

# Portsmouth City Council

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

May 4<sup>th</sup>, 2015

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



# Project Overview

1. **EDC Subcommittee Activities**
2. **Preliminary Level Planning and Design**
  1. The North End Vision
  2. Disposition Plan
  3. Walkability and Bicycle features
  4. Civic Space
3. **Pro-forma**
4. **Next Steps & Timeline**
  1. Development Agreement
  2. Bond Authorization
  3. Design and Permitting
  4. Construction
5. **Economic Analysis Appendix**
  1. Direct and external impacts



# 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.

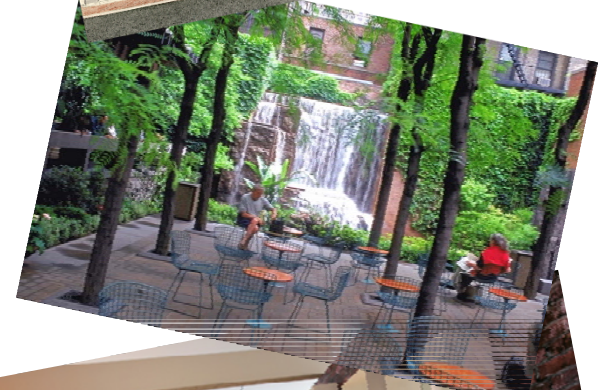
# Recommendation

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



# Project Overview

- The North End Vision Plan
- Civic Space
- Micro-Apartments



# North End Vision Plan



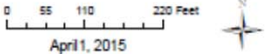
- Liner Buildings
- Civic Space
- Micro-Apartments



