 currently contains a 260,000 square foot enclosed shopping mall. Although the occupancy rate of the mall is around 80%, much of the retail space of the mall is currently underutilized. Sears remains the sole anchor store, occupying 75,000 square feet of space. In an effort to increase the utilization of the mall, a general update is in the planning phase. The following two scenarios are currently being planned for:

Scenario 1: 100,000 square feet of commercial space (restaurants & retail)
 40,000 square feet of office space
 120,000 square feet of arts and culture space

Scenario 2: 100,000 square feet of commercial space (restaurants & retail)
 40,000 square feet of office space
 40,000 square feet of arts and culture space
 70,000 square feet of adult education space

The parking demand for each of the tiers is detailed in the following tables and figures.

Table 11: TIER 1 Demand (1 – 3 Years)

Demand									
Block	Use / Development	Units	Type	Ratio (spaces per unit type)		Gross New Demand	Change to Existing Demand	Reduction in Existing Supply	Net New Demand
1	Hotel	120	rooms	1	room	120	0	252	622
1	Hotel Meeting Space	10,000	square feet	25	1,000 s.f.	250			
6	Commercial (garage)	15,000	square feet	4	1,000 s.f.	60	0	115	175
3	Adult Education	500	students	0.82	student	410	0	0	410
12	Dining	1,500	square feet	15	1,000 s.f.	23	0	0	23
12	Residential	5	units	2	unit	10	0	0	10
Tier 1 Demand Totals						873	0	367	1,240

Supply		
Block	Supply Source	New Supply (Spaces)
6	New Parking Garage	370
1	New Hotel Parking	120
Tier 1 Supply Totals		490

Source: Downtown Columbus Strategic Plan, August 2005

Figure 5: TIER 1 Parking Adequacy



FUTURE SHARED PARKING DEMAND

Parking ratios per 1,000 ft² or the number of units were used to project incremental increases to parking demand. These ratios are based on primary data collected by Walker analysts and secondary data derived from industry research.

By factoring the future changes to the parking supply and demand, we can show future parking adequacy assuming that all of the developments come to fruition. As the development takes shape we can further quantify the demand and supply factors.

Assumptions regarding demand generation at many of the developments are based on past experience and the best information available to the city at the time of this study. Any changes to the project may have an impact on the parking demand generation and supply.

Shared parking analysis, in accordance with the Urban Land Institute's *Shared Parking* is the generally accepted methodology for determining the appropriate parking supply for a mixed-use development. Shared parking is the use of a parking space by vehicles generated by more than one land use. The ability to share parking spaces is the result of two conditions:

- Variations in the accumulation of vehicles by hour, by day or by season at the individual land uses.
- Relationships among the land uses that result in visiting multiple land uses on the same auto trip.

For example, office buildings require parking spaces during daytime hours on weekdays, while restaurants and entertainment venues have peak parking needs during the evening and weekends.

Although the Urban Land Institute (ULI) methodology for shared parking analysis was developed in the early 1980s, the concept of shared parking was already well established: a fundamental principle of downtown planning from the earliest days of the automobile has always been to share parking resources rather than to have each use or building have its own parking. The resurgence of many central cities resulting from the addition of vibrant residential, retail, restaurant, and entertainment developments continues to rely heavily on shared parking for economic viability. In addition, mixed-use projects in many different settings have benefited from shared parking. There are numerous benefits of shared parking to all parties to development, including the community at large, not the least of which is the environmental benefit of significantly reducing the square feet of parking (usually in surface lots) provided to serve the development.

These shared parking principles were used to calculate the demand shown on the following tables. The demand is segmented into Weekday and Weekend peak periods, by use. The following tables utilize the shared parking model to project future parking demand for all four of the development scenarios combined.

Table 12: Tier 1 Total Future Demand – Utilizing Shared Parking Model – Weekday Peak

	Weekday					Demand
	Unadj Demand	Month Adj Jun	Pk Hr Adj 5:00 PM	Non Captive Daytime	Drive Ratio Daytime	Jun 5:00 PM
Community Shopping Center (<400 ksf)	44	67%	95%	100%	100%	28
Employee	11	80%	95%	100%	100%	8
Family Restaurant	0	95%	75%	100%	100%	0
Employee	0	100%	95%	100%	100%	0
Fast Food	19	95%	60%	50%	100%	5
Employee	3	100%	70%	100%	100%	2
Nightclubs	0	91%	0%	100%	100%	0
Employee	0	100%	45%	100%	100%	0
Hotel-Business	120	100%	70%	100%	66%	55
Meeting/Banquet (20 to 50 sq ft/ guest room)	300	100%	100%	60%	75%	135
Employee	30	100%	70%	100%	100%	21
Residential Guest	1	100%	40%	100%	100%	0
Residential Reserved	10	100%	100%	100%	100%	10
Office <25,000sq ft	0	100%	10%	100%	100%	0
Employee	0	100%	50%	100%	100%	0
Arts & Cultural	0	100%	100%	100%	100%	0
Employee	0	100%	100%	100%	100%	0
Adult Education	408	100%	100%	100%	100%	408
Employee	51	100%	100%	100%	100%	51
Subtotal Customer/Guest Spaces	483					223
Subtotal Employee Spaces	44					31
Subtotal Resident Spaces	11					10
Other 2 (Adult Education)	459					459
Total Parking Spaces	997					723
					% reduction	27%

Table 13: Tier 1 Total Future Demand – Utilizing Shared Parking Model – Weekend Peak

	Weekend					Demand
	Unadj Demand	Month Adj Jun	Pk Hr Adj 5:00 PM	Non Captive Daytime	Drive Ratio Daytime	Jun 5:00 PM
Community Shopping Center (<400 ksf)	48	67%	90%	100%	100%	29
Employee	12	80%	95%	100%	100%	9
Family Restaurant	-	95%	60%	100%	100%	0
Employee	-	100%	95%	100%	100%	0
Fast Food	18	95%	60%	50%	100%	5
Employee	3	100%	70%	100%	100%	2
Nightclubs	-	91%	0%	100%	100%	0
Employee	-	100%	45%	100%	100%	0
Hotel-Business	108	100%	70%	100%	77%	58
Meeting/Banquet (20 to 50 sq ft/ guest room)	300	100%	100%	70%	75%	158
Employee	22	100%	75%	100%	100%	17
Residential Guest	1	100%	40%	100%	100%	0
Residential Reserved	10	100%	100%	100%	100%	10
Office <25,000sq ft	-	100%	10%	100%	100%	0
Employee	-	100%	10%	100%	100%	0
Arts & Cultural	-	100%	100%	100%	100%	0
Employee	-	100%	100%	100%	100%	0
Adult Education	408	100%	100%	100%	100%	408
Employee	51	100%	100%	100%	100%	51
Subtotal Customer/Guest Spaces	474					250
Subtotal Employee Spaces	37					28
Subtotal Resident Spaces	11					10
Other 2 (Adult Education)	459					459
Total Parking Spaces	981					747
					% reduction	24%

