

Portsmouth City Council

A Public-Private
Partnership to
Construct a 600 +/-
Space Public Parking
Garage Structure and
Liner Building at 165
Deer Street

February 5th, 2015

A Report and
Recommendation Developed
by the Economic
Development Commission and
the City Manager



Project Overview

- Project Chronology – City Manager
- EDC Sub-Committee – Mission, Evaluation Criteria and Site Selection.
- Conceptual Level Planning and Design – Visioning, Program, Site Planning and Preliminary Building Design.
- Deer Street Associates – Kim Rogers
- Cost – Pro Forma – Land Acquisition, Soft and Hard Costs.
- LOI – Letter of Intent highlights
- Next Steps & Timeline – Letter of Intent, Site Analysis, Development Agreement and Financial Analysis.



Chronology of 2nd Municipal Downtown Parking Garage

2002 - Jul	City hires consulting team to conduct feasibility study of a second Parking Garage at Worth Lot
2003	Feasibility study, stakeholder meetings and due diligence completed. Study identified 3 garage alternatives for the Worth Lot
2004	City Council reviews alternatives – tables project for two years in favor of public/private partnership in Northern Tier
2004-2007	City enters agreement with Harborside Associates and authorizes a \$12M bond for 700+/- space garage. Proposal fails due to a legal challenge based on public benefit
2007-2009	City enters into partnership with Portwalk and authorizes a bond to construct 2 stories of underground parking. Project not pursued due to economic downturn
2010	City enters into interim lease for public surface parking at Portwalk

Chronology of 2nd Municipal Downtown Parking Garage

2011 - May	City Council work session and public hearing concerning focus group report that recommended a 2 nd parking garage at Worth Lot
2011 – Jun	City Council requests parking supply, demand and utilization study before decision on Worth Lot
2012 - Aug	City Council establishes Parking Garage Site Selection Committee for analysis of downtown sites for 2 nd parking garage
2012 - Oct	Parking Garage Site Selection Committee reports Worth Lot as preferred alternative
2012 - Dec	City Council votes to discontinue further discussion on Worth Lot as preferred alternative. Portwalk interim surface lot agreement ends
2014 - Jan	City Council requested EDC evaluate downtown locations excluding the Worth Lot and Parrott Ave. Lot for a 2 nd downtown parking garage

EDC Sub-Committee's Charge

... To evaluate and identify a suitable location within the downtown for a new municipal parking structure that will support existing and future parking demand.



Sub-Committee Actions

1. Reviewed the 2011 Nelson-Nygaard, Parking Supply and Demand Report and the 2012 Parking Garage Site Selection Committee Report.
2. Identified and evaluated over 20 public- and privately-owned parcels that might support a municipal parking structure.
3. Reduced the list of potentially suitable sites using general criteria then refined the list using the evaluation criteria from the 2012 study.
4. Contacted the property owners of the short-listed sites to explore interest.
5. Developed a conceptual site plan for a municipal parking garage, evaluated the zoning regulations, and a work plan for next steps.

Adverse Impacts of Parking Shortage to the Vitality of Downtown Portsmouth

1. Need for convenient, appropriately priced parking is key to retail, restaurant and the office markets.
2. Customers and visitors become disgruntled and will go elsewhere.
3. Developers become reluctant to invest in the CBD.
4. Business attraction/retention efforts are challenged.
5. Tax base threatened with significant opportunity costs.

Recommendation

To evaluate the feasibility of developing a private-public partnership for construction of a 600 +/- space municipal parking structure at 165 Deer Street.

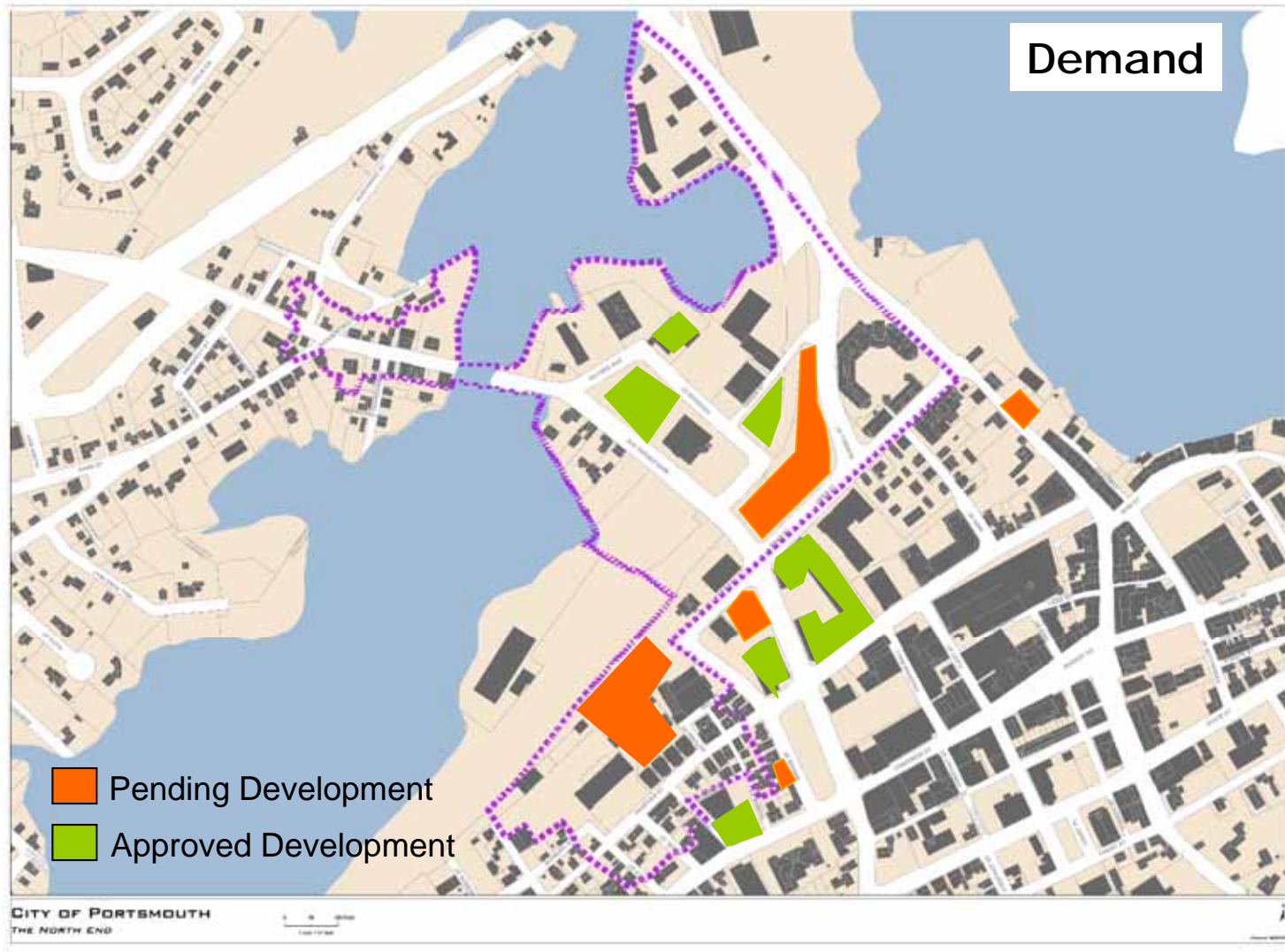


The Parking Challenge

“By the summer of 2013 downtown Portsmouth will have a deficit of approximately 300 public parking spaces at peak hours. With modest ongoing development, this deficit is estimated to grow to 650 spaces by 2020. There is thus a need to identify sites that can feasibly be used to create at least 300 net new spaces in the short term (within 2-3 years) as well as another 350 spaces in the longer term (within 5-10 years).”

