
2012 Parking Study Update DRAFT

City of Manchester

Lansing Melbourne Group, LLC

Downtown Manchester Parking Study Update

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1.0 EXECUTIVE SUMMARY

In the fall of 2011, the City of Manchester retained Lansing Melbourne Group, LLC (LMG) to update the Downtown Manchester Parking Study conducted in 2005. This report presents the findings of the work, which focused on the status of the recommendations made in the original report and adopted by the Board of Alderman. LMG also examined the existing financial condition of the parking system, current operating policies and practices, and interviewed key stakeholders to understand actions the City may need to undertake to support current economic development initiatives.

As a general conclusion, the Parking System has weathered the recession remarkably well and continues to be financially self-supporting. Through the course of multiple on site visits and interviews with staff and users, LMG cannot see any glaring or significant missteps or management issues that endanger the stability of the system or its service to its users. In fact, when compared with surrounding cities in New Hampshire or similar size cities throughout the country, the system performs well above the expected or forecast values.

Revenues in the parking system have decreased during the period 2008 to 2012 by just over 7 percent but operating income has *increased* by 6 percent during the same period. This result has been achieved through aggressive management of expenses (reduced by 21% over the period). This result is all the more remarkable given the large amount of vacancy in office space downtown and a decrease in the amount of permits sold in the Millyard of over 25 percent.

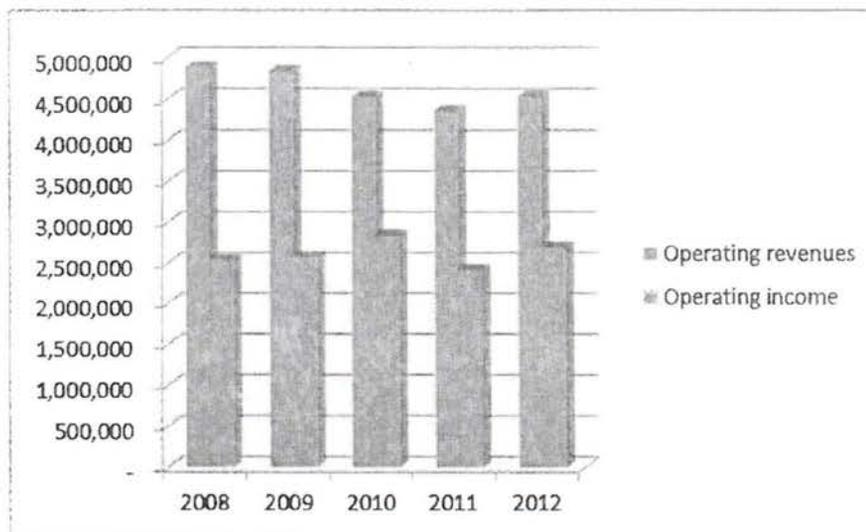


Figure 1 - Revenue and Income Trend

Significant efforts have been undertaken to follow the recommendations made in the 2005 study. These are discussed in detail in the report, but are summarized in the table below.

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Table 1 - Status of Recommendations

Manchester Parking Recommendations Matrix
 Status Update
 Summer 2012

No.	Summary	Status						
		Complete	Not Implemented	No Opportunity	Approvals Made	Ongoing	No demand	Prelim Assessment
1	Reorganization to be managed by Finance	X						
2	Hire a Parking Manager	X						
3	Retain a consultant to Implement		X					
4	Increase Vehicle Registration Fees	X						
5.1	Reduce parking for structures v lots			X				
5.2	Density bonus for structures v lots			X				
5.3	Encourage Mixed Use			X				
5.4	TIF for parking			X				
5.5	Consider sale leaseback			X				
6	Adopt Parking Organization	X						
7.1	Future lease strategies	X						
7.2	Keep commitments focused on long term					X		
7.3	Keep tactical issues within parking dept					X		
7.4	Keep ownership as the goal			X				
7.5	Keep large blocks uncommitted	X						
7.6	Keep leases short to respond to market	X						
7.7	Intergovernmental rate schedules			X				
8	Assess Wall Street lease spaces need	X						
9	Self Supporting Policy		X					
10	Target occupancies	X						
11	Action items Table 21	X						
12	Relegate enforcement to implementation	X						
13	Standardize enforcement				X			
14	Feasibility of private operator		X					
15	Forgiveness tickets		X					
16	Stop long term permits		X					
17	Real time permits		X					
18	New residential permit policy				X			
19	Residential permit language				X			
20	Residential Parking Zones				X			
21	Fee structure				X			
22	Parking Planning Reviews			X				
23	Moratorium on permits in high demand lots			X				
24	No Permit Parking on street	X						
25	Valet Policy						X	
26	Replace meters					X		
27	New Technology					X		
28	Sale of CNH	X						
29	RFQ for MXD at Arena			X				
30	Granite St Lot sale	X						
31	Seal Tanning Lot sale	X						
32	Bedford Lot Plan							X
33	Remote parking shuttle						X	
34	Development criteria for parking			X				
35	Use shared parking methodology			X				
36	Evaluate new development with PMP			X				
37	Linear Street Lots		X					
38	Arms Street Lot control		X					
39	Add tech to meters					X		

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During the course of the field work for this study, there was significant discussion with stakeholders and staff regarding job attraction and economic development initiatives, especially surrounding the Millyard. It should be noted that as recommended in item 32, table 1 above, the City undertook a Request for Proposals in 2008 for private development of a parking facility on the Bedford Lot. The consensus of prospective respondents was that lease rates for space in the market at that time could not support the cost of constructing a parking garage. To be clear, viewed as a stand-alone economic venture, it is rare that any parking garage can support its own debt and operating costs except in high demand/high value CBDs or airports. Parking fees in the New Hampshire market are well below any such threshold.

As such, LMG believes that an incremental approach to the development of additional parking in the Millyard has merit if viewed with an eye to additional potential revenue generators and a particular sensitivity to cannibalizing existing revenue sources. A specific work program to further conduct this analysis is contained in the body of the report.

The existing Victory garage remains somewhat less than user friendly. In particular, the token based gate control is clumsy and difficult for users to understand, especially as the entertainment component of the neighborhood has grown to increase late night users. LMG suggested that investments be made in updating the control system, along with an investment in new lighting and painting to create an environment that suggests a safe and secure experience to its users.

Overall the system operates well within industry standards and well above its peers in both how it serves the public and in how it manages its revenue. No major changes are suggested to the operating management or policies regarding day to day parking activities. Now is the time to examine the parking system's role in future economic development activity and to reinvest in the existing assets to ensure its continued high performance.