Table 14: TIER 2 Demand (3 – 5 Years)

Demand									
Block	Use / Development	Units	Type	Ratio (spaces per unit type)		Gross New Demand	Change to Existing Demand	Reduction in Existing Supply	Net New Demand
11	Commercial	2,500	square feet	4	1,000 s.f.	10	0	0	10
11	Residential	5	units	2	unit	10	0	0	10
Tier 2 Demand Totals						20	0	0	20

Note: No Supply changes are proposed in Tier 2

Source: Downtown Columbus Strategic Plan, August 2005

Figure 6: TIER 2 Parking Adequacy



Table 15: Tier 2 Total Future Demand – Utilizing Shared Parking Model – Weekday Peak

	Weekday					Demand
	Unadj Demand	Month Adj Jun	Pk Hr Adj 5:00 PM	Non Captive Daytime	Drive Ratio Daytime	Jun 5:00 PM
Community Shopping Center (<400 ksf)	51	67%	95%	100%	100%	33
Employee	12	80%	95%	100%	100%	9
Family Restaurant	0	95%	75%	100%	100%	0
Employee	0	100%	95%	100%	100%	0
Fast Food	19	95%	60%	50%	100%	5
Employee	3	100%	70%	100%	100%	2
Nightclubs	0	91%	0%	100%	100%	0
Employee	0	100%	45%	100%	100%	0
Hotel-Business	120	100%	70%	100%	66%	55
Meeting/Banquet (20 to 50 sq ft/ guest room)	300	100%	100%	60%	75%	135
Employee	30	100%	70%	100%	100%	21
Residential Guest	2	100%	40%	100%	100%	1
Residential Reserved	20	100%	100%	100%	100%	20
Office <25,000sq ft	0	100%	10%	100%	100%	0
Employee	0	100%	50%	100%	100%	0
Arts & Cultural	0	100%	100%	100%	100%	0
Employee	0	100%	100%	100%	100%	0
Adult Education	408	100%	100%	100%	100%	408
Employee	51	100%	100%	100%	100%	51
Subtotal Customer/Guest Spaces	490					228
Subtotal Employee Spaces	45					32
Subtotal Resident Spaces	22					21
Other 2 (Adult Education)	459					459
Total Parking Spaces	1,016					740
					% reduction	27%

Table 16: Tier 2 Total Future Demand – Utilizing Shared Parking Model – Weekend Peak

	Weekend					Demand
	Unadj Demand	Month Adj Jun	Pk Hr Adj 5:00 PM	Non Captive Daytime	Drive Ratio Daytime	Jun 5:00 PM
Community Shopping Center (<400 ksf)	56	67%	90%	100%	100%	34
Employee	14	80%	95%	100%	100%	11
Family Restaurant	-	95%	60%	100%	100%	0
Employee	-	100%	95%	100%	100%	0
Fast Food	18	95%	60%	50%	100%	5
Employee	3	100%	70%	100%	100%	2
Nightclubs	-	91%	0%	100%	100%	0
Employee	-	100%	45%	100%	100%	0
Hotel-Business	108	100%	70%	100%	77%	58
Meeting/Banquet (20 to 50 sq ft/ guest room)	300	100%	100%	70%	75%	158
Employee	22	100%	75%	100%	100%	17
Residential Guest	2	100%	40%	100%	100%	1
Residential Reserved	20	100%	100%	100%	100%	20
Office <25,000sq ft	-	100%	10%	100%	100%	0
Employee	-	100%	10%	100%	100%	0
Arts & Cultural	-	100%	100%	100%	100%	0
Employee	-	100%	100%	100%	100%	0
Adult Education	408	100%	100%	100%	100%	408
Employee	51	100%	100%	100%	100%	51
Subtotal Customer/Guest Spaces	482					255
Subtotal Employee Spaces	39					30
Subtotal Resident Spaces	22					21
Other 2 (Adult Education)	459					459
Total Parking Spaces	1,002					765
					% reduction	24%

Table 17: TIER 3 Demand (5 – 8 Years)

Demand									
Block	Use / Development	Units	Type	Ratio (spaces per unit type)		Gross New Demand	Change to Existing Demand	Reduction in Existing Supply	Net New Demand
2	Commercial	30,000	square feet	4	1,000 s.f.	120	-34	74	280
2	Residential	60	units	2	unit	120			
11	Commercial	1,500	square feet	4	1,000 s.f.	6	0	0	16
11	Residential	5	units	2	unit	10			
Tier 3 Demand Totals						256	-34	74	296

Supply		
Block	Supply Source	New Supply (Spaces)
2	New Residential Parking	120
Tier 3 Supply Totals		120

Source: Downtown Columbus Strategic Plan, August 2005

Figure 7: Tier 3 Parking Adequacy



Table 18: Tier 3 Total Future Demand – Utilizing Shared Parking Model – Weekday Peak

	Weekday					Demand
	Unadj Demand	Month Adj December	Pk Hr Adj 5:00 PM	Non Captive Daytime	Drive Ratio Daytime	December 5:00 PM
Community Shopping Center (<400 ksf)	142	100%	85%	100%	100%	121
Employee	34	100%	95%	100%	100%	32
Family Restaurant	0	100%	75%	100%	100%	0
Employee	0	100%	95%	100%	100%	0
Fast Food	19	100%	60%	50%	100%	6
Employee	3	100%	70%	100%	100%	2
Nightclubs	0	100%	0%	100%	100%	0
Employee	0	100%	45%	100%	100%	0
Hotel-Business	120	67%	70%	100%	66%	37
Meeting/Banquet (20 to 50 sq ft/ guest room)	300	100%	100%	60%	75%	135
Employee	30	100%	70%	100%	100%	21
Residential Guest	11	100%	40%	100%	100%	4
Residential Reserved	150	100%	100%	100%	100%	150
Office <25,000sq ft	0	100%	10%	100%	100%	0
Employee	0	100%	50%	100%	100%	0
Arts & Cultural	0	100%	100%	100%	100%	0
Employee	0	100%	100%	100%	100%	0
Adult Education	408	100%	100%	100%	100%	408
Employee	51	100%	100%	100%	100%	51
Subtotal Customer/Guest Spaces	581					299
Subtotal Employee Spaces	67					55
Subtotal Resident Spaces	161					154
Other 2 (Adult Education)	459					459
Total Parking Spaces	1,268					967
					% reduction	24%