- October 2012 Parking Garage Site Selection Committee Report

Parking Demand & Supply Challenges



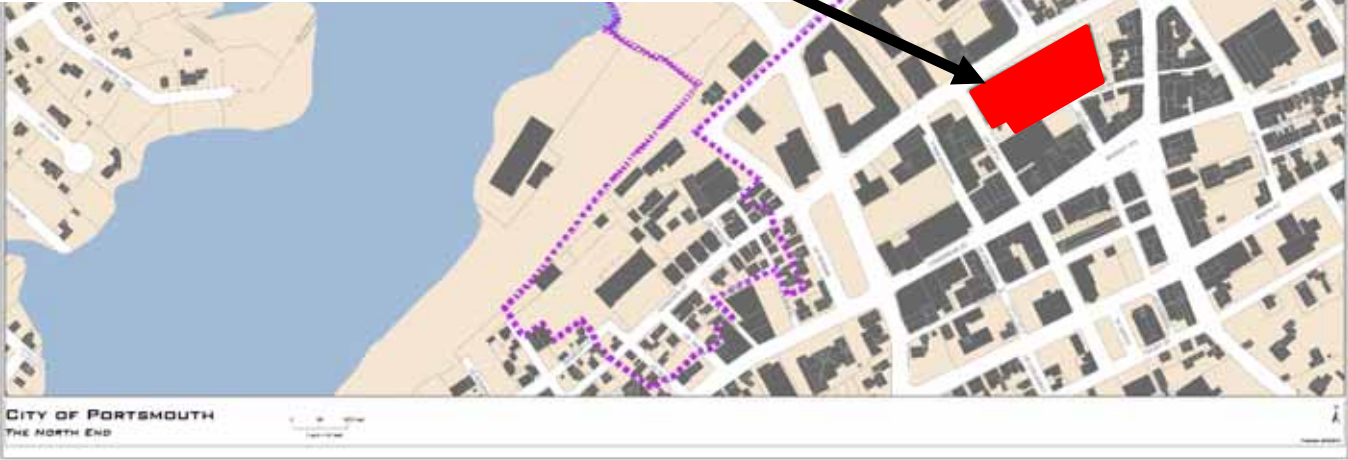
Parking Demand & Supply Challenges

High-Hanover Parking Garage Closures

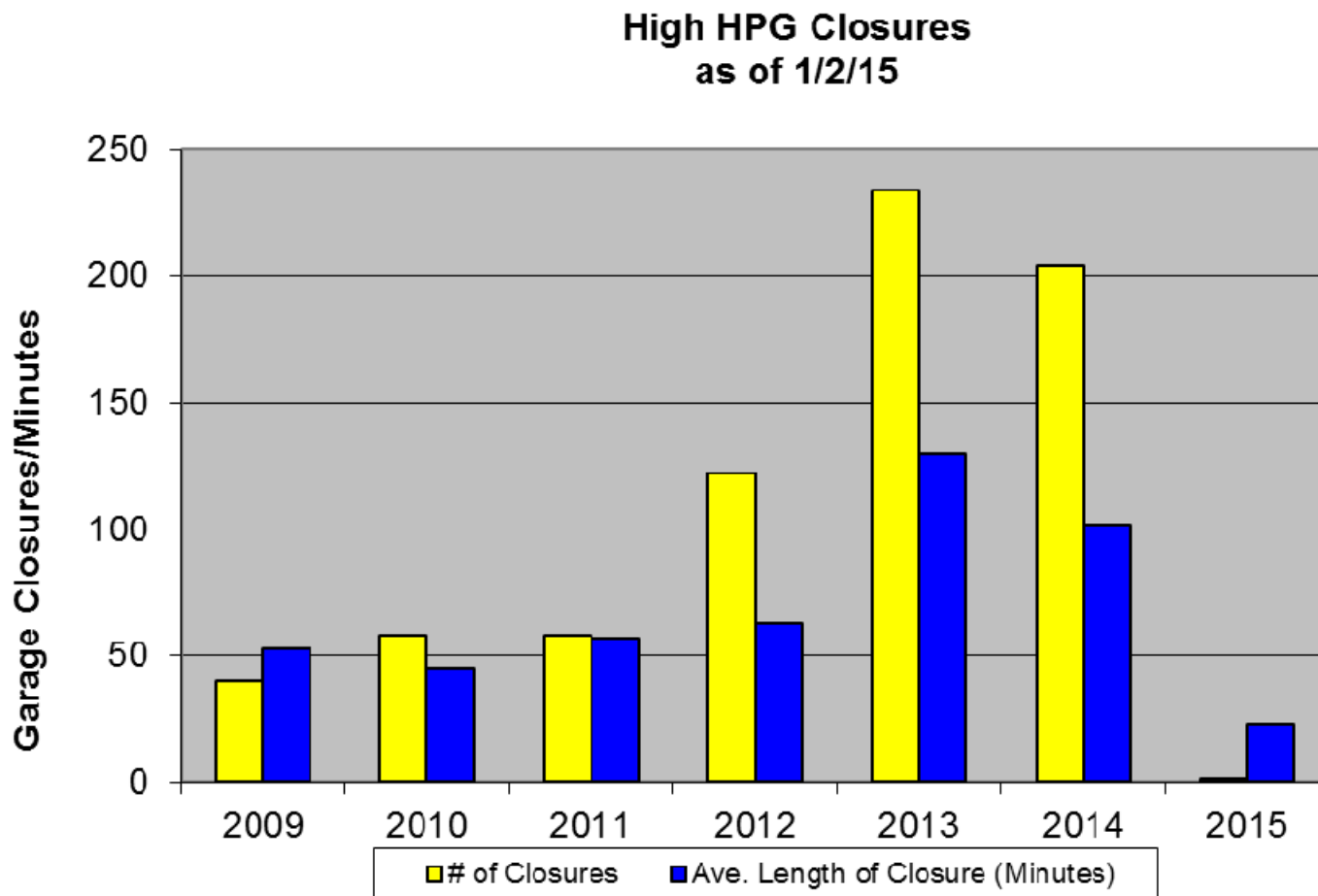
Year	# of Closures	Ave. Length of Closure (Minutes)
2009	40	53
2010	58	45
2011	58	57
2012	122	63
2013	234	130
2014	204	102