2.0 STATUS OF RECOMMENDATIONS

This section will review the recommendations made in the original study in 2005 and discuss the progress on each, whether opportunities have existed to actually undertake them, and in select cases, whether a renewed effort must be undertaken to move forward. In general, the majority of the most important recommendations has been completed or are well underway.

2.1 MANAGER

Recommendation No. 1 – The BMA should assign responsibility for managing the transition of reorganization to the Finance Department.

Recommendation No. 2 – The BMA should authorize the hiring of a Parking Manager by the Finance Department.

These recommendations were completed, and have resulted in the placement of a permanent parking manager within the Finance Department. The manager reports to the City's chief financial officer and splits time between a remote parking office and City Hall. The current manager has been promoted from within the system, which has served the City well.

2.2 IMPLEMENTATION

Recommendation No. 3 – The BMA should authorize the Finance Department to retain a qualified parking consultant to develop the implementation Plan.

This recommendation was not followed but has clearly not had any impact on the performance of the system. The swift action on recommendations 1 and 2 resulted in professional management taking on the task and successfully implementing the recommended actions.

2.3 REGISTRATION FEES

Recommendation No. 4 – An increase in the vehicle registration fees should be approved by the Board of Mayor and Aldermen (BMA) as a source of additional revenue to support the parking system reorganization. The need will be documented and if warranted, the amount of the increase will be proposed as part of the Implementation Phase.43

This recommendation was completed and is in effect.

2.4 ECONOMIC DEVELOPMENT

Recommendation No. 5 – Based on the previous discussions, the BMA should adopt the following strategies as part of the PMP:

- 1. Offer to negotiate a reduction of parking requirements for development projects that*

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incorporate parking structures rather than parking lots;

2. Offer density bonuses to projects that incorporate parking structures rather than parking lots;

3. Endorse mixed-use facilities where feasible to reduce the cost of parking and increase the revenue stream used to pay for the structure. Commercial lease rates are greater on a per foot basis than what can be generated from a parking space;

4. During the Implementation Phase, authorize the potential to use TIF funding for financing the cost to construct parking structures (if shown to be needed); and

5. Entertain sale-leaseback agreements to identify the specific parameters and benefits to the City.....43

Due to the general economic downturn and lending environment of the past five years, there have been no real opportunities to undertake these recommendations. LMG recommends that as economic conditions improve and developers regain confidence to move forward with projects, these be considered as guidelines to allow parking to become one of the City's economic development tools.

2.5 ADOPT PARKING ORGANIZATION

Recommendation No. 6 – The BMA should adopt the parking organization described above in this chapter subject to refinements in the Implementation Phase.45

This recommendation has been adopted and fully implemented.

2.6 FUTURE LEASE STRATEGIES

Recommendation No. 7 - The BMA should recognize and adopt the following policy guidelines as part of the PMP:

1. Strategy in future lease negotiations or renewals should come from the Implementation Phase.

2. Efforts should be made to ensure that every commitment made by the City moves it one-step closer to achievement of its long-term goals.

3. Tactical matters should fall to the parking department head. Issues specifically negotiated in the leases such as rates, operation, availability and reservation for future use should be managed within the context of the system.

4. Ownership should be the goal, not leasehold. If a public private partnership is considered important to support the development of a specific project or to attract a specific tenant, the City should consider options such as condominium ownership of the spaces and support of the underlying construction debt.

5. Great care should be exercised to keep from committing large blocks of spaces to a single property or business owner. This can cause great difficulty in future efforts to obtain financing.

6. Lease terms should be limited to short periods with opportunities for renewal at market rate terms.

7. Separate rate structures should be developed for intergovernmental relationships.....47

Items 2 and 3 are ongoing and continue to be important elements of the management of the system. The balance has been implemented and are the guiding principles of the parking manager. As future joint ventures or economic development opportunities arise, number 5 should be most carefully considered, as the commitment of large numbers of spaces can adversely affect the long term bonding ability of the system.

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2.7 WALL STREET LEASE

Recommendation No. 8 – The BMA should immediately look to assess the need for the parking spaces leased from Wall Street. This effort should be coordinated through the new Parking Manager, or the consultant during the implementation phase, if the Manager is not brought on board within 180 days.47

This recommendation resulted in the termination of the Wall Street lease shortly after the parking manager was brought on board. Decisions such as this have resulted in more efficient use of the system resources.

2.8 SELF-SUPPORTING POLICY

Recommendation No. 9 – The BMA should adopt a policy that the reorganized parking system will achieve a self-supporting level of financial stability.49

While this recommendation was not adopted, the operating results have in fact been that the system has been self-supporting. LMG urges the City undertake this policy on a long term basis.

2.9 TARGET OCCUPANCIES

Recommendation No. 10 – The BMA should approve a target occupancy rate of 80 percent for short term and 90 percent for long-term parking spaces as part of the PMP.49

This recommendation was adopted and has been implemented by the parking manager. In fact, the Millyard is likely approaching this occupancy at the present time.

2.10 ENFORCEMENT ITEMS

The enforcement recommendations were adopted and implemented, including the actual staffing of enforcement contained in the next recommendation shown below.

Recommendation No. 12 – The BMA should relegate recommendations on enforcement needs, including staffing and equipment, to the Implementation Phase.54

2.11 STANDARDIZE ENFORCEMENT

Recommendation No. 13 – The BMA should direct the City to standardize the enforcement times for on-street paid parking. On-street paid parking in retail, commercial, dining and entertainment areas should be in effect and enforced from 8am to 10pm Monday through Saturday and 11am to 4pm on Sundays. Off-street paid parking should follow the same hours of operations and enforcement. An overlay district should be developed for the Arena area to ensure that paid parking is provided. New meter technology will provide ability to charge event parking differently from regular parking.54

The Board authorized this standardization and it has been implemented. Minor changes have been made since that time to offer specific modifications as local experience has shown specific needs. During the course of this update, the potential was discussed to extend meter times to three hours in specific areas to accommodate entertainment uses in the evening hours which LMG advocates. In addition, the current practice and management of event parking is not economically viable at the \$1.00 rate. LMG recommends eliminating the charge and

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standardizing enforcement to 8:00 AM to 8:00 PM from Monday to Saturday in all zones and streets. The users will appreciate the clarity and simplicity of this policy.