Table 19: Tier 3 Total Future Demand – Utilizing Shared Parking Model – Weekend Peak

	Weekend					Demand December 5:00 PM
	Unadj Demand	Month Adj December	Pk Hr Adj 5:00 PM	Non Captive Daytime	Drive Ratio Daytime	
Community Shopping Center (<400 ksf)	157	100%	90%	100%	100%	141
Employee	39	100%	95%	100%	100%	37
Family Restaurant	-	100%	60%	100%	100%	0
Employee	-	100%	95%	100%	100%	0
Fast Food	18	100%	60%	50%	100%	5
Employee	3	100%	70%	100%	100%	2
Nightclubs	-	100%	0%	100%	100%	0
Employee	-	100%	45%	100%	100%	0
Hotel-Business	108	67%	70%	100%	77%	39
Meeting/Banquet (20 to 50 sq ft/ guest room)	300	100%	100%	70%	75%	158
Employee	22	100%	75%	100%	100%	17
Residential Guest	11	100%	40%	100%	100%	4
Residential Reserved	150	100%	100%	100%	100%	150
Office <25,000sq ft	-	100%	10%	100%	100%	0
Employee	-	100%	10%	100%	100%	0
Arts & Cultural	-	100%	100%	100%	100%	0
Employee	-	100%	100%	100%	100%	0
Adult Education	408	100%	100%	100%	100%	408
Employee	51	100%	100%	100%	100%	51
Subtotal Customer/Guest Spaces	583					343
Subtotal Employee Spaces	64					56
Subtotal Resident Spaces	161					154
Other 2 (Adult Education)	459					459
Total Parking Spaces	1,267					1,012
					% reduction	20%

Table 20: TIER 4 Demand (8 – 10 Years)

Demand									
Block	Use / Development	Units	Type	Ratio (spaces per unit type)		Gross New Demand	Change to Existing Demand	Reduction in Existing Supply	Net New Demand
1	Commercial	15,000	square feet	4	1,000 s.f.	60	-146	251	213
1	Residential	24	units	2	unit	48			
3 & 4	Commons - Retail	75,000	square feet	4	1,000 s.f.	300	-102	0	819
3 & 4	Commons - Restaurant	10,000	square feet	15	1,000 s.f.	150			
3 & 4	Commons - Fast Food	5,000	square feet	15	1,000 s.f.	75			
3 & 4	Commons - Night Club	10,000	square feet	18.75	1,000 s.f.	188			
3 & 4	Commons - Art/Culture	40,000	square feet	1.20	1,000 s.f.	48			
3 & 4	Commons - Office	40,000	square feet	4	1,000 s.f.	160			
13	Commercial	1,500	square feet	4	1,000 s.f.	6	0	0	16
13	Residential	5	units	2	unit	10			
Tier 4 Demand Totals						1,045	-248	251	1,048

Supply		
Block	Supply Source	New Supply (Spaces)
1	New Parking Garage (2nd Garage included in this Program)	240
Tier 4 Supply Totals		240

Source: Downtown Columbus Strategic Plan, August 2005

Figure 8: Tier 4 Parking Adequacy



Table 21: Total Future Demand – Utilizing Shared Parking Model – Weekday Peak

	Weekday					Demand
	Unadj Demand	Month Adj December	Pk Hr Adj 1:00 PM	Non Captive Daytime	Drive Ratio Daytime	December 1:00 PM
Community Shopping Center (<400 ksf)	407	100%	100%	100%	100%	407
Employee	98	100%	100%	100%	100%	98
Family Restaurant	90	100%	90%	100%	100%	81
Employee	15	100%	100%	100%	100%	15
Fast Food	83	100%	100%	50%	100%	41
Employee	15	100%	100%	100%	100%	15
Nightclubs	153	100%	0%	100%	100%	0
Employee	13	100%	10%	100%	100%	1
Hotel-Business	120	67%	55%	100%	66%	29
Meeting/Banquet (20 to 50 sq ft/ guest room)	300	100%	65%	60%	75%	88
Employee	30	100%	100%	100%	100%	30
Residential Guest	16	100%	20%	100%	100%	3
Residential Reserved	208	100%	100%	100%	100%	208
Office <25,000sq ft	0	100%	45%	100%	100%	0
Employee	0	100%	90%	100%	100%	0
Arts & Cultural	20	100%	100%	100%	100%	20
Employee	4	100%	100%	100%	100%	4
Adult Education	408	100%	100%	100%	100%	408
Employee	51	100%	100%	100%	100%	51
Subtotal Customer/Guest Spaces	1,165					651
Subtotal Employee Spaces	308					282
Subtotal Resident Spaces	224					211
Other 2 (Adult Education)	459					459
Total Parking Spaces	2,180					1,627
					% reduction	25%

Table 22: Total Future Demand – Utilizing Shared Parking Model – Weekend Peak

	Weekend					Demand
	Unadj Demand	Month Adj December	Pk Hr Adj 7:00 PM	Non Captive Evening	Drive Ratio Evening	December 7:00 PM
Community Shopping Center (<400 ksf)	450	100%	75%	100%	100%	338
Employee	112	100%	80%	100%	100%	90
Family Restaurant	128	100%	70%	100%	100%	90
Employee	23	100%	95%	100%	100%	22
Fast Food	78	100%	80%	50%	100%	31
Employee	13	100%	90%	100%	100%	12
Nightclubs	175	100%	50%	100%	100%	88
Employee	13	100%	100%	100%	100%	13
Hotel-Business	108	67%	75%	100%	77%	42
Meeting/Banquet (20 to 50 sq ft/ guest room)	300	100%	100%	70%	75%	158
Employee	22	100%	55%	100%	100%	12
Residential Guest	16	100%	100%	100%	100%	16
Residential Reserved	208	100%	100%	100%	100%	208
Office <25,000sq ft	-	100%	0%	100%	100%	0
Employee	-	100%	0%	100%	100%	0
Arts & Cultural	40	100%	100%	100%	100%	40
Employee	8	100%	100%	100%	100%	8
Adult Education	408	100%	100%	100%	100%	408
Employee	51	100%	100%	100%	100%	51
Subtotal Customer/Guest Spaces	1,240					747
Subtotal Employee Spaces	197					149
Subtotal Resident Spaces	224					224
Other 2 (Adult Education)	459					459
Total Parking Spaces	2,168					1,627
					% reduction	25%

PARKING GARAGE PRELIMINARY FINANCIAL ANALYSIS

It is important to understand the surrounding study area and the various economic indices that provide added clarity and historical evidence which in turn support the strength or weakness of the marketplace. Therefore, the existing conditions within the market area were analyzed in order to understand the parking market of the project site and the influencing factors.