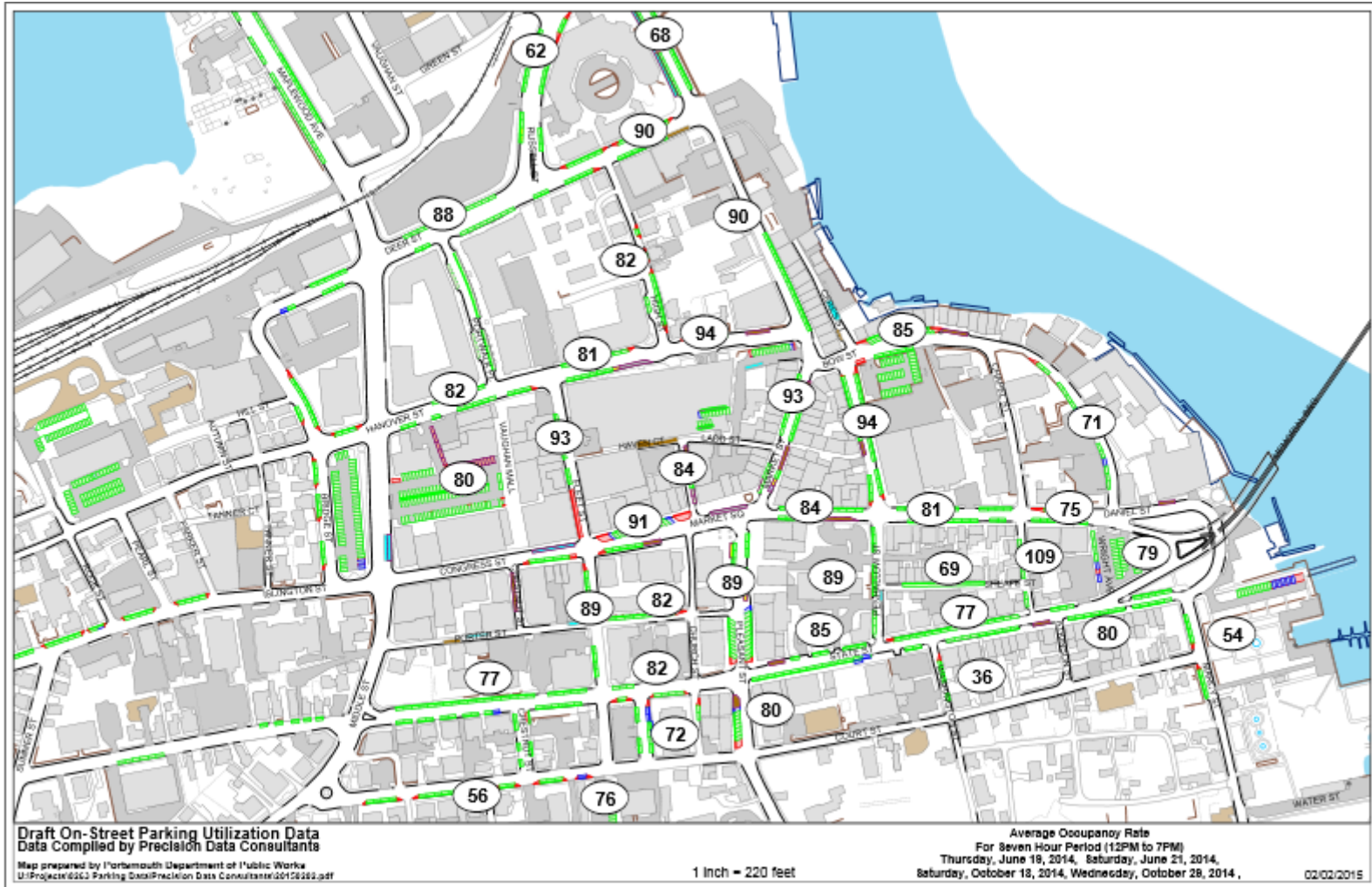
****2014 Closure Percent: Weekend 46% / Weekday 54%**
For comparative purposes, in 2013 there were 234 closures thru 12/31/13



Parking Demand & Supply Challenges



Downtown On-Street Parking Utilization Figures



Maintenance and Repair Needs to the High-Hanover Parking Garage

Impact of Repairs on the Available Parking:

1. Water penetration - waterproofing
2. Concrete wearing course - strip-patching
3. Masonry and steel - flashing, pointing and repair
4. Construction Phasing - 3 yrs. (300 spaces/ year)



Wait-List for Monthly Parking at the High-Hanover Parking Garage

- There are currently 750 reserved monthly parking tenants in the garage
- Their daily average utilization rate is 30%
- Over 100 people are on the waitlist for reserved monthly parking at the garage with an average of a 7 month wait.



Parking Omnibus Recommendations

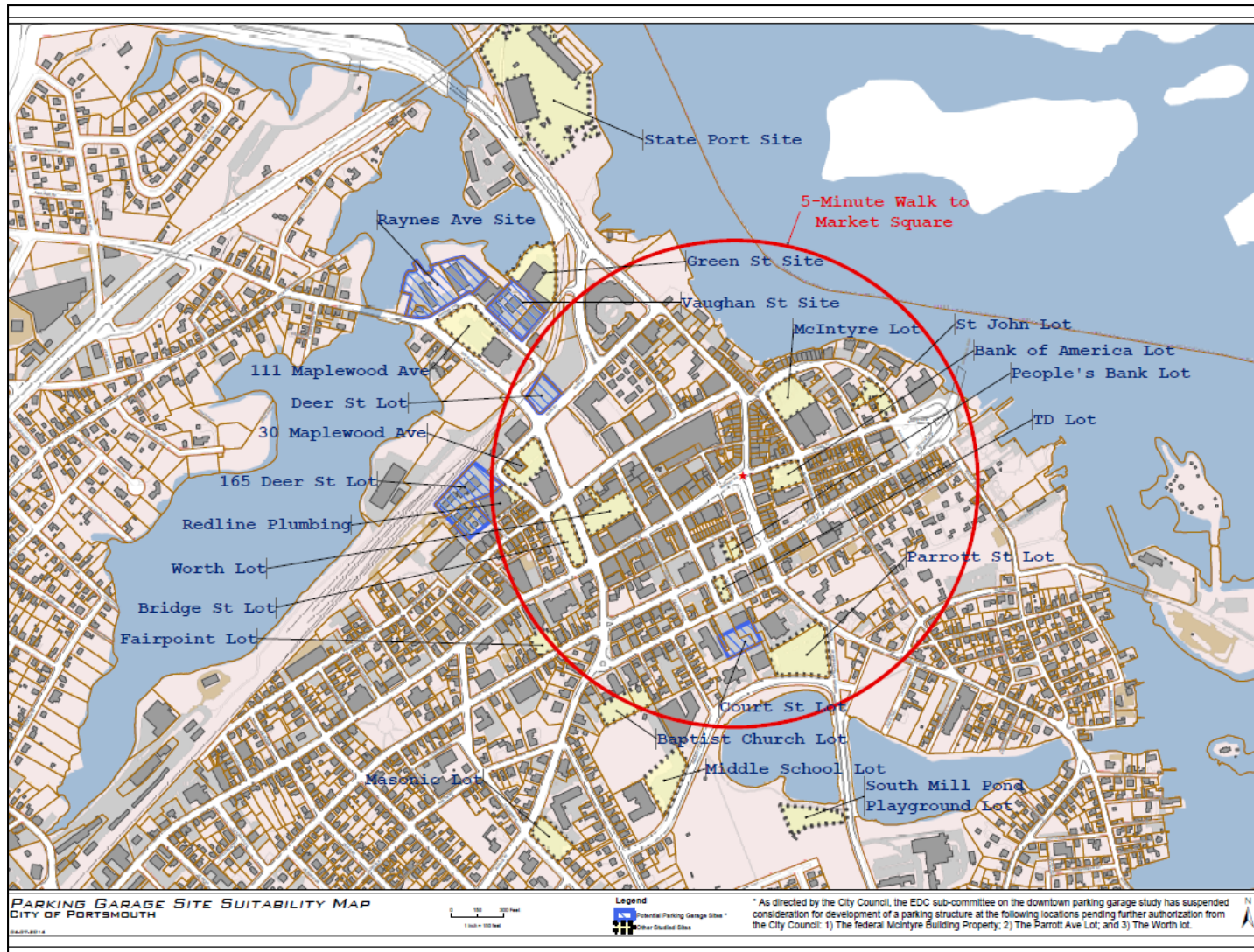
The three-legged stool

PARKING OMNIBUS RECOMMENDATIONS ONLY PARTIALLY IMPLEMENTED

- Downtown zoning parking requirements were eliminated for most commercial uses.
- On-street hours were extended, parking rates raised, and enforcement expanded without construction of a second public parking garage as recommended.
- The supply of new parking downtown by 300-350 net new spaces has not been implemented.