2.12 TICKETS AND PERMITS

- Recommendation No. 14 – *The BMA should authorize a feasibility analysis of contracting with a private operator for short-term operation and management of the on-street parking during the implementation Phase.*.....55
- Recommendation No. 15 – *The BMA should approve the adoption of a “forgiveness” ticket policy that reduces but does not dismiss a ticket issued in the downtown area. The specifics will be identified in the financial and operations plan as part of the reorganization presented in the Implementation Phase.*.....55
- Recommendation No. 16 – *The BMA should direct the appropriate City department(s) to stop issuing new permits and sunset the current practice of issuing permits over a maximum 90-day period (the shorter timeframe, the better). A new written policy should be adapted and implemented during this timeframe.*.....58
- Recommendation No. 17 – *At such time as feasible, and in concert with the previous recommendation, the issuance of parking permits should be managed through real-time reports by the Parking Office. Purchasers of permits who are not active users of the system will be expunged and relegated to the lowest priority on the waiting list.*.....58

None of these recommendations were implemented, and given the outcome of the current performance, no detrimental effects were experienced. In fact, the private operators of garages were dismissed and the City has been more effective in managing the assets. We continue to recommend that permits have a maximum 90 day time limit to avoid obligating spaces when growth continues again.

2.13 RESIDENTIAL PERMITS

- Recommendation No. 18 – *The BMA should direct the appropriate City department(s) to sunset the current residential permit parking practice and implement a policy statement on issuance of residential permits including the list provided below. The Policy should be subject to change based on parking conditions over time.*.....59
- Recommendation No. 19 – *The BMA should authorize the City to revise the residential permit parking ordinance so that the requirement for the applicant to hold a “valid State of New Hampshire” license is revised to “valid driver’s license”.*.....59
- Recommendation No. 20 – *The BMA should authorize the creation of one residential parking zone covering the AMX and CBD zoning districts.*.....59

These recommendations were adopted and implemented except that the charges for residential permits were not implemented uniformly. At present, over 600 residential permits are issued at no charge. This policy should be ended immediately and a \$30 charge should be enforced for residential permits as originally proposed.

2.14 RATES

- Recommendation No. 21 – *The BMA should authorize the adoption of the rates shown in Table 22 as a maximum. It should be at the direction of the Parking Office to implement at its discretion (without additional authorization by the BMA) based on achieving goals in the PMP. The rate tables should be updated every year and should identify the anticipated rates for the next three to five years, by year.*

A rate structure was adopted and is in place as a policy guideline. As economic conditions improve, the system should be carefully monitored for rate modifications.

2.15 PARKING PLANNING REVIEWS AND CAPACITY MANAGEMENT

Recommendation No. 22 – *Integrate parking planning reviews in the planning and zoning review and approval process in the CBD and AMX districts. The City (Parking Office) should update and revise, as necessary, the current City ordinances related to parking requirements, as well as develop new policy guidelines and requirements and parking study guidelines as part of the Implementation Phase.*62

Recommendation No. 23 – *The BMA should require the City to enact a moratorium on issuance of new permits in high demand lots and garages. When in the best interest of all parties, parkers should be directed to private lots where capacity exists. The City should facilitate this negotiation between developers and parking facility owners.*.....62

While the parking staff is prepared to undertake and participate in these reviews, there have been no opportunities to implement them.

2.16 PERMIT PARKING ON STREET

Recommendation No. 24 – *The BMA should direct the City (Parking Office) to post “no permit parking allowed” in specific on-street parking locations at the north end of Commercial Street to preserve on-street parking capacity for commercial and retail businesses that depend on on-street parking for their customers. The signs may also require restrictions during certain times, for instance from 9am to 5pm, when the on-street supply is fully usurped by permit parkers.*.....62

This work was undertaken and completed.

2.17 VALET POLICY

Recommendation No. 25 – *The BMA should direct the City (Parking Office) to establish and enact a policy for creation of individual valet parking zones for specific businesses. The City should also support, encourage, and facilitate the creation of a larger zone based valet parking service managed by the private sector.*.....63

There has been no demand for this policy. However, in a related development, the growth in popularity of some downtown entertainment venues has created a conversation regarding street closures to accommodate pedestrians in high volumes. In our experience, this will likely lead to some demand for valet parking on street in the near future.

2.18 REPLACE METERS

Recommendation No. 26 – *The BMA should approve the replacement of off-street meters in surface lots with pay by space or pay and display machines. The effectiveness of the technology would be evaluated before the program is moved to on-street locations (see recommendation for Elm Street demonstration project).*.....64

This work is ongoing.

2.19 UPDATE TECHNOLOGY

Recommendation No. 27 – *The BMA should authorize a detailed study in the implementation Phase to evaluate, cost, develop a finance plan, acquire, and install all new technology system-wide.*.....65

This work is ongoing. It is recommended that in the immediate short term, the revenue control system in the Victory garage should be updated to include automated payments and eliminate the tokens. This facility is experiencing significant late night use and gate breakage. Vendors should be encouraged to develop a payment upon entry system or other options to eliminate staffing needs late into the night.

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2.20 SALE OF CNH

Recommendation No. 28 – *The BMA should direct the City to obtain an appraisal for the garage (already in-progress) and negotiate a sale of the CNH garage to the owners of the hotel and convention center.*66

Completed.

2.21 RFQ FOR MXD AT ARENA

Recommendation No. 29 – *The BMA should approve the issuance of an RFQ to enter into one or more development projects with private sector proposers for the development of mixed-use projects and public parking in the Arena and ballpark subareas.*66

Market conditions did not allow this to proceed.

2.22 GRANITE STREET AND SEAL TANNING LOT SALES

Recommendation No. 30 - *The BMA should direct the City to enter into negotiations to sell the Granite Street Lot to the owner(s) of the adjacent Millyard Building.*.....67

Recommendation No. 31 - *The BMA should direct the City to enter into negotiations to sell the Seal Tanning Lot to the owner(s) of the adjacent Millyard Building owner.*67

Both of these recommendations were completed.

2.23 BEDFORD LOT

Recommendation No. 32 - *The BMA should direct the City to develop a financing and development plan for the planning, design and construction of a three-bay, five level parking structure on the Bedford lot as soon as reasonably possible.*68

In 2008, the City undertook an RFP which received no responses. The hope of the RFP was that there would be sufficient interest from the development community to move forward in an arrangement that would be financially advantageous to the City. There continues to be anecdotal evidence of office space in the Millyard that is unable to lease due to a lack of parking that could be dedicated to tenants. The Manchester Economic Development Office has advised us that occupancy in the Millyard has been limited by the parking supply. In addition, the recent economic environment has promoted more "open office" uses in the Millyard, which results in significantly higher employee densities, and therefore higher parking demand.