Trends in occupied commercial space are among the most reliable indicators of parking demand in urban settings, because commercial tenants who occupy leased space often exhibit a strong propensity to generate and retain parking patrons. As a result, trends that cause changes in vacancy rates may have a proportional impact on the demand for public parking. Of particular importance to this parking analysis are the historical and forecasted demand trends exhibited by the primary demand generators in the market area.

The market area includes many smaller companies that complement the office, government, banking, and retail community. The dominant source of demand for parking in the market area is derived from the banks, offices and retail institutions located in the study area.

The following description sets forth the basis for the projection of revenue and expense. We anticipate that it will take three calendar years for the subject property to reach a stabilized level of operation. Each revenue and expense item has been projected based on the integration of information derived from comparable operating statements and a project specific revenue model developed by Walker. The following financial projection is based upon calendar years beginning 2007 and extends through calendar year 2011. Where applicable, our financial projections are expressed in inflated dollars for each year.

Operating revenues generated by the parking facility will come from monthly patrons. In order to make a recommendation for a parking rate schedule, a rate survey was conducted within the general market area.

PARKING RATE ANALYSIS

One of the most important considerations in projecting operating revenue for a proposed parking facility is a supportable forecast of its attainable average rate, which is more formally defined as the average parking rate per vehicle. To determine the average parking rate per vehicle, the study team conducted a field survey of parking rates in the market area. The monthly rate reported for parking ranged from a low of \$35.00 per space per month to a high of \$50.00 per space per month.

Parking rates are a function of the open market system. As such, the rates being charged are generally in line with the principles of supply and demand. Due to political and economic pressures, some cities keep rates artificially low to encourage economic development or to provide an incentive to lure patrons to the downtown area.

The rates in Columbus do appear to be on the low side. However, raising rates substantially may not be palatable to the public. We recommend the city consider annual reviews of parking rates, and

establish a reasonable rate increase schedule, tied to the standard cost of living increases. For the purpose of this preliminary financial analysis, a parking rate schedule that is reflective of the current market rates exhibited within the market area was conservatively applied.

PROJECTED OPERATING REVENUE

Monthly lease revenue is determined by two variables. These are projected leases sold and the lease-parking rate (fee). Two lease categories have been established due to the conceptual layout of the subject facility. These are reserved and non-reserved (regular) leases. Typically, it is in the best interest for a parking facility owner to maximize the available parking spaces and not reserve or dedicate spaces that cannot be sold more than once.

Inflation will have an impact on the revenue to be collected. In this analysis, parking rates were increased by 3.0 percent annually, commencing in the third year of operation, to account for inflationary adjustments in the market.

PROJECTED OPERATING EXPENSES

The calculation of annual operating expenses for the proposed parking structure is based upon local market research in the Columbus area and Walker's database of parking facilities. Operating expenses included salaries and benefits, management costs, security, utilities, insurance, auto damage, supplies, routine maintenance, elevator/parking equipment maintenance, and miscellaneous expenses.

The operating expenses are based on the assumption of a proposed free-standing parking facility with 400 parking spaces. It is also assumed that the structure will have one entry and exit that is outfitted with automated revenue and access control equipment. This facility is assumed to be unmanned. The operating expenses are based on daily operations from 6 a.m. to Midnight.

MAINTENANCE AND REPAIR FUND

In addition to operating expenses, it is highly recommended that funds be allocated on a regular basis to cover structural maintenance costs. A minimum of \$65 per structured space annually should be placed in a sinking fund. Once a sinking fund is established, contributions to this fund accumulate over time and are available to cover structural maintenance and structural repairs. Even the best designed and constructed parking facility requires structural maintenance. For example, expansion joints need to be replaced and concrete invariably deteriorates over time and needs to be repaired to ensure safety and to prevent further deterioration. The structural maintenance cost typically represents the largest portion of the total maintenance budget. Facility owners tend to grossly underestimate the structural maintenance cost and budget inadequately for timely corrective actions that must be performed in order to extend the service life of the facility. Also, the adverse impact of ineffective structure maintenance is deferred. Therefore, it is difficult for most owners to recognize or realize the long-term benefits of timely corrective and preventive maintenance actions. The cost of structure maintenance is

relatively small considering the potential liability associated with the neglect to properly maintain the facility.

The age and the geographic location of a parking facility will impact maintenance costs. Older facilities require more maintenance than a new facility. The cost of maintaining the structure will also increase as the structure ages.

Additionally, the structural system of the parking facility will influence maintenance costs. However, it is important to realize that the true cost over the life of the structure consists of two components. These are the initial cost to construct the facility and the maintenance cost. Structural systems that initially cost less may eventually turn out to be more expensive considering the higher cost of maintaining the structure over the entire service life of the facility.

The periodic structural maintenance includes items such as patching concrete spalls and delaminations in floor slabs, beams, columns, walls, etc. In many instances there are maintenance costs associated with the topping membranes, the routing and sealing of joints and cracks, and the expansion/construction joint repairs. The cost of these repairs can vary significantly from one structure to another. The factors that will impact the maintenance cost include, but are not limited to, the value the owner places on the maintenance of the facility, the local climate, and the age of the structure.

A review by a restoration specialist is usually necessary to identify the preventive maintenance needs of a facility. In addition to the annual or other periodic inspections, material testing and examinations may also be necessary to determine and recommend maintenance measures. The results of the periodic inspections may also indicate the need for other material examinations and laboratory testing.

Note that the recommended repair and maintenance fund is often considered a capital expense and is not included as an operating expense for a parking facility. However, for the purpose of our preliminary analysis we have included with our financial projections the recommended repair and maintenance fund contribution.

FIVE YEAR PRO FORMA

A five year pro forma was prepared for the proposed parking garage. The following assumptions were utilized in calculations of the pro forma.

1. Stabilization of the proposed structure is assumed in year three of operation.
2. Facility ramp-up assumes 75 percent in year one, 85 percent in year two, and 90 percent in years 3-5.
3. Reserved and non-reserved lease demand for the 400-space structure is assumed at 300 vehicles per month by the stabilized year (year three). This analysis does not account for any oversell of monthly leases.