Potential Parking Garage Locations in Downtown Portsmouth



Evaluation Criteria

1. Proximity to Market Square
2. Proximity to recent or proposed economic development
3. Potential for multi-modal transportation facilities
4. Potential to support economic development or capital improvements
5. Improve pedestrian & vehicular traffic Impacts, access & circulation
6. Availability of site (ownership & interest)
7. Minimize the level of complexity
8. Visual impacts and ability to screen garage with multi-story liner buildings
9. Estimated net gain of public parking spaces
10. Minimize construction costs per new parking space

Site Rankings

		165 Deer Street	225 & 299 Vaughan St.	Bridge Street Lot	Masonic Lot	Deer Street*	McIntyre Lot	Court Street
1	Proximity to Market Square	2	1.5	3.5	1.5	3	4.75	4
2	Proximity to recent or proposed economic development	4.5	2.5	4.25	1.5	5	3.75	2.5
3	Potential for multi-modal transportation facilities	4	2.5	3.5	3	4.25	3.25	3.5
4	Potential to support economic development or capital improvements	4.5	2	1.5	1	4	5	2.25
5	Improve pedestrian & vehicular traffic Impacts, access & circulation	7	5	1.5	5.25	8.25	7.5	6
6	Availability of site (ownership & interest)	10	5	10	3	3.67	3	2
7	Minimize the level of complexity	9	7.5	5.25	3.75	6	8.75	3.25
8	Visual impacts and ability to screen garage with multi-story liner buildings	13	10	2	6.25	8.5	13	12.25
9	Estimated net gain of public parking spaces	15	12.5	4	6	15	14.5	9
10	Minimize construction costs per new parking space	16	15	11.25	11	17	18.75	11.75
TOTAL SCORE		85	63.5	46.75	42.25	74.67	82.25	56.5
RANKING		1	4	6	7	3	2	5