LMG's experience in other markets suggests that the City should move forward to assure the private sector that there is a way to supply the parking that is necessary if tenants can be found. In pursuit of this goal, it is recommended that an incremental approach be undertaken to manage the City's risk and perhaps offset costs. Our experience in the parking and economic development market over the past three years is that it will be necessary for the City to take the lead in this effort in order to control the economic development outcome. The following tasks illustrate our recommended approach to managing the city's risk and identifying the economic opportunity.

Task 1 – Financial Environment and Economic Options

Define current demand from Millyard users

Define latent demand from Millyard users

Establish financial model to assess existing revenue sensitivity to cannibalization

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Define financing options
Explore optional revenue generators
Define Risks
Present Findings – GO/NO GO

Task 2 – Functional Design and Definition of Physical Options

Identify Site, Engineering and Regulatory Constraints
Review Previous Work
Define garage layout and capacity
Define ancillary/complementary uses or pads
Conceptual Capital Cost Estimate
Present Findings – GO/NO GO

Later tasks would entail the actual development and construction of the project, if feasible. These tasks should be undertaken immediately to establish whether there is a real need to proceed forward.

2.24 REMOTE PARKING SHUTTLE

Recommendation No. 33 – The City in conjunction with the Parking Department should investigate the options and costs related to constructing remote parking along Commercial Street and serving that parking with a shuttle.70

There has been no demand for this recommendation given the lower demand in the Millyard.

2.25 NEW DEVELOPMENT CRITERIA

Recommendation No. 34 – All development proposals should provide sufficient parking to meet the parking needs of the project plus replace any loss in parking that may impact the availability of the parking supply to other users in the service area of the parking lot. This finding should be determined through a shared parking study/analysis conducted by the developer per the direction of the City.71

Recommendation No. 35 - The BMA should direct the City to prepare and adopt shared parking study approach for use by the developer in such cases as part of the Implementation Phase.71

Recommendation No. 36 - The BMA should adopt a policy regarding the evaluation of new development proposals as an opportunity to implement the PMP. This opportunity could be varied, from jointly developing and expanding the public parking component, to condominiumization, sale/leaseback, management plans, or other collaborations that benefits the City and the developer, development and/or the economy.71

Since there have been no significant development proposals since the study, there have been no opportunities to undertake these recommendations.

2.26 LINEAR STREET LOTS

Recommendation No. 37 – The BMA should direct the City to initiate the planning, design, and implementation of at least two cross-street linear parking lots as discussed in this report.77

The reconfiguration of side streets was not undertaken.

2.27 ARMS STREET CONTROL

Recommendation No. 38 – The BMA should direct the City to initiate the planning, design, and implementation of the Arms Street Lot controlled permit parking plan as discussed in this report.....79

This recommendation is not implemented.

2.28 ADD TECHNOLOGY TO METERS

Recommendation No. 39 – The BMA should direct the Parking Department to immediately begin investigating the applicable technology to replace the mechanical meters. This recommendation should be completed as a priority in the implementation phase.....79

This recommendation was implemented and continues to be a primary goal of the parking manager.

3.0 EXISTING FINANCIAL OPERATIONS

The following sections describe the organization, management, and operation of the City's Municipal Parking System (the Parking System). The intent of this section of the report is to review the Parking System's current financial characteristics and to recommend any significant changes needed to create a financially self-sustaining operation capable of supporting economic development in the downtown.

3.1 ORGANIZATION

A city's "parking system" has a physical component which is comprised of the on-street spaces, off-street surface parking lots and parking structures and a management or operational component comprised of maintenance and operations, revenue collection, financial management and enforcement. To be responsive to economic development and to control costs, many cities have found it critical to coordinate the management of the parking system under one entity. This entity is usually a city department, a city division, a parking authority and sometimes it is managed by the economic development corporation or business improvement district. In these situations, the parking system is usually operated as a self-supporting enterprise fund. The revenues collected through the parking system charges and parking enforcement support the cost of keeping the parking system in operation.

Based on the results and recommendations in the original parking study, the City of Manchester now operates its system under a centralized management system with a full time parking manager. This makes it simple now to undertake analyses relating to the benchmarking of the system and its operation.

3.2 FINANCIAL CHARACTERISTICS

The following section provides information on the financial characteristics of the Parking System. A 20-year economic pro forma was prepared in the original study to evaluate the likely performance of the Parking System based on a continuation of the then current trends. The pro forma was based on financial information provided by the City for the three fiscal years (2003, 2004, and 2005) as well as information on the capital improvements program. From this data, a three-year trend was developed to project annual revenue and expenses over the 20-year term of the pro forma, from year 2006 to 2026.

The pro forma assumed operational expenses and fees will increase at a rate of inflation at 3.0 percent per year. The most interesting outcome as the proformas were examined seven years later was how closely the model predicted actual performance in terms of gross revenues, particularly with all the changes in the system and the economy since then.

The parking system is allocated its portion of the City's general obligation debt service to reflect funds provided for capital improvements. The debt service as allocated is declining over time, from a FY 2013 amount of \$670,000 to a final payment of \$26,000 in FY 2025. Under the current operating environment and bond market, any near term borrowing required by the system would be best achieved under this same scenario, as a pure revenue bond would likely require a general obligation pledge to adequately underwrite to market standards.

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3.2.1 Parking System Inventory

Significant changes have occurred since the 2005 study in the city's inventory of parking garage assets, from 2316 spaces to 846 spaces. A single garage now remains, the Victory Garage. This change is consistent with the recommendations in the report, which gave a number of reasons to dispose of those assets. There has been some turnover of surface parking inventory, although in aggregate it remains nearly unchanged from 1627 spaces to 1689 spaces. Overall, the off street inventory has reduced from 3943 to 2535 spaces. On street spaces have remained constant at 2492, but the installation of the multi space meters has significantly improved the ability of management to provide a consistent customer experience.

3.2.2 Parking System Rates

The primary source of revenue for the Parking System is generated from the sales of on-street and off-street parking spaces. Table 19 outlines the City's current average rate charged for each parking service offered.