4. Transient demand for the 400-space structure is projected to represent an average of 100 vehicles per day in year three of operation.
5. Monthly lease rates are assumed at \$50 per month for non-reserved leases (200 spaces), \$75 per month for reserved leases (100 spaces).
6. Transient (daily) rates are assumed at \$0.00/hour.
7. The assumed parking rates are effective 24 hours per day, 7 days a week, 365 day a year. No weekend, evening or holiday rates are applied in this analysis.
8. Parking rates are increased by three percent annually commencing at the beginning of the third projected year.
9. Where applicable, operating expenses are increased by three percent annually commencing in year one of operation.
10. Our projections exclude any potential revenue generated by special events.
11. The proposed parking structure capacity is 400-above grade parking spaces.
12. No labor assumptions for the 400-space structure are assumed.
13. Twenty-four hour security, provided by the city police department, is assumed at the subject facility.
14. Lease parking demand was determined based on existing lease demand in the market area and information obtained from the city of Columbus.
15. Project team is not under contract to provide detailed construction costs or land costs. Therefore, in this report the development costs and the debt service schedule are excluded.

The pro forma reflects the gross operating revenues based on the calculated demand and assumed rate schedule for the proposed garage. Operating expenses represent estimated costs for operation of a 400-space structure with daily operation from 6 AM to Midnight. The pro forma concludes with a computation of the proposed project's annual net operating income (NOI). The NOI represents the available cash flow that can be applied to the debt service. Calculation of the estimated debt service was not a part of this contract, therefore the pro forma shown in Table 12 concludes with the projected NOI and not the projected debt service coverage.

Table 23: Five-Year Pro Forma

	Capacity Inflation Rate Ramp-up	spaces Inflation	400 3% 75%	85%	90%	90%	90%
1 Operating Revenues							
Transient (Short-Term) Revenue			\$ -	\$ -	\$ -	\$ -	\$ -
Transient (All Day) Revenue			\$ -	\$ -	\$ -	\$ -	\$ -
2 Monthly Lease Revenue - Unreserved			\$ 90,000	\$ 102,000	\$ 108,000	\$ 111,000	\$ 114,000
Monthly Lease Revenue - Reserved			\$ 90,000	\$ 93,000	\$ 96,000	\$ 99,000	\$ 102,000
Total Gross Revenue			\$ 180,000	\$ 195,000	\$ 204,000	\$ 210,000	\$ 216,000
Total Gross Revenue / Space			\$ 450	\$ 488	\$ 510	\$ 525	\$ 540
Operating Expenses							
Salaries & Benefits			\$ -	\$ -	\$ -	\$ -	\$ -
Utilities			\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000
Insurance			\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Auto Damage			\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Supplies			\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Routine Maintenance			\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Structural Maintenance			\$ 26,000	\$ 27,000	\$ 28,000	\$ 29,000	\$ 30,000
Snow Removal/Sweeping			\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Elevator/Parking Equip. Maint.			\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Miscellaneous Expenses			\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Total Operating Expenses			\$ 69,000	\$ 70,000	\$ 71,000	\$ 72,000	\$ 73,000
Total Operating Expense / Space			\$ 173	\$ 175	\$ 178	\$ 180	\$ 183
3 Projected NOI							
Projected NOI / Space			\$ 111,000	\$ 125,000	\$ 133,000	\$ 138,000	\$ 143,000
			\$ 278	\$ 313	\$ 333	\$ 345	\$ 358

Notes:

- 1 Operating Revenues are adjusted to reflect the following ramp-up schedule: 75% in year one, 85% in year two, 90% in years three through five. It is assumed that it will take three calendar years for the proposed garage to reach a stabilized level of operation.
 - 2 Monthly Lease Revenue-unreserved = vehicles x monthly lease rate x months
 - 3 NOI excludes debt service related to the project financing.
- * Expenses are increased by 3% annually starting in year one.
* Revenues are increased by 3% annually starting in year four of operation.
* All projections are rounded to the nearest thousandth.

POTENTIAL REVENUE SOURCES

The following are examples of potential revenue sources that could be leveraged to help pay for capital expenses associated with the construction of a parking structure. The list is not inclusive, rather, is provided to illustrate a few examples.

EXISTING PARKING REVENUE

The city of Columbus currently leases parking spaces downtown in four lots. A total of 171 spaces are leased at rates of \$35.00 to \$50.00 per month. The total annual revenue from those leases is approximately \$82,260. The fees collected from the leases currently revert to the Columbus City Police Department.

Lease rates were last raised approximately five years ago, when the \$25.00 rate was raised to \$35.00. Lot 6, which has the \$50.00 rate, has not been raised, according to information gained from city officials. The following table lists the lots, rates and annual revenue.

Table 24: Existing Leased Spaces

Location	# of Spaces	Rate	Annual Revenue
Jackson Street	14	\$35/month	\$5,880.00
Lot 3 (4th & Franklin)	30	\$35/month	\$12,600.00
Lot 6 (Post Office/CB)	58	\$50/month	\$34,800.00
Lot 10 (South of Armory)	69	\$35/month	\$28,980.00
	171		\$82,260.00

*According to City officials, at any given time there are up to 10 people waiting to reserve spaces at these locations

Note: Income from lot #6 will be lost if a parking structure is built on that site.

Source: City of Columbus

EXISTING PARKING FINE REVENUE

The city of Columbus currently collects around \$33,000.00 per year in parking fines. The Columbus City Police Department currently keeps all fine revenue.

RETAIL LEASE SPACE – GROUND FLOOR OF PARKING STRUCTURE

The proposed parking structure could utilize the ground floor for retail/lease of space. The current market rate for lease space in the downtown area is approximately \$12.00/square foot/year, according to figures obtained from client. Assuming a rentable building area of approximately 15,000 square feet, the yield might be around \$180,000.00 in rent per year.

ALTERNATIVE FINANCING STRATEGIES

The purpose of this section is to provide an overview of the most commonly used strategies for financing parking facilities, most of which fall short of generating operating revenues that are sufficient to cover operating expenses and debt service. The following strategies are addressed:

- Federal Grants
- Tax-Increment Financing
- Business Improvement Districts
- Development and Lease Agreements
- Creation of an Auxiliary Enterprise Fund
- Creation of a Parking Authority

FEDERAL GRANTS

At least two potential funding sources are available at the federal level. Location, intended use of the facility, and availability of grant money are the variables that typically govern whether a project receives federal grant money. The U.S. Department of Transportation offers two types of grants that may be applicable to a parking project: Federal Transit Capital Investment Grants and Federal Transit Formula Grants.