Preferred Site -165 Deer Street



Neighborhood Context

165 Deer Street



North End Vision Plan



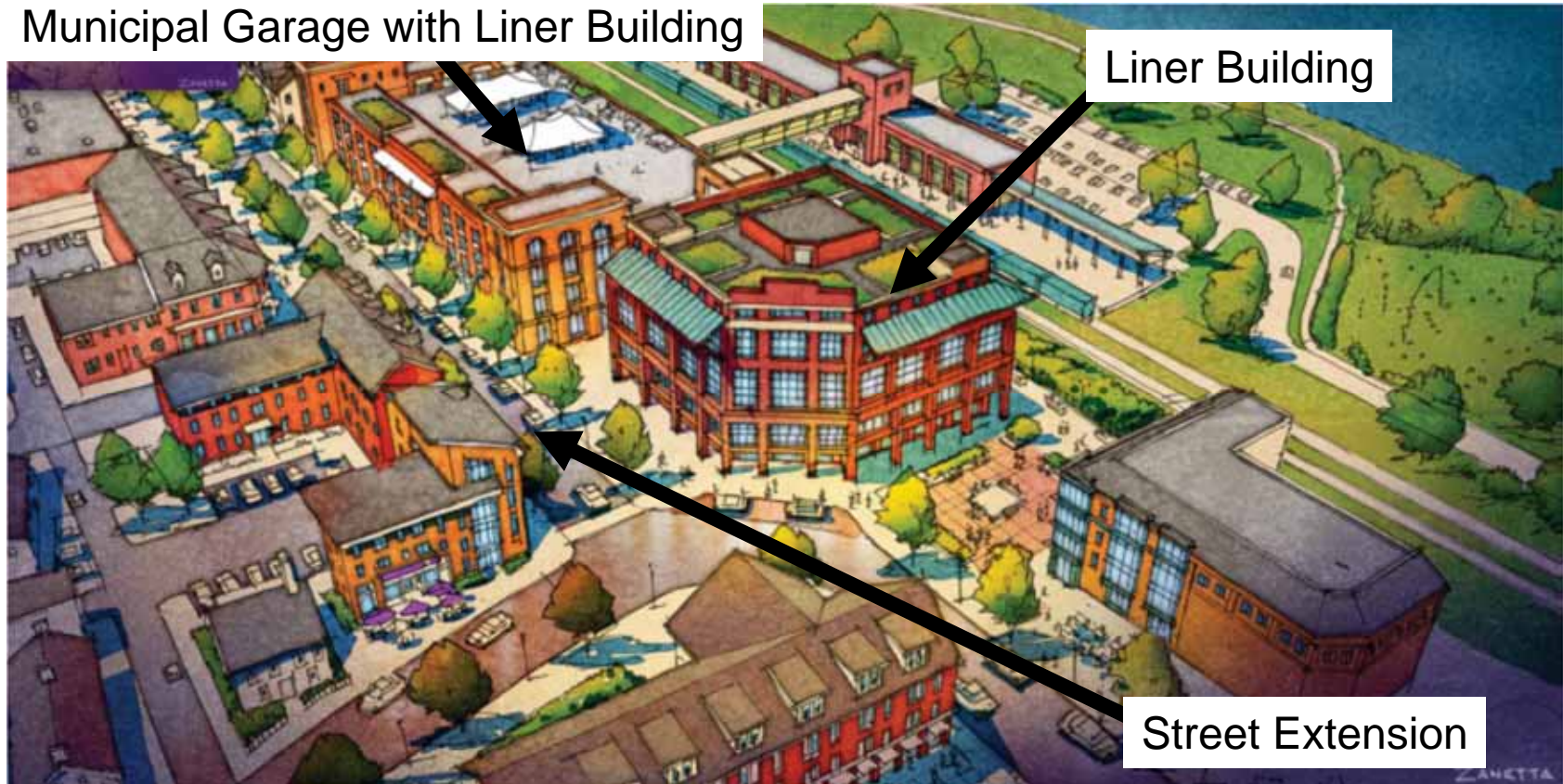
North End Vision Plan



North End Vision Plan

Municipal Garage with Liner Building

Liner Building



Street Extension

Walkability Elements

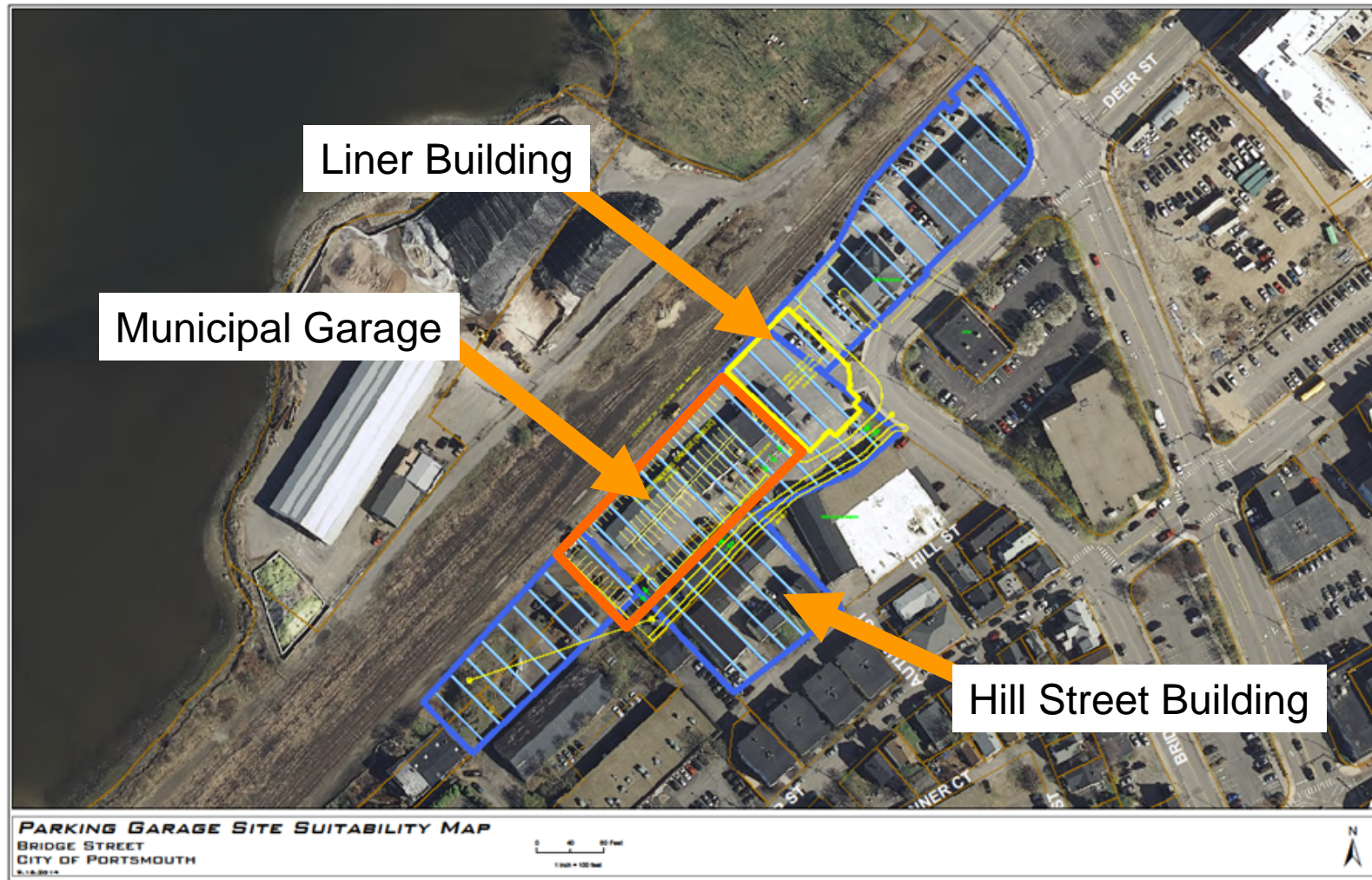
1. Linear Buildings to Screen Parking
2. Wide Sidewalks & Street Furniture
3. Bicycle Accommodation
4. Active Ground-Floor Uses
5. Active and Passive Civic Spaces



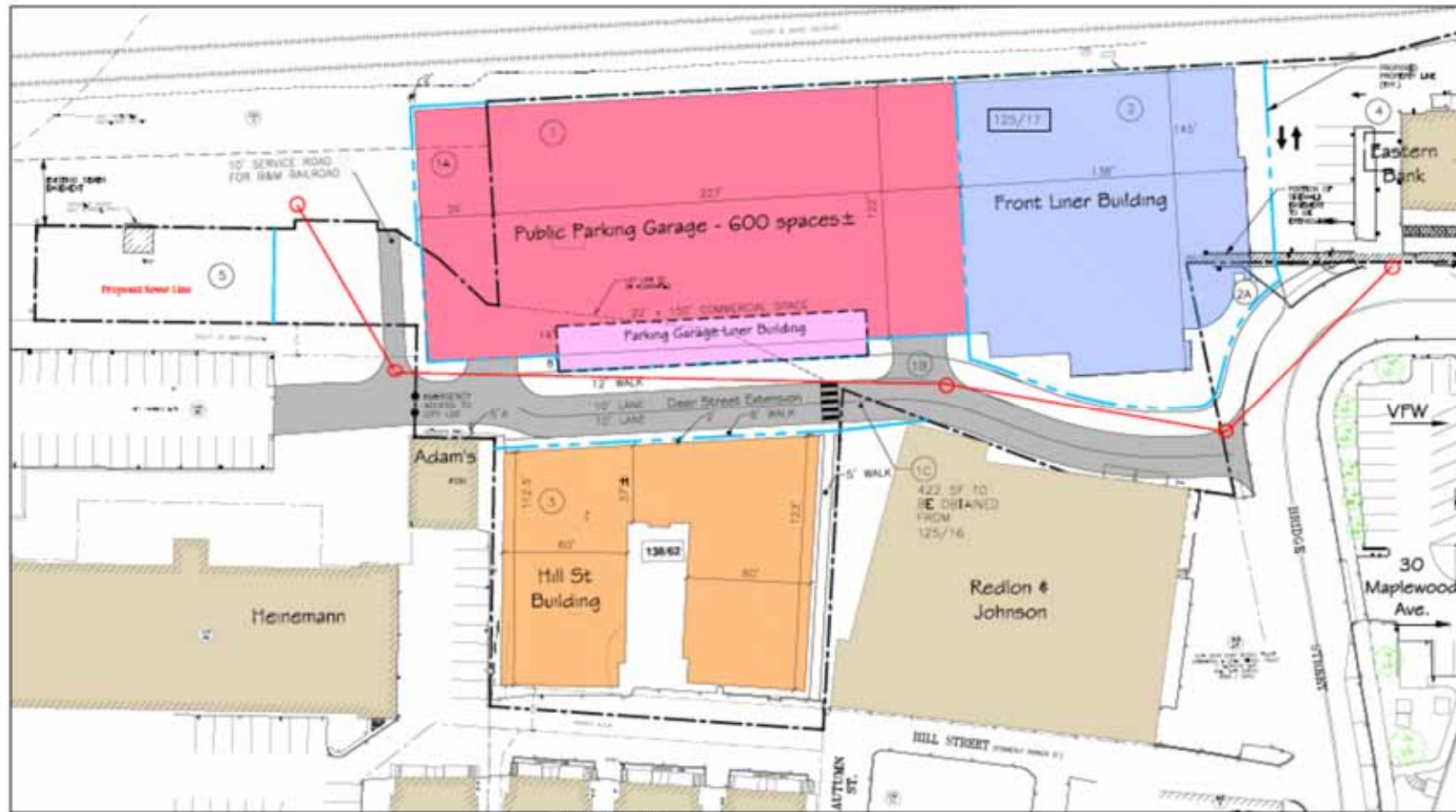
Existing Conditions



Conceptual Building & Site Plan



Conceptual Level Site Plan



Preliminary Garage Layout

DEER STREET PARKING GARAGE
Portsmouth, NH



DRAFT

CONCEPT 1
PARKING GARAGE
WITH RETAIL /
COMMERCIAL
SPACE

S-2



600+/- Space, 6 Story/7 Level, 57 Foot Municipal Garage with 3,000 SF Commercial Space



GL ROGERS & COMPANY

Who we are...

Deer Street Associates (DSA) is a NH partnership that has owned property on Deer Street in Portsmouth since 1984.

DSA holds and operates commercial property and provides a return to its partners from the operations of that real estate.



GLRC is a commercial property management company representing ownership. We are not real estate brokers.