Table 2 –Summary of Average City Parking Rates

Parking Type	FY 2012 Cost
Surface Lots – Permit cost per month	\$45 to \$50/month
On-street – Permit cost per month	\$45/month
Garages – Permit cost per month	\$75.00/month
Garages – Attended cost	\$0.75/hour
Daily maximum	\$6.00
Average on-street meter cost per hour	\$0.75/hour
Average off-street meter cost per hour	\$0.75/hour

3.2.3 Revenue and Expenses Summary

As stated in the earlier section of this report, the estimated costs to manage the parking infrastructure are currently at a reasonable and manageable level. The revenue generation is consistent and stable due to the high concentration of employment in the Millyard and the balanced, strong economic condition of the City. This is evidenced by the relative stability of the operating characteristics illustrated in Table below.

Table 3 - Revenue and Expense Summary

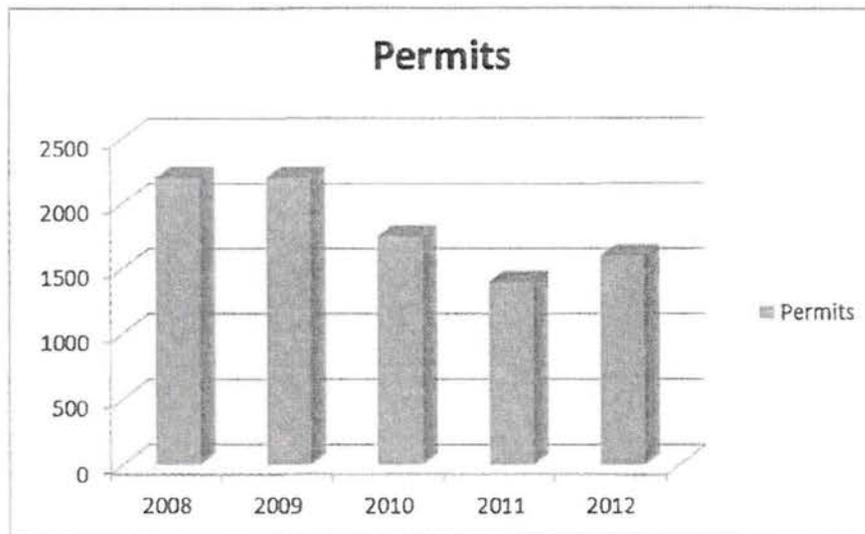
	2008	2009	2010	2011	2012	Five Year Change	
	Totals	Totals	Totals	Totals	Totals	change	%
Operating revenues	4,892,834	4,849,094	4,534,452	4,365,668	4,538,780	(354,054)	-7.24%
Operating expenses (without depreciation)							
Personnel services	881,129	1,098,172	953,622	1,108,766	1,033,412	162,283	17.28%
Plant maintenance	69,675	136,593	92,561	99,642	61,748	(7,927)	-11.38%
Utilities	40,924	40,142	43,327	41,650	33,886	(7,038)	-17.20%
General & administrative	1,364,526	995,281	599,555	696,373	717,698	(646,828)	-47.40%
Total operating expenses without depreciation	2,356,254	2,270,186	1,689,065	1,946,431	1,846,744	(509,510)	-21.62%
Operating income	2,536,580	2,578,906	2,845,387	2,419,237	2,692,036	155,456	6.13%
Debt service	849,867	782,219	785,554	721,599	649,175	(200,692)	-23.61%
Operating income less debt service	1,686,713	1,796,687	2,059,833	1,697,638	2,042,861	356,148	21.11%

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Note that operating revenues have fallen 7.2 percent over the past five years, but net operating income after debt service is up 20 percent. Operating expenses have been reduced by over 20 percent and unprofitable assets have been shed, allowing the system to operate in a sound financial manner. The G&A category includes items early in this analysis period that are non recurring; therefore the current levels of expense are viewed with confidence as representative of future expense levels. For example, in FY2008, Wall Street garage lease payments totaled \$310,000. The City terminated the lease agreement in March, 2008. Residual hirings/transfers from National Garages payroll system (previous private management company) to City payroll system resulted in some transfer of cost categorization from G&A to Personnel Services, which accounts for the increase from FY2008 to FY2009. In FY2009, Payments to Verizon Wireless Arena (SMG) per agreement totaled \$350,000. In FY2010, Payments to Verizon Wireless Arena (SMG) per agreement, totaled \$117,000. Final payment was made in December, 2009. These obligations are now complete.

These results are somewhat surprising given the economic stress of the past few years, both in the Millyard and on Elm Street. Note the following illustration of permit sales in the Millyard, which are down in the range of 25 percent.

Figure 2 - Millyard Sales



3.2.4 Comparison to Forecast Results

The original study included a number of proforma analyses which forecast revenues and expenses under various scenarios. Those scenarios included a baseline forecast which assumed the system would remain at its then current size, along with various garage scenarios. In reality, the system has actually reduced in size as the system has followed the recommendations in the original report, shedding assets which were not essential to the core mission of the City or which served a limited number of users. As illustrated below, without

Downtown Manchester Parking Study Update

building new garages, LMG had forecast a gross revenue of \$5.6 million, while the actual result was approximately \$4.5 million, as illustrated in Figure 3. This revenue value is approximately 19% below forecast. However, the system now holds approximately 35% fewer off street parking spaces, making the operating results quite positive. Figure 4 illustrates the results when viewed on a per space basis.