Administered under the Federal Transit Administration (Department of Transportation) under authorization of the 49 USC 5309, Federal Transit Capital Investment Grants exist "to assist in financing the acquisition, construction, reconstruction and improvement of facilities, rolling stock and equipment for use, by operation, lease, or otherwise, in mass public transportation service and in coordinating service with highways and other transportation in such areas."

This capital grant can be applied to virtually any infrastructure improvement pertaining to the establishment or improvement of mass transit systems. Eligible projects include: fixed guide-way systems, rolling stock for transit systems, establishing or improving mass transit facilities, and any other development or capital cost associated with establishing or improving mass transit service. Consideration may also be given to projects which enhance urban economic development; establish new or enhanced coordination between transit and other transportation; enhance the effectiveness of a transit project; or other non-vehicular capital improvements that the Secretary of Transportation may decide would result in increased transit usage in the corridor.

Qualified applicants include: public agencies, states, municipalities, public corporations, boards and commissions, and private agencies through contractual agreements with a public agency grantee. Qualifying parties must submit an application in which the following documentation is included:

- Proof of the project's inclusion in the local transportation improvement program (TIP);
- Proof of the project's inclusion in the state transportation improvement program (STIP);

- Approval of the project by the Federal Transit Administration (FTA) and Federal Highway Administration (FHWA);
- A statement of labor and relocation pertaining to the project;
- An environmental impact statement on the effect of the project;
- A legal opinion on the validity of the project;
- Proof of the project's inclusion in the coordinated regional plan;
- A valid maintenance certification; and
- An affidavit of certifications and assurances as compiled in the FTA's Annual List of Certifications and Assurances.

The basic grant rate may be up to 80 percent of the total project cost, with the applicant being responsible for the remaining 20 percent. In FY 2000, the distribution of capital grants ranged from \$9,450 to \$1,636,000,000, with an average value of approximately \$7,000,000. Previously awarded projects include:

- 13 CNG buses in St. Louis;
- Gateway Intermodal Center in Los Angeles;
- Constructed Portsmouth, Virginia ferry docking facility (Norfolk-Portsmouth);
- LRT security system and power substation in Sacramento; and
- Dallas North Central Light Rail.

FTA Formula Grants, also administered under the Federal Transit Administration (Department of Transportation) under authorization of the 49 USC 5307, exist "to assist in financing the acquisition, construction, cost-effective leasing, maintenance, planning, and improvement of facilities and equipment for use by operation, lease, contract, or otherwise in mass transportation service, and for urbanized areas with populations under 200,000, to assist with the payment of operating expenses to improve or to continue such service by operation, lease, contract or otherwise."

This formula grant can be applied to virtually any infrastructure improvement pertaining to the establishment, operation or improvement of mass transit systems. The Secretary of Transportation may make grants under this section for capital projects to finance the planning, acquisition, construction, lease, improvement, and maintenance of equipment and facilities for use in transit subject to regulations. One percent of the funds apportioned to urbanized areas with a population of at least 200,000 shall be made available for transit enhancements. For urbanized areas with populations under 200,000, the Secretary may also make grants under this section to finance transit-operating costs. Recipients of these grants are required to make information available to the public and to publish a program of projects to afford affected citizens opportunities through public hearings to submit comments on the proposed program and the performance of the recipient.

Qualified applicants include publicly owned operating companies of mass transportation services. Funds are made available to urbanized areas (as defined by the Bureau of the Census) through designated recipients which must be public entities and legally capable of receiving and dispensing

Federal funds. The state governor, responsible local officials, and publicly owned operators of mass transportation services must jointly designate the recipient(s) for urbanized areas of 200,000 or more in population. Recipients must submit a program of projects to the FTA; submit a program application to the FTA; enter into formal agreements with the FTA; and certify that public notification has been conducted.

Qualifying parties must submit an application in which the following documentation is included:

- Proof of the project's inclusion in the local transportation improvement program (TIP);
- Proof of the project's inclusion in the state transportation improvement program (STIP);
- Approval of the project by the FTA and FHWA;
- A statement of labor and relocation pertaining to the project;
- An environmental impact statement on the effect of the project;
- A legal opinion on the validity of the project;
- Proof of the project's inclusion in the coordinated regional plan;
- A valid maintenance certification; and
- An affidavit of certifications and assurances as compiled in the FTA's Annual List of Certifications and Assurances.

Funding is apportioned on the basis of legislative formulas. For urbanized areas with population of 200,000 and greater, the formula is based on a combination of bus revenue vehicle miles, bus passenger miles, fixed guide-way revenue miles, and fixed guide-way route miles as well as population and population density. The basic grant rate may be up to 80 percent of the total project cost, with the remaining 20 percent being the responsibility of the applicant. In FY 2000, the FTA issued \$3.2 billion in formula grants. Previously awarded projects include:

- Construction of the Kansas City Union Station Intermodal Facility;
- Renovation and expansion of bus maintenance facilities for the Flint (MI) Mass Transportation Authority;
- Replacement of 48 buses and purchase of a ferry vessel on behalf of the Golden Gate Bridge, Highway, and Transportation District;
- Creation of park-and-ride lots for Southwest Ohio Regional Transit Authority; and
- Construction of rail lines, terminals and facilities for the Southeastern Pennsylvania Transportation Authority.

The FTA grants described above are apportioned to each state and specific departments and agencies within each state. These funds are applied to specific programs that the departments and agencies oversee. The role of these departments and agencies is to determine the ability of the proposed project to meet the requirements of a specific program and the portion of the project that will be funded. If a specific program will not supply the entire 80 percent of funds for the project, other programs may be applied for to satisfy the 80 percent. Keeping in mind that each will be treated as a separate project and will require 20 percent local funding. Applications for the several types of

programs must be completed by the local government and submitted to the proper governmental departments and agencies. These departments and agencies generally have a specific time window for the submission of applications, or a "Call for Proposals."

Often there are timing issues that a municipality will wish to circumvent. In general, the application and approval process takes over six months, with projects being approved for a budget that may be several years away. This may cause problems if studies and conceptual drawings are done prior to application and approval. Current demand and projected demand are often time specific and determine when the funds are needed. Physical changes to abutting property or roadways over time may affect the accuracy and usefulness of conceptual drawings. With this particular issue in mind, a municipality may issue bonds specifically based on the approval of an application for federal funds. These bonds are known as Grant Anticipation Notes ("GAN"). These bonds are backed by the approved funds from the Federal Government. The Federal Register recently recorded the following discussion in regards to GANs:

Public transportation grantees are reminded that with interest rates at currently low levels it may be cost-effective to leverage their projected grant receipts, and thereby accelerate the acquisition of needed rolling stock or completion of essential infrastructure. FTA encourages grant recipients to examine all leveraging options at their disposal, including the use of grant anticipation notes (GAN) secured with Formula Capital, Fixed Guideway Modernization, and New Starts funds. To date, over \$1.7 billion in grant anticipation notes have been issued, allowing major projects to be completed early and at lower cost. FTA will provide information and other assistance to grantees that wish to examine financing options during their project development process. For additional information, contact Paul L. Marx, Office of Policy Development, at (202) 366-1675.