GL Rogers and Company Team

Kim Rogers- President & Portsmouth Resident
Board President of the Workforce Housing Coalition of
the Greater Seacoast

Holly Malloy- Vice President & Local Resident
Trustee of Berwick Academy and
The R. Thompson Endowment Trust of Portsmouth

Ania Rogers– Quality Director & Project Manager

Denis Robinson- Local Attorney @ Pierce Atwood in
Portsmouth

Bob Marchewka- Broker and Portsmouth Resident



What we care about

- Walkability and green space
- Creating a sense of place
- Connecting to Rock Street Park
- Creating a destination place with infrastructure and services
- Cultural venues or spectacular public spaces that bring diversity to the Northern Tier
- Creating a place we want to live, work and play in

Inspirations

- OBVIOUS NEED FOR ADDITIONAL PARKING
- Fresh approach - diversifying architecture
- North-end Charrette 2014; Workforce Housing Charrette 2012
- Mix of old world & new world planning
- Inside and outside spaces with creative landscaping and art
- Public art and gathering space
- Bright North-end future: 3S Art Space; Future off North Mill Pond; Whole Foods and Conference Center; possible future Workforce Housing Development
- WALKABILITY concepts

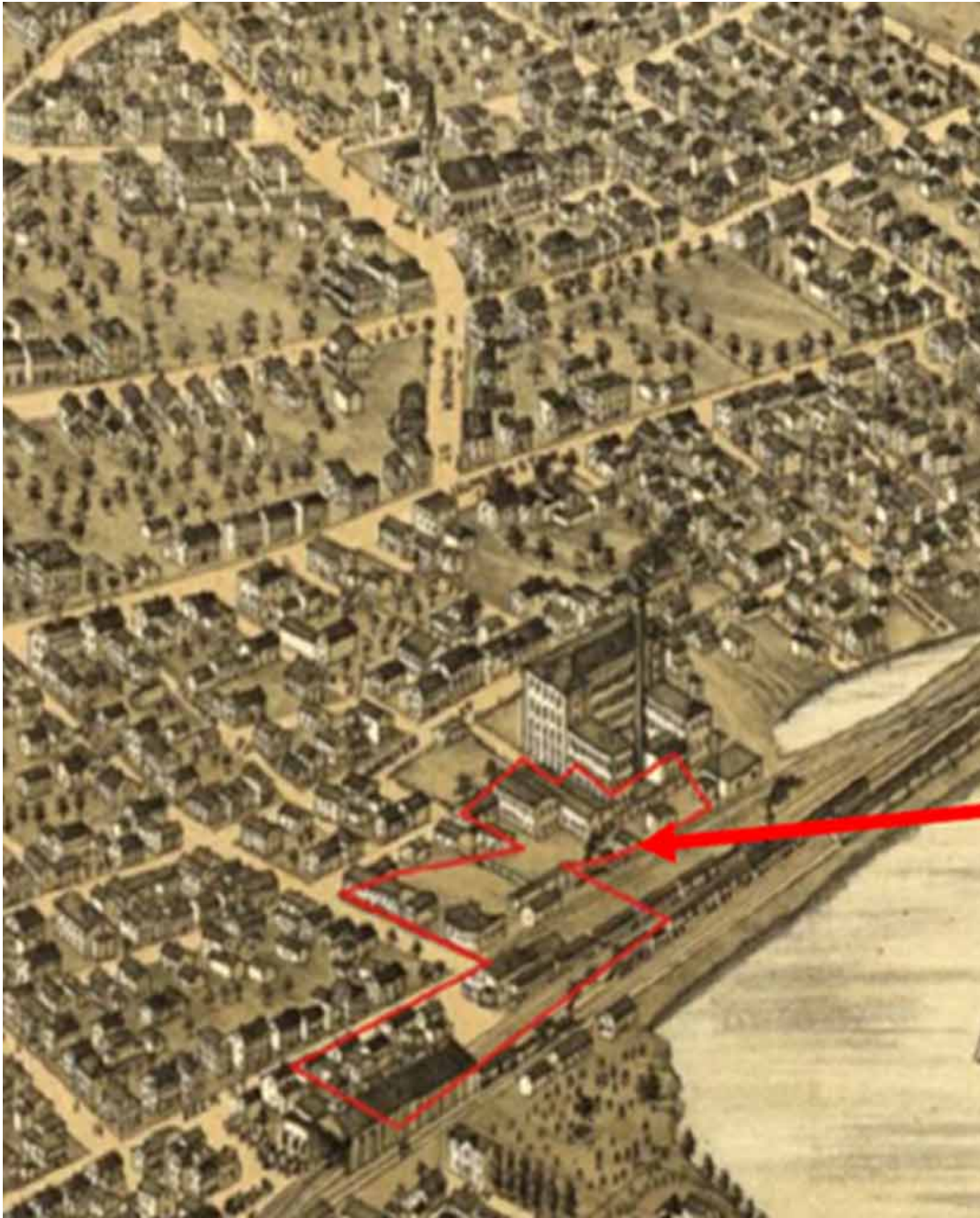
Continuous Community Improvement

- GLRC is participating and brain storming with the community and North-end Property owners to build on the charrette vision for the neighborhood including 3S Art Space; Steve Kelm and SOMMA Studios; Harbor Corp and CJ Architects.
- We provided financial support to the Portsmouth African Burying Ground – in honor of those forgotten.
- We support and advocate for Workforce Housing in Portsmouth and the Seacoast Area.

Project History



- DSA and Kim Rogers begin conversations with City staff in April 2013.
- Later in 2013, DSA signs a purchase agreement for adjacent property on Hill Street – necessary to site a public garage in the project. DSA acquires that parcel early in 2014.
- DSA and GLRC are not land speculators. *Philosophically*, we are committed to *long-term ownership of property*. Our decision to sell land to the City (vs. lease) was based on the greater benefit to the community that we live and work in. Our mission is to positively impact future of the North End neighborhood.



THE PORTSMOUTH STEAM FACTORY, CIRCA 1870. The Portsmouth Steam Factory, constructed in the 1840s, was located on Hill Street opposite Pearl Street. The factory employed nearly four hundred individuals in the manufacture of cotton fabrics. In 1866 it was reorganized as the Kearsarge Mills and in 1880 a disastrous fire nearly destroyed the building. In the 1890s it was converted into the Portsmouth Machine Company with an iron foundry. Today the

**PROJECT
AREA**

Current Neighborhood – Gary's Beverages, plumbing supply, bank, rail yard, and salt piles





Walkability

Creating Sense of place and connecting neighborhoods

Civic Values:

- 600 space Municipal Garage with commercial liner space at ground level
- Connection to Rock Street Park – a hidden gem
- Front Liner Building with commercial space
- Hill Street Building with commercial and residential space

Safety and pedestrian friendliness:

- Green space
- Open Space
- Wide sidewalks
- Lighting
- Family friendly
- Bicycle friendly

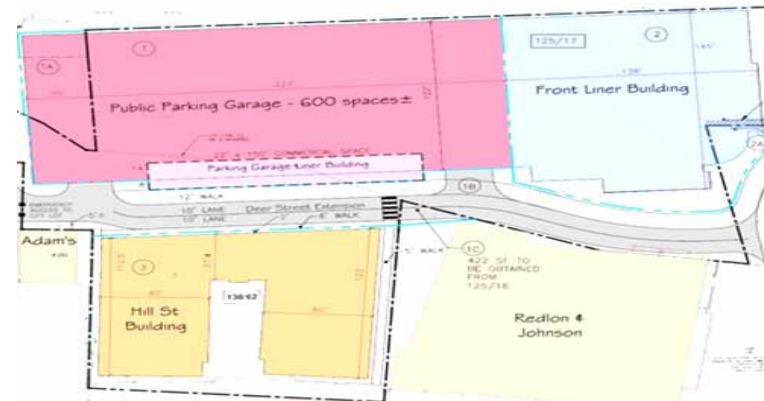


Bringing together north-end property owners to create a cohesive pedestrian friendly neighborhood that will become a destination in Portsmouth and the region.