Figure 3 - Actual Revenue vs Forecast

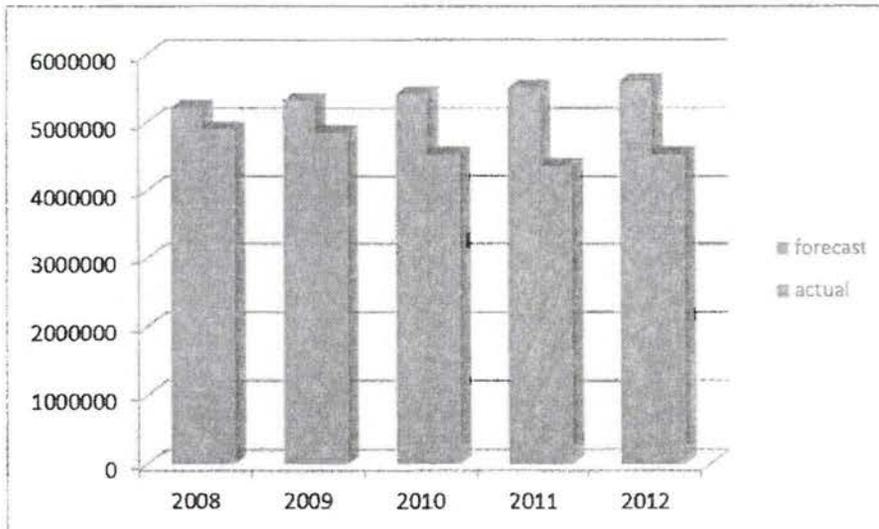
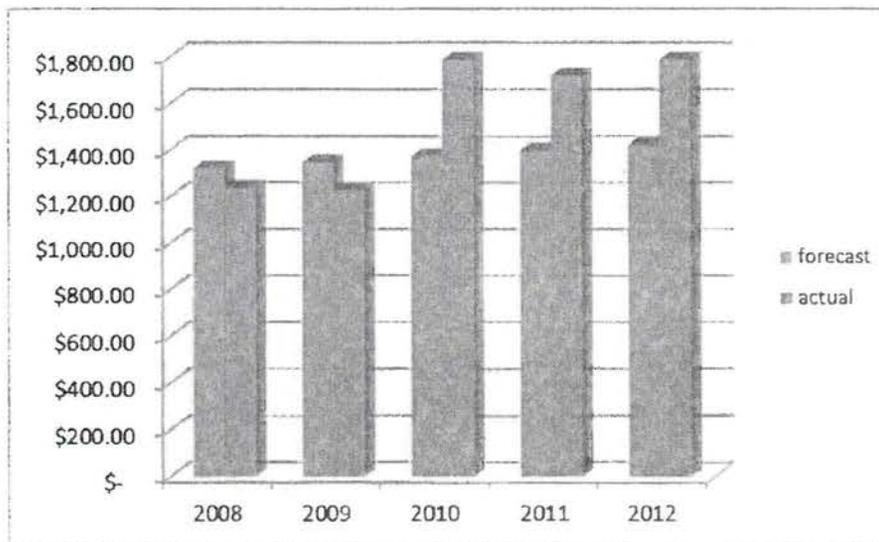


Figure 4-Actual per space revenue vs forecast



4.0 SYSTEM PERFORMANCE AMONG PEERS

The following section addresses the relative performance and structure of Manchester's parking system compared to two peer groups: local peers, which are cities within the local area of influence that constituents might use as comparable for operations and pricing; and national peers, which we examine for clues regarding benchmarks for policy and management structure.

4.1 LOCAL PEERS

There is a wide range of operational characteristics in the surrounding area. In the original study, LMG examined the systems in Dover, Concord, Nashua, Keene, and Portsmouth to understand how the market experienced parking and how the systems were managed. The population, system characteristics, and parking charges were updated for this report. In addition, we added a measure of system "performance" to determine how efficiently these cities were using their assets.

Manchester has the largest system by revenue measure, with Portsmouth close behind. The other cities do not generate nearly the same level of revenue. What is most evident when compared to surrounding cities is that Manchester has the most well organized and highest return on investment. Dover has recently placed meters on its downtown streets and is experiencing high return on those meters, but it is too early to tell how that system will ultimately perform. Though the values in table 22 are based on Consolidated and Audited Financial Reports, if the systems are not run as Enterprise Funds it is impossible to determine how overhead is loaded against the system revenue and whether it is a true measure of whether the users of the system are actually paying for its costs (self-sufficiency). That said, two of the systems surveyed clearly operated in the red and were a drain on the general fund. This is unusual but not completely unexpected in the current economic climate.

Downtown Manchester Parking Study Update

Table 4 - Local Peer Cities

	DOVER	CONCORD	MANCHESTER	KEENE	NASHUA	PORTSMOUTH
Pop. (2000)	26,884	40,687	107,006	22,563	86,605	20,784
Pop (2011)	29,987	42,679	108,895	22,408	86,697	20,298
Employ (2002)	15,077	40,321	65,345	18,878	50,241	27,353
ON-STREET PARKING						
Meters	NA	1, 2, 4,10 hour / pay on foot	2,10 hours /pay & display	2-hour limit	1, 2 hours	15-minute, 2,4 hrs
On-Street spaces	~840	unknown	~2,940	unknown	unknown	>1,100
City Lots	10	4	9	9	15	8
No. of Spaces	950		1,730	1,130		675
City Garages	NA	2 w/1 planned	1	2	2	1 w/2 planned
No. of Spaces	NA		900 spaces	350 spaces	800 spaces	900 spaces
Monthly Permits	Empl. \$20-40; Res. \$5-10	Decks:\$52-\$62; Other: \$45	Decks: \$75; On-Street: \$40; Surface \$45-50	Decks: \$40; Surface: \$30	Decks: \$30-45; Surface: \$50	Decks: \$50-100
ADMINISTRATION						
Regulations	Parking and Traffic Bureau – Police Dept.	Parking Control Unit - Police Dept.	Parking Enterprise Fund - Finance	Parking Div. – Police Dept.	Downtown Parking Committee	Parking & Transportation Div. Public Wks Dept.
Annual Gross Revenues	\$385,581	\$1,507,137	\$4,365,668	\$1,104,619	\$693,934	\$2,312,864
Performance	+\$61,898	-\$73,804	+\$1,697,638	-\$69,665	Not disclosed	+\$458,270

4.2 NATIONAL POLICY REVIEW

The City's parking policy should be two-fold. First, the public parking program must promote the economic viability of the downtown by providing a sufficient number of conveniently located parking spaces that are not supplied by the private sector, or not served by alternative modes of transportation. Secondly, the parking system should promote and complement the total transportation system through a sensitive balance of rates and supply, to encourage the most efficient and economic modes of transportation available.

The problems related to maintaining a financially self-supporting parking system are most apparent in cities suffering slow downtown growth and a declining tax base. Larger cities, like Boston, with transit availability and high employment concentrations in the downtown, may be able to limit the downtown parking supply. Manchester has just recently experienced significant contraction of employment in the downtown and without having an organized parking plan to rely on, the parking system would not have kept pace with changes in parking demand.