TAX-INCREMENT FINANCING

Another common financing mechanism employed by municipalities is the implementation of a tax increment finance ("TIF") district. Tax increment financing is a way to use tax revenue growth produced by an increase in the tax base of a specified area to repay the costs of investing in the area. While many cities rely on general tax revenue to fund improvements, tax increment financing, or TIF, is an increasingly viable solution to funding the development of needed infrastructure, including structured parking. Tax increment financing legislation enables a local government to finance redevelopment projects through an anticipated increase in the area's property tax revenues. TIF districts do not generate tax revenues by increasing tax rates. Rather, as shown in Figure 1, the TIF district generates revenues by permitting the municipality to temporarily capture the tax revenues generated by the enhanced valuation of properties resulting from the various redevelopment projects. In a TIF-funded project, the local government permits the developer to use a portion of these new taxes to support financing for the proposed parking project. Since a portion of the financing is repaid solely from the dedicated taxes, TIF effectively functions like a grant from the standpoint of the developer.

The premise of TIF is that real estate development generates new real estate and sales taxes above and beyond the taxes generated by land in its undeveloped state. The TIF system relies on the appreciation in value of the land and buildings in a TIF district. If a development is profitable, then the costs will be paid for in the growth of property tax revenue. If the property fails to increase in value, the improvement costs fall back on the general taxpayer. This risk makes some governments wary of employing TIF's. Such concern, while important, must be weighed against the alternative.

BUSINESS IMPROVEMENT DISTRICTS

Some municipalities and county governments use business improvement districts ("BIDs") and parking tax districts as a means to generate income to fund parking facility capital improvements and operating expenses. Both business improvement districts and parking tax districts can be used to finance the acquisition of land; the construction, operation, and maintenance of surface parking lots and parking structures; as well as the costs of engineers, attorneys and other professionals needed to complete the project.

BIDs number over 1,200 in the U.S. and are much more common than parking tax districts. BIDs, which are most often formed at the request of their member businesses, typically address a wide variety of issues not all related to parking. Common issues addressed include marketing, transit, beautification, signage, lighting, parking, street and public space maintenance, unarmed security patrols, "customer service representatives" or "ambassadors" to provide information and assistance to tourists and shoppers, etc. The collection of assessments tend to be applied uniformly on a square foot, gross receipts, or assessed value basis because benefits are universally recognized by all property owners. Typically, no exemptions or tax credits are provided to property owners who provide all or a portion of their required parking.

The Bayside District, located in Santa Monica, California, is an example of a BID. This BID was established in 1986 and has allowed the BID to secure the bonded indebtedness associated with various improvements in 1989. Improvements included a transformation of the old Santa Monica Mall into the Third Street Promenade and surrounding Bayside District. Specifically, this provided for additional parking and certain alley, signage, and circulation improvements.

The Santa Monica BID has three zones, each with its own tax rate: Zone 1 - \$0.8096 per building square foot; Zone 2 - \$0.3346 per building square foot; and Zone 3 - \$0.2342 per building square foot.¹ Tax bills appear on property owner's tax bills and are collected through the County Assessor's Office. The Treasurer of the City of Santa Monica administers the BID fund.

At the same time this BID was created, an ordinance was passed requiring a parking developer fee; this fee creates a fund for additional parking improvements as new square footage is added (if the developer does not provide parking to meet the demand of the new development). The formula for this parking developer fee is equal to \$1.50 per square foot per year for each new square foot of building space added since 1986 for which parking is not provided.

¹ Rates shown are for the 1999 Property Tax Year

DEVELOPMENT AND LEASE AGREEMENTS

Municipal and corporate leaders are increasingly faced with the issue of whether or not they should enter into the parking business by constructing, financing, and operating their own parking facilities. In most cases, the capital required to develop and operate a parking facility is the prevailing barrier to entry. The financial paradox faced by decision-makers is the need to allocate funds for core operation improvements to sustain and grow demand, while at the same time, fund parking expansion projects that are needed to operate. More often than not, funding a parking expansion project is determined to be subordinate to core operation improvements.

Faced with parking issues, many industry leaders are recognizing the advantages of eliminating parking from their balance sheets and focusing on their core business. This is accomplished through a development leaseback agreement that provides an alternative method of ownership, investment, financing, and risk allocation to organizations that need parking, but face financial limitations. It is a financial tool that can allow a business or agency to expand parking operations, reduce long-term risk, and redirect capital funds from parking to core operations.

When a local agency enters into a development leaseback arrangement (thereby becoming the lessee), it may lease a facility from another public agency, a nonprofit corporation set up for that purpose, a bank or private leasing company or a joint powers authority. This lessor assigns all its rights in the leased parking facility to the lessee or trustee and acts as an intermediary between the local agency and the investors. The trick to leasing is finding someone who is willing to invest in the return from the agency's lease payments. This may be a single investor or, more frequently, a group of investors who have purchased undivided shares of the lease obligation (these shares are called "certificates of participation"). The lessee is given use of the property as though he owned it, without having capital invested in it.

The lease is typically a long-term "net" lease², with the lessee having the option of repurchasing the parking facility at a later time. The tenant, who previously owned the property, normally has the right at any time during the lease to buy back the parking facility, based upon a predetermined value or method of valuation. However, it is most advantageous to do so at the end of the lease, when the purchase price could be a nominal amount. Terms usually are for 15 to 20 years with options to include up to four five-year renewal periods.

Development leaseback agreements offer several advantages over other financing methods. First, an agency can obtain a parking facility without a large initial investment. Second, a lease can be used to spread the cost of a parking facility over a long period of time. Third, lease agreements do not add to agency debt. Fourth, in many cases voter approval is not a requirement as it would be with special taxes and some types of bonds. Fifth, leaseback deals can also provide the lessee with additional tax deductions, if applicable. The lessor benefits in that they will receive stable payments for a specified period of time.

² A property lease in which the lessee agrees to pay all expenses which are normally associated with ownership, such as utilities, repairs, insurance and taxes. Also called a closed-end lease.