Civic Space— Pedestrian Connection to Rock Street Park



Enhancing the Neighborhood



- Screening the view
- Noise Protection
- Destination point with pedestrian level commercial space
- Safety
- Increasing neighborhood property values

Providing for Displaced Tenants

- Gary's Beverages – Relocating to Route 1 Bypass north bound (former Mama D's location) while maintaining a smaller presence at Deer Street.
- Pan Am Railroad office – Relocating to the Parking Garage structure.
- “Scoot Me Now” (Scooter Rentals)– Relocating in the project

Local Project Team

Altus Engineering - civil engineering

Ambit Engineering - survey and site plans

GeoInsight – geotechnical

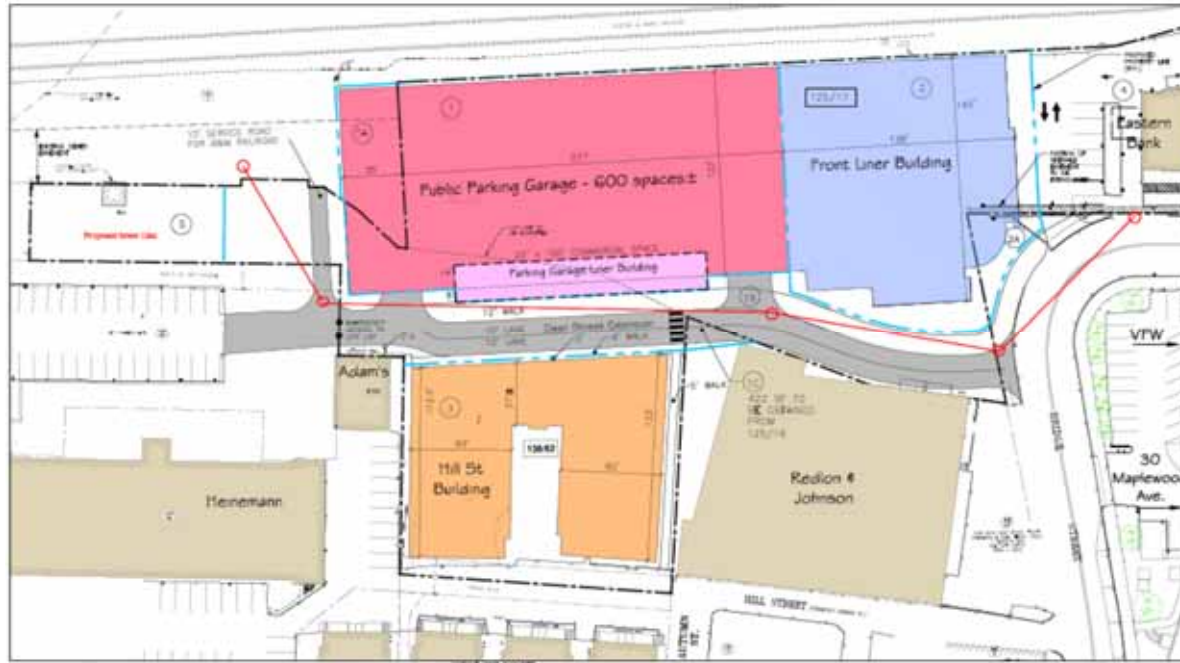
JSA Architects – building design

Monadnock - archeological consulting

One Commercial Real Estate – broker services

Pierce Atwood LLP – legal services

How Do We Pay for the Garage?



Pro Forma - 600 Space Deer Street New Parking Facility

A 600 Spaces

B Soft Costs \$5,120,000

C Construction Costs \$18,000,000 (\$30,000 per space)

D Total Cost to be Bonded \$23,120,000

E Total Annual expenditures include:

Bond repayment to include interest and principal

Bond issuance cost (first year only)

Facility operating costs using High Hanover per space costs of \$400 with minimal FTE's

Pro Forma - 600 Space Deer Street New Parking Facility

FACTS:

High Hanover Parking Facility -

877 Paying Spaces (18 reserved for Handicap and 8 for employees: 903 total)

PASS HOLDERS:

- Currently 750 passes (390-12 Hr and 360-24 Hr) issued with a waiting list of 100

TRANSIENT USAGE:

- On average, available spaces for hourly usage are utilized approximately 60% of time during 14 hour period (8am to 10pm)

Pro Forma - 600 Space Deer Street New Parking Facility

Deer Street New Parking Facility of 600 spaces

F Pass Holders:

- Move 300 pass holders (50 on waiting list and 250 issued passes) from the High Hanover Parking Facility to Deer Street facility
- Charge reduced pass rates \$100 - 12 hr pass \$125 - 24 hr pass

G Transients:

- Remaining 300 spaces project using 40% of available time 8am - 10pm (14 hrs)
Note: High Hanover utilization rate is approximately 60% during same time period
- Charge current High Hanover hourly rate \$1.00 per hour

Pro Forma - 600 Space Deer Street New Parking Facility

High Hanover Parking Facility

H Pass Holders:

- Increase rate for remaining 500 pass holders

	Monthly Rate	
	Current:	Increase in 2017 to:
24 hr	\$135	\$175
12 hr	\$110	\$150

High Hanover Parking Facility

I Transients:

- Increase High Hanover hourly rate from \$1.00 per hour to \$1.25
- Utilize the spaces freed up from moving 250 pass holders to New Parking Facility
- Calculate the usage using only 150 of freed spaces at 60% of available time
8am - 10pm (14 hrs)

Pro Forma - 600 Space Deer Street New Parking Facility

J On Street Meter Rates

	# of Spaces	Hourly rate: Current	Increase to: 2017
High Occupancy Spaces	157	\$1.50	\$2.00
Non High Occupancy Spaces	668	\$1.00	\$1.50
	<hr/> 825		

Pro Forma - 600 Space Deer Street New Parking Facility

RATE SUMMARY

	Current Rates	Suggested FY 2017 Rates
<u>Deer Street New Parking Facility</u>		
Transient Hourly	N/A	\$1.00
Pass Holders		
12 Hr Monthly	N/A	\$100
24 Hr Monthly	N/A	\$125
<u>High Hanover Parking Facility</u>		
Transient Hourly	\$1.00	\$1.25
Pass Holders		
12 Hr Monthly	\$110	\$150
24 Hr Monthly	\$135	\$175
<u>Parking Meters (825 metered spaces)</u>		
High Occupancy Spaces (157) Hourly	\$1.50	\$2.00
Non High Occupancy Spaces (668) Hourly	\$1.00	\$1.50

Pro Forma - 600 Space Deer Street New Parking Facility

Total Bonding
\$23,120,000

<u>Expenditures</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Bond Payment (Principal & Interest)	\$1,965,200	\$1,924,740	\$1,884,280	\$1,843,820	\$1,803,360
Bond Issuance Costs	\$115,000				
Total Bonding Expenditures	\$2,080,200	\$1,924,740	\$1,884,280	\$1,843,820	\$1,803,360
Operating Cost					
\$400 per space per year	\$240,000	\$244,800	\$249,696	\$254,690	\$259,784
(Increase 2% per for inflation)					
E Total Expenditures	\$2,320,200	\$2,169,540	\$2,133,976	\$2,098,510	\$2,063,144

Pro Forma - 600 Space Deer Street New Parking Facility

<u>Revenue</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Deer Street New Parking Facility					
F Pass Holders:					
(150 spaces 12 hr @ \$100 per Month and 150 spaces 24 hr @ \$125 per month)					
300 Total Passes	\$405,000	\$405,000	\$405,000	\$405,000	\$405,000
G Transient Payers:					
(300 spaces, 365 days, 14 hrs \$1.00 per hour, 40% capacity)					
	\$613,200	\$613,200	\$613,200	\$613,200	\$613,200
Total Deer Street Facility Revenue	\$1,018,200	\$1,018,200	\$1,018,200	\$1,018,200	\$1,018,200

Pro Forma - 600 Space Deer Street New Parking Facility

<u>Revenue</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
High Hanover Parking Facility					
H Increase Pass rates at High Hanover only (250 spaces 12 hr @ \$150 per Month (from \$110) and 250 spaces 24 hr @ \$175 per month (from \$135))	\$240,000	\$240,000	\$240,000	\$240,000	\$240,000
I Estimated Increase in Transient Revenue Increase use of 150 spaces for transient payers (150 spaces, 365, 14 hrs \$1.25 per hour, 60% capacity)	\$574,875	\$574,875	\$574,875	\$574,875	\$574,875
Total High Hanover New Revenue	\$814,875	\$814,875	\$814,875	\$814,875	\$814,875