Based on the information contained in this snapshot of the downtown City of Manchester parking supply and demand, there no longer appears to be great flexibility in the parking system to accommodate additional growth. However, near-term (1–3 years) increases in parking demand and pressure on the existing parking infrastructure will require investment and expansion of the parking infrastructure to support the economic growth of the City. The economic growth pressures include:

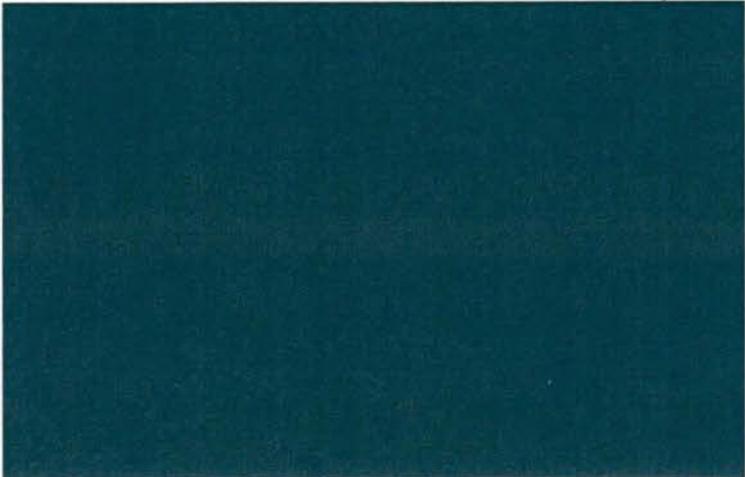
- on-going commercial and office employment density growth in the Millyard, along with shadow inventory in the existing buildings;

Downtown Manchester Parking Study Update

- releasing of commercial spaces along the Elm Street corridor, and
- growth tied to redevelopment in the Arena subarea (Gaslight District) and Ballpark subarea.

Prior to commitment to expansion of the parking supply, the City should ensure that the parking infrastructure already in-place is used at the highest possible efficiency. This is only possible through the coordinated approach to managing the parking infrastructure as a "system". Because "parking" touches many departments and issues before the City, it is critical that the organizational system developed as a result of the 2005 study be maintained that focuses responsibility for the implementation of an adequate parking system to meet the myriad goals for the viability of downtown into one identifiable entity.

*Parking Handout
PUBLIC SAFETY Committee
August 6, 2012*



Manchester Parking Study Update

Summer 2012

Lansing Melbourne Group

Background

- Master Parking Plan
- Conducted in 2005
- Stakeholder Intensive
- Adopted in total
- Resulted in centralized parking management and measurement



City of Manchester
Downtown Parking Study

DRAFT

Prepared for the
City of Manchester



Prepared by
Lansing Melbourne Group, LLC




Consulting Engineers, Inc.

November 14, 2005



Key 2005 Recommendations

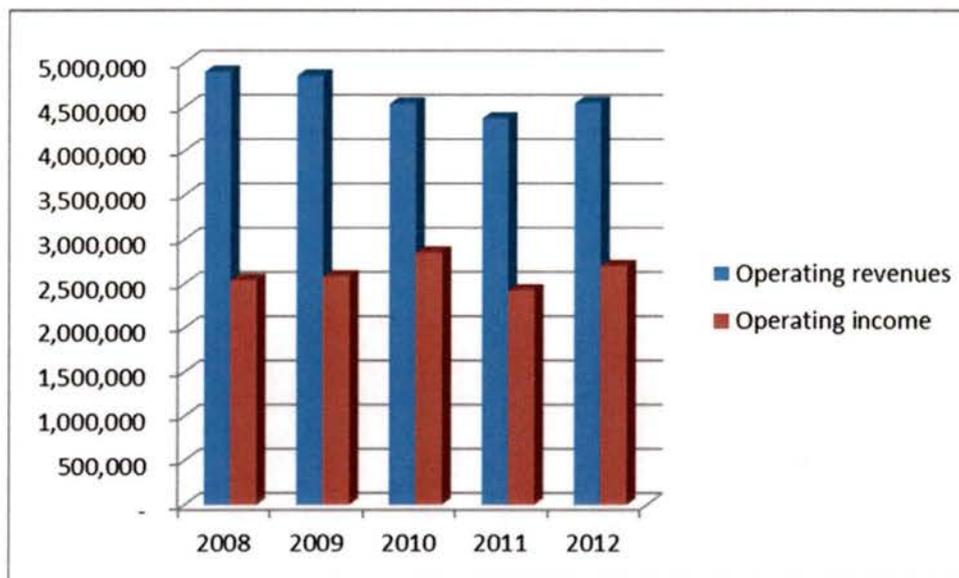
- Organize functions
- Hire professional management
- Update technology
- Charge consistently
- Transparency
- Shed high cost assets
- Run it like a business



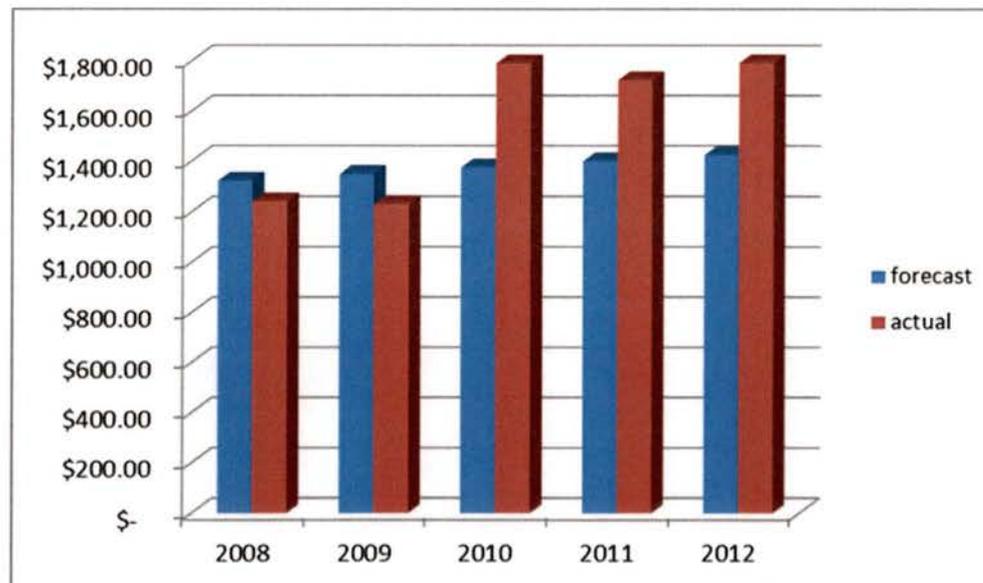
Key Results

- Now you know what it costs
- All functions report to one party
- Decision makers have all the information
- Costs are under control
- System is positioned to respond to opportunity
- Financial stability
- System serves the public fairly