Using lease financing is not without its drawbacks. The agreements necessary to finance public and private parking facilities are complicated, and involve numerous players such as bond counsel, underwriter, and trustee. Leasing, because of the uncertainties of the market and annual allocation of payments, may require higher debt payment than bonds to attract investors. Additionally, because leases are designed to be tax-exempt investments, their popularity and marketability is susceptible to changes in federal or state tax law. Also, it may be difficult to find creditworthy investors for some leases. Unlike special assessments or taxes, a lease by itself does not generate funds on its own and requires another source of income, such as user fees, to retire any debt.

CREATION OF AN AUXILIARY ENTERPRISE FUND

Municipalities often create auxiliary enterprise funds. These resources are then used to fund parking project capital improvements. By definition, an auxiliary enterprise fund is self-sustaining. This means that the auxiliary enterprise fund generates a revenue stream that is sufficient to cover ongoing operating expenses and outstanding debt service obligations.

Auxiliary enterprise funds have their own operating budgets. This operating budget is separate from the municipality's general fund. These operating budgets include a stream of revenues collected from a variety of sources, including the following:

Municipalities

- Monthly leases
- Parking meter revenues
- Parking violation revenues
- Transient revenues

Although revenues generated by a new structured parking facility may not be sufficient to fund both the operating expenses and debt service of that particular improvement, revenues from other facilities and sources are pooled together. This revenue pool is sufficient to generate an income stream that permits the solvency of the auxiliary enterprise.

Budgeted expenses include the operating costs associated with ongoing parking operations. This may include the labor costs associated with maintenance, security, parking enforcement, revenue collection, management, and administration. Other operating costs may include utilities, supplies, and equipment.

The lifespan of a parking structure can often range from 40-50 years or more. However, because the development costs for such a structure are capitalized over a 20-30-year period, there is significant useful life remaining after all debt is retired. This remaining life means that revenues may still be generated by this debt-free facility and that these revenues may be available to offset any new debt service payments that are required to fund new parking projects.

There are many parking system auxiliary enterprise funds in operation throughout the U.S. Following are some of these funds:

Municipalities

- City of Cedar Rapids, Iowa
- City of Lincoln, Nebraska
- City of Detroit, Michigan
- City of Tampa, Florida
- City of Denver, Colorado

Two of these auxiliary enterprise funds, the one for the City of Lincoln, Nebraska, and the one representing Florida State University, are featured in the "Case Studies" section at the end of this chapter.

CREATION OF A PARKING AUTHORITY

Parking authorities offer similar advantages gained through the creation of an auxiliary enterprise funds. One similarity is that parking authorities are self-supporting, meaning they generate operating revenues sufficient to cover both operating expenses and the debt service associated with any capital improvements. Parking authorities have many of the same responsibilities similar to a municipal or a university parking and transportation department. Following are some of the responsibilities of a parking authority:

- To hire and compensate staff and manage authority-owned facilities.
- To set parking rates and collect revenues from authority-owned facilities.
- To establish and manage a budget.
- To acquire property through negotiations and if necessary, through eminent domain.
- To acquire existing parking facilities.
- To contract with third parties for services and the sale of real property.
- To sue and be sued.
- To fund parking facility capital improvements.
- To design, construct, and renovate parking facilities.
- To demolish and rebuild parking facilities.
- To develop and implement master plans for municipal parking.
- To define and implement parking management strategies aimed at improving traffic flow and parking conditions.
- To issue and retire debt.

Many states have enabling legislation that provides for the creation of a parking authority. Some states have legalized the formation of a parking authority in any city, regardless of size. Other states permit the establishment of a parking authority only in specific classes of cities. Following are some states that have parking authorities: Alabama, Alaska, California, Connecticut, Delaware, Florida,

Maine, Maryland, Massachusetts, New Jersey, New York, Oklahoma, Pennsylvania, Tennessee, Virginia, Washington, and West Virginia. New York and Pennsylvania are the states with the greatest number of parking authorities.

To create a parking authority, first, enabling legislation must be in place legalizing the formation. In most cases, this enabling legislation allows a city to create a parking authority. Once the parking authority is created, most laws provide for the municipality's mayor to appoint board members. The board of directors then governs a parking authority.

Parking authorities have several distinguishing characteristics that make them different from municipal and university parking departments, including the following:

- Parking authorities are empowered to issue their own debt.
- Parking authority debt does not count toward the debt capacity of the municipality or university.
- Parking authorities can take action without approval from city government; they can be completely independent and autonomous of city government.

Following are some of the most significant advantages and disadvantages of a parking authority:

Advantages

- Can issue own debt and not count against bonding capacity of city
- Provides a structure with a sole focus on parking-related issues
- Significantly reduced political pressures compared to city parking department
- Not subject to annual budget considerations of city government or politics
- Self-sustaining

Disadvantages

- Redundant costs of management and administration
- Higher rates of borrowing than a city issuing general obligation bonds
- Authority has power that is beyond the immediate control of the citizens

STATEMENT OF LIMITING CONDITIONS

This report is subject to the following limiting conditions:

1. This report is based on assumptions outside the control of Walker Parking Consultants/Engineers, Inc. ("Walker") and/or our client. Therefore, Walker cannot guarantee the results.
2. The results and conclusions presented in this report may be dependent on future assumptions 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.
3. Walker assumes no responsibility for any events or circumstances that take place or change subsequent to the date of our field inspections.
4. Walker is not qualified to detect hazardous substances, has not considered such, and therefore urges the client to retain an expert in this field, if relevant to this study.
5. Sketches, photographs, maps and other exhibits included herein may not be of engineering quality or to a consistent scale, and should not be relied upon as such.
6. All information, estimates, and opinions obtained from parties not employed by Walker, are assumed to be accurate. We assume no liability resulting from information presented by the client or client's representatives, or received from third-party sources.
7. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless specified otherwise. Unless noted, we assume that there are no encroachments, zoning violations, or building violations encumbering the subject property.
8. This report is to be used in whole and not in part. None of the contents of this report may be reproduced or disseminated in any form for external use by anyone other than our client without our written permission.
9. The projections presented in the analysis assume responsible ownership and competent management. Any departure from this assumption may have a negative impact on the conclusions.
10. Computer models that use and generate precise numbers generate some of the figures and conclusions presented in this report. The use of seemingly exact numbers is not intended to suggest a level of accuracy that may not exist. A reasonable margin of error may be assumed regarding most numerical conclusions. Conversely, some numbers are rounded and as a result some conclusions may be subject to small rounding errors.
11. This report was prepared by Walker Parking Consultants, Inc. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of Walker Parking Consultants as employees, rather than as individuals.
12. This report is set forth as a Parking Supply/Demand and Preliminary Financial Analysis. This is not an appraisal report.