Pro Forma - 600 Space Deer Street New Parking Facility

J Meters	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Increase Per Hr Rates to \$1.50 and \$2.00 (Currently \$1.00 and \$1.50)	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000

Pro Forma-600 Space Deer St. Parking Facility

Total Bonding
\$23,120,000

Summary	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Deer Street New Parking Facility					
E Total Expenditure	\$2,320,200	\$2,169,540	\$2,133,976	\$2,098,510	\$2,063,144
Deer Street New Parking Facility					
F+G Total Revenue	\$1,018,200	\$1,018,200	\$1,018,200	\$1,018,200	\$1,018,200
High Hanover Parking Facility					
H+I Total New Revenue	\$814,875	\$814,875	\$814,875	\$814,875	\$814,875
Parking Meters					
J Total New Revenue	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000
Total Revenue	\$2,623,075	\$2,623,075	\$2,623,075	\$2,623,075	\$2,623,075
Total Income(Loss) from Parking Changes	\$302,875	\$453,535	\$489,099	\$524,565	\$559,931

Note: All Surplus income will be recorded in the General Fund

Parking Revenue Past-Present-Future

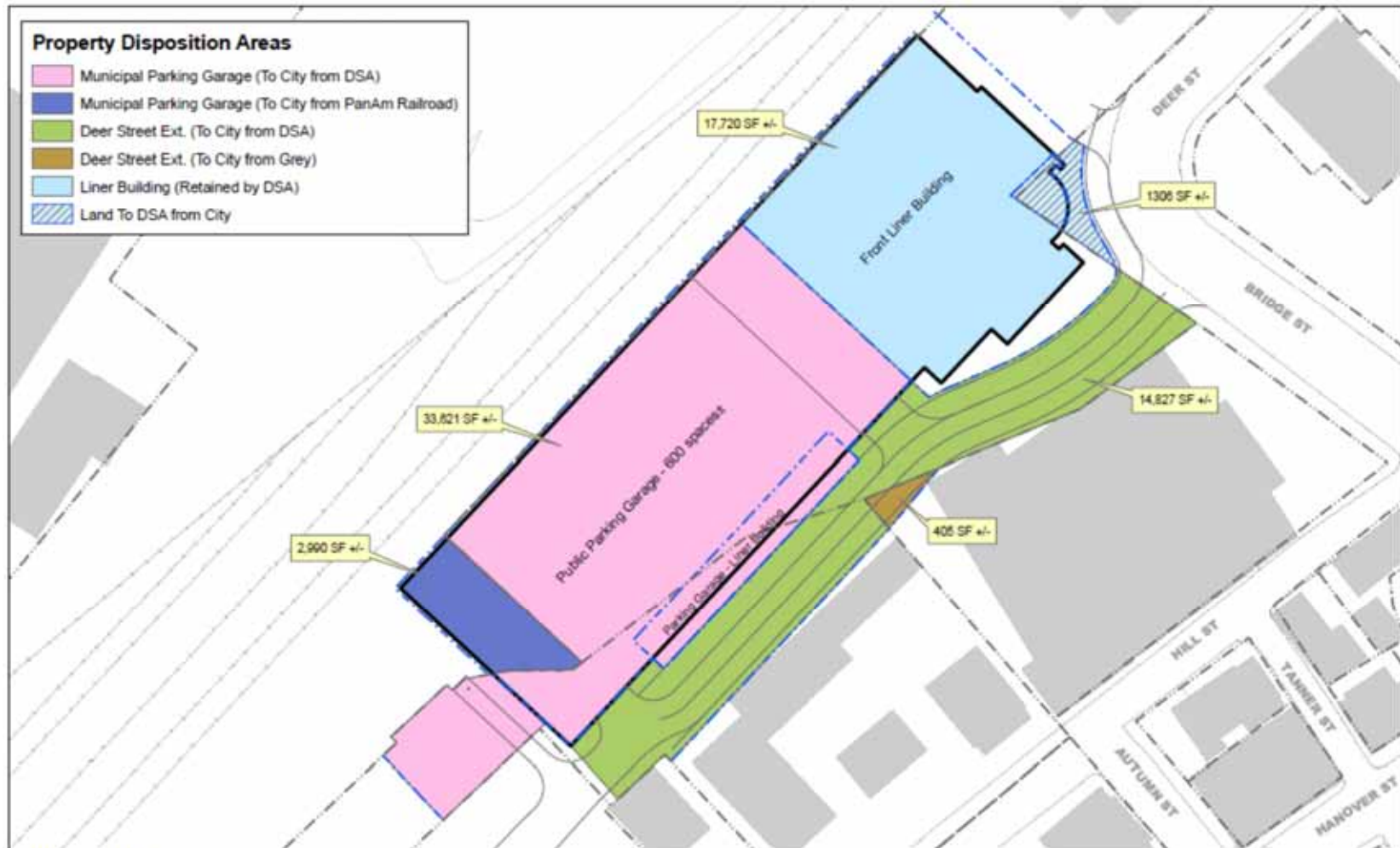
Parking Revenue	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11
	Actual	Actual	Actual	Actual	Actual	Actual
Total Parking Revenue	3,895,014	3,800,518	3,692,135	3,755,038	3,775,139	3,842,650
Total To Parking Transportation Fund	1,793,787	1,890,577	2,114,959	2,429,489	2,246,686	2,291,724
Total To General Fund	2,101,227	1,909,941	1,577,176	1,325,549	1,528,453	1,550,926

Parking Revenue	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
	Actual	Actual	Actual	Budgeted	Estimated	Estimated
Total Parking Revenue	4,292,388	4,554,963	4,987,095	5,459,500	5,459,500	8,082,575
Total To Parking Transportation Fund	2,342,683	2,601,462	2,659,858	3,047,195	3,047,195	5,367,395
Total To General Fund	1,949,705	1,953,501	2,327,237	2,412,305	2,412,305	2,715,180

Letter of Intent (LOI)

- Non-Binding Agreement between the City and Deer Street Associates
- Creates framework for future Purchase and Sale agreement
 - Outlines general parcel including:
 - 600 +/- space Municipal Parking Garage
 - Layout of new City Street – Deer St Extension
 - Land required from Pan Am and Redlon & Johnson parcels
 - Relocation of City Sewer line
 - Redevelopment of separate Hill Street Parcel by DSA
 - Inclusion of 400 sf agency office in Garage
 - Includes exhibit showing above information
 - Establishes Purchase Price for property transfers

Disposition Plan



Municipal Parking Garage Project
165 Deer Street - Property Disposition Plan

Next Steps

A. Letter of Intent (Non-Binding) – Completed Feb. 2015

B. Site Analysis – (Ongoing)

- Environmental Assessment
- Geotechnical Study
- Preliminary Garage Design & Circulation Study
- Initial Opinion of Costs

C. Financial Analysis (Ongoing)

- Programming
- Refine Revenue Projections

D. Bonding Authorization (March, 2015)

E. Development Agreement (April, 2015)

- Property Transfer Agreement
- Infrastructure Agreements
- Design and Permitting Costs

F. Building Construction

- Tentatively starting in 2016 & completed in 2017



Questions & Comments

A Public-Private Partnership to Construct a 600 +/- Space Public Parking Garage Structure and Liner Building at 165 Deer Street

February 5th, 2015
A Report and Recommendation Developed by the Economic Development Commission and the City Manager