Key Trends – Revenue/NOI



Key Trends – Revenue per Space

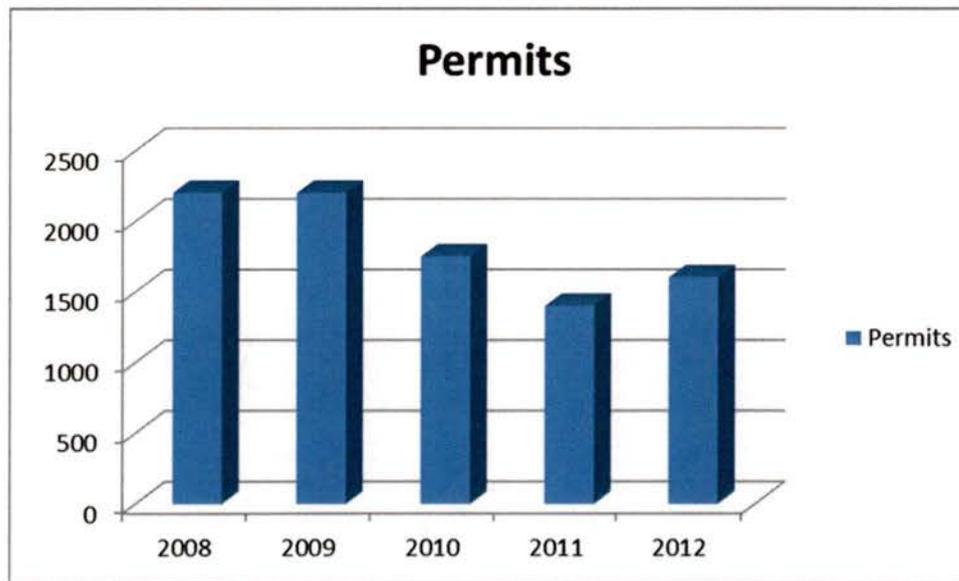


Total reduced from 3943 to 2535 spaces

Key Trends – System Revenue and Expense

	2008	2009	2010	2011	2012	Five Year Change	
	Totals	Totals	Totals	Totals	Totals	change	%
Operating revenues	4,892,834	4,849,094	4,534,452	4,365,668	4,538,780	(354,054)	-7.24%
Operating expenses (without depreciation)							
Personnel services	881,129	1,098,172	953,622	1,108,766	1,033,412	152,283	17.28%
Plant maintenance	69,675	136,593	92,561	99,642	61,748	(7,927)	-11.38%
Utilities	40,924	40,142	43,327	41,650	33,886	(7,038)	-17.20%
General & administrative	1,364,526	995,281	599,555	696,373	717,698	(646,828)	-47.40%
Total operating expenses without depreciation	2,356,254	2,270,188	1,689,065	1,946,431	1,846,744	(509,510)	-21.62%
Operating income	2,536,580	2,578,906	2,845,387	2,419,237	2,692,036	155,456	6.13%
Debt service	849,867	782,219	785,554	721,599	649,175	(200,692)	-23.61%
Operating income less debt service	1,686,713	1,796,687	2,059,833	1,697,638	2,042,861	356,148	21.11%

Key Trends – Millyard Permits



Metrics – Peer Cities

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Performance	+\$61,898	-\$73,804	+\$1,697,638	-\$69,665	Not disclosed	+\$458,270



Recommended Actions

- Victory garage investment – tech and aesthetics/lighting
- Event Parking
- Uniform meter enforcement and times to three hours and 8a to 8p
- Charge for residential permits
- Bedford lot feasibility (next slide)



Bedford Lot Recommendations

Task 1 – Financial Environment and Economic Options

- Define current demand from Millyard users
- Define latent demand from Millyard users
- Establish financial model to assess existing revenue sensitivity to cannibalization
- Define financing options
- Explore optional revenue generators
- Define Risks
- Present Findings – GO/NO GO

Task 2 – Functional Design and Definition of Physical Options

- Identify Site, Engineering and Regulatory Constraints
- Review Previous Work
- Define garage layout and capacity
- Define ancillary/complementary uses or pads
- Conceptual Capital Cost Estimate
- Present Findings – GO/NO GO

Questions

2012 Parking
Study Update
DRAFT

City of Manchester

Lansing Melbourne Group, LLC

Table for reference only

Manchester Parking Recommendations Matrix
Status Update
Summer 2012

No.	Summary	Status						
		Complete	Not Implemented	No Opportunity	Approach Made	Deputing	No Approval	Public Assessment
1	Reorganization to be managed by Finance	X						
2	Hire a Parking Manager	X						
3	Retain a consultant to implement		X					
4	Increase Vehicle Registration Fees	X						
5.1	Reduce parking for structures v lots			X				
5.2	Density bonus for structures v lots			X				
5.3	Encourage Mixed Use			X				
5.4	TIF for parking			X				
5.5	Consider sale leaseback			X				
6	Adopt Parking Organization	X						
7.1	Future lease strategies	X						
7.2	Keep commitments focused on long term					X		
7.3	Keep tactical issues within parking Dept					X		
7.4	Keep ownership as the goal			X				
7.5	Keep large blocks uncommitted	X						
7.6	Keep leases short to respond to market	X						
7.7	Intergovernmental rate schedules			X				
8	Assess Wall Street lease spaces need	X						
9	Self Supporting Policy		X					
10	Target occupancies	X						
11	Action items Table 23	X						
12	Re-legate enforcement to implementation	X						
13	Standardize enforcement				X			
14	Feasibility of private operator		X					
15	Forgiveness tickets		X					
16	Stop long term permits		X					
17	Real time permits		X					
18	New residential permit policy				X			
19	Residential permit language				X			
20	Residential Parking Zones				X			
21	Fee structure				X			
22	Parking Planning Review			X				
23	Moratorium on permits in high demand lots			X				
24	No Permit Parking on street	X						
25	Valet Policy					X		
26	Replace meters					X		
27	New Technology					X		
28	Sale of CH	X						
29	RFQ for MXD at Arena			X				
30	Granite St Lot sale	X						
31	Saal Tanning lot sale	X						
32	Bedford Lot Plan						X	
33	Remote parking shuttle						X	
34	Development criteria for parking			X				
35	Use shared parking methodology			X				
36	Evaluate new development with PMP			X				
37	Linear Street Lots		X					
38	Arms Street Lot control		X					
39	Add tech to meters				X			