# Location Plan

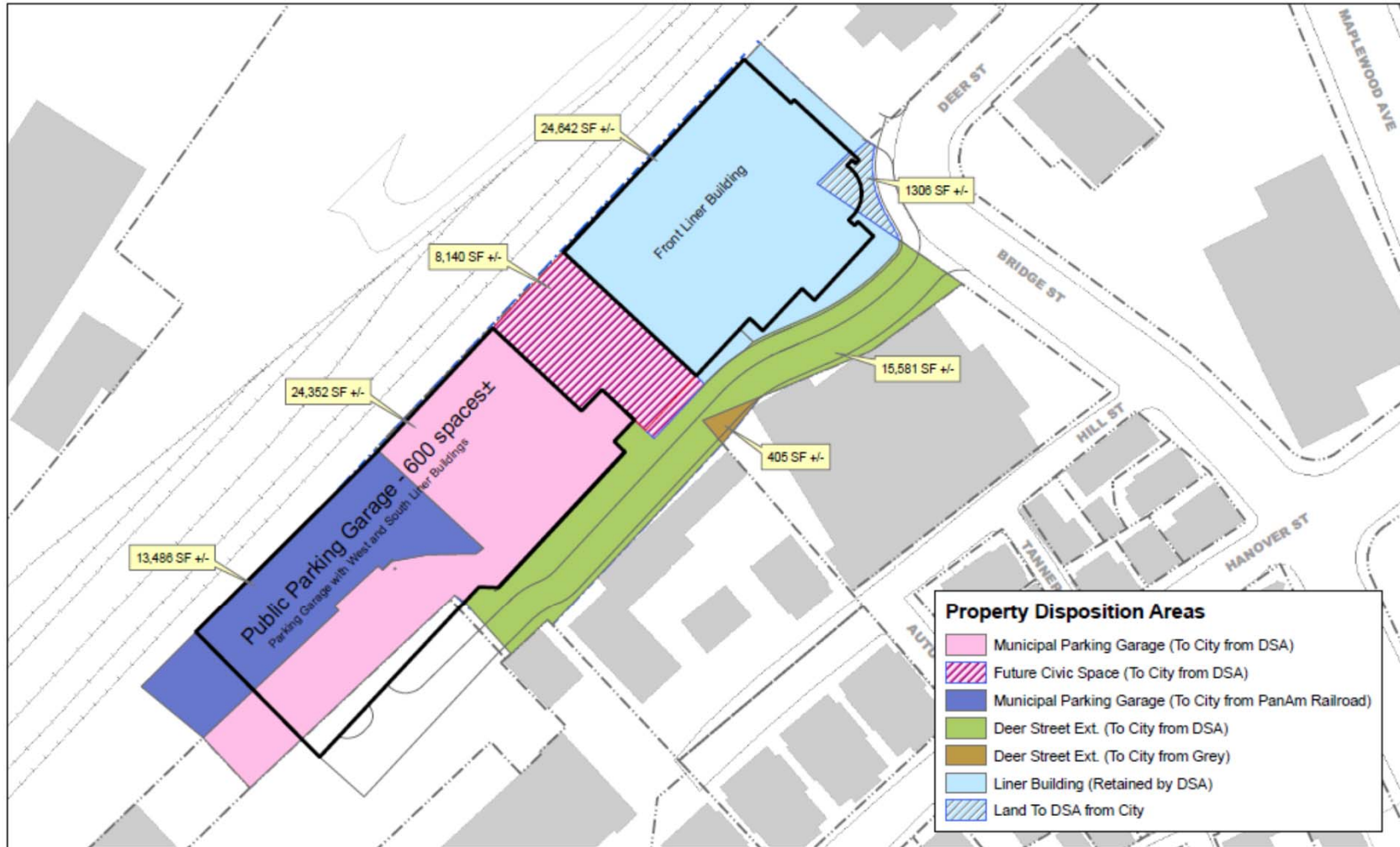


**Municipal Parking Garage Project**  
165 Deer Street





# Disposition Plan



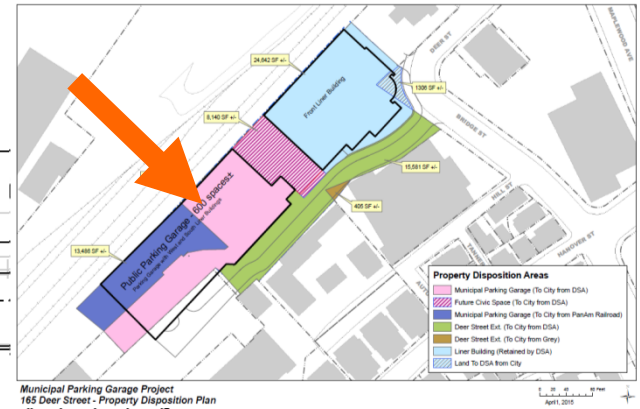
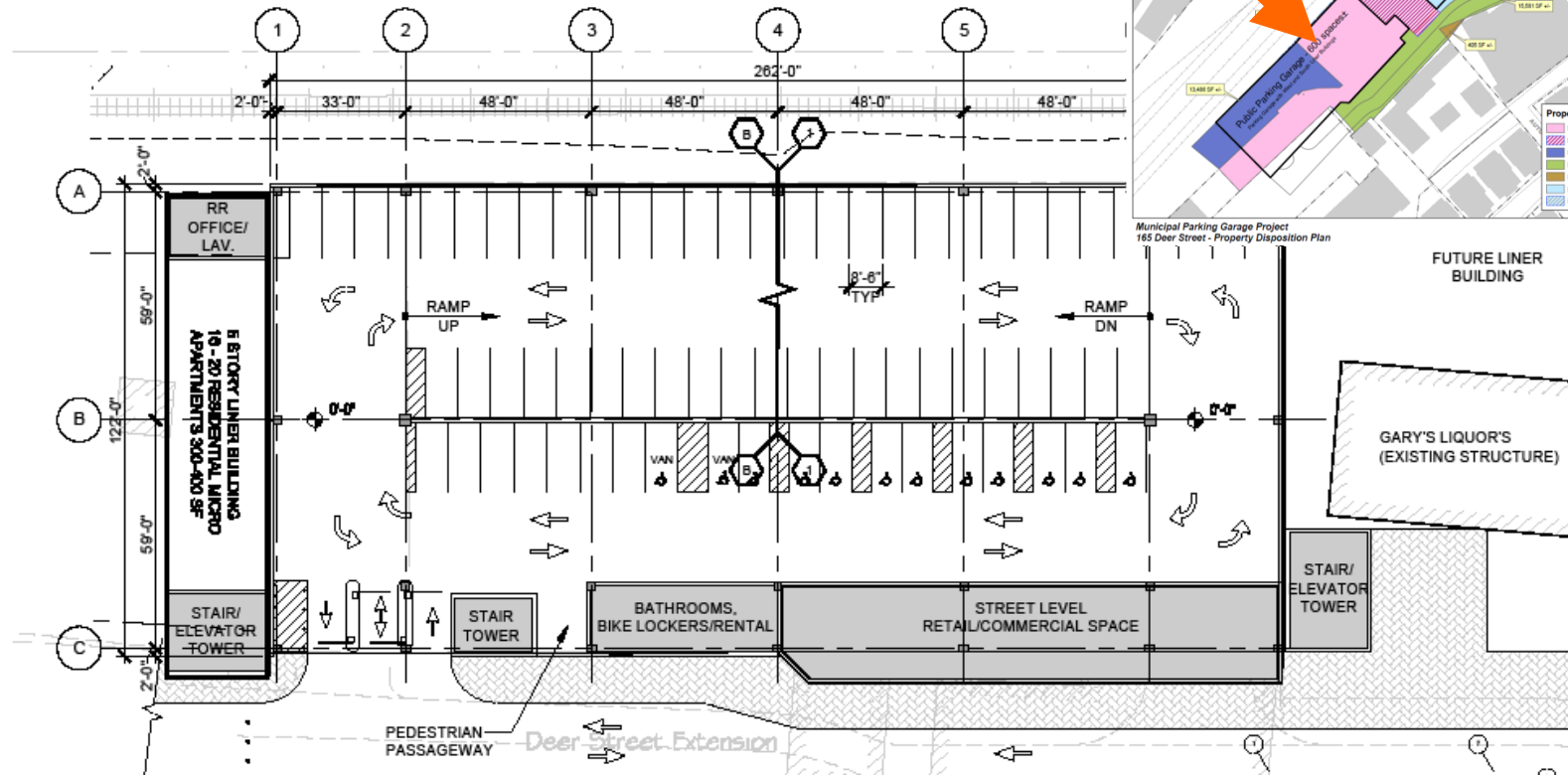
**Municipal Parking Garage Project**  
**165 Deer Street - Property Disposition Plan**

0 20 40 80 Feet  
 April 1, 2015



# Garage Layout

DEER STREET PARKING GARAGE  
Portsmouth, NH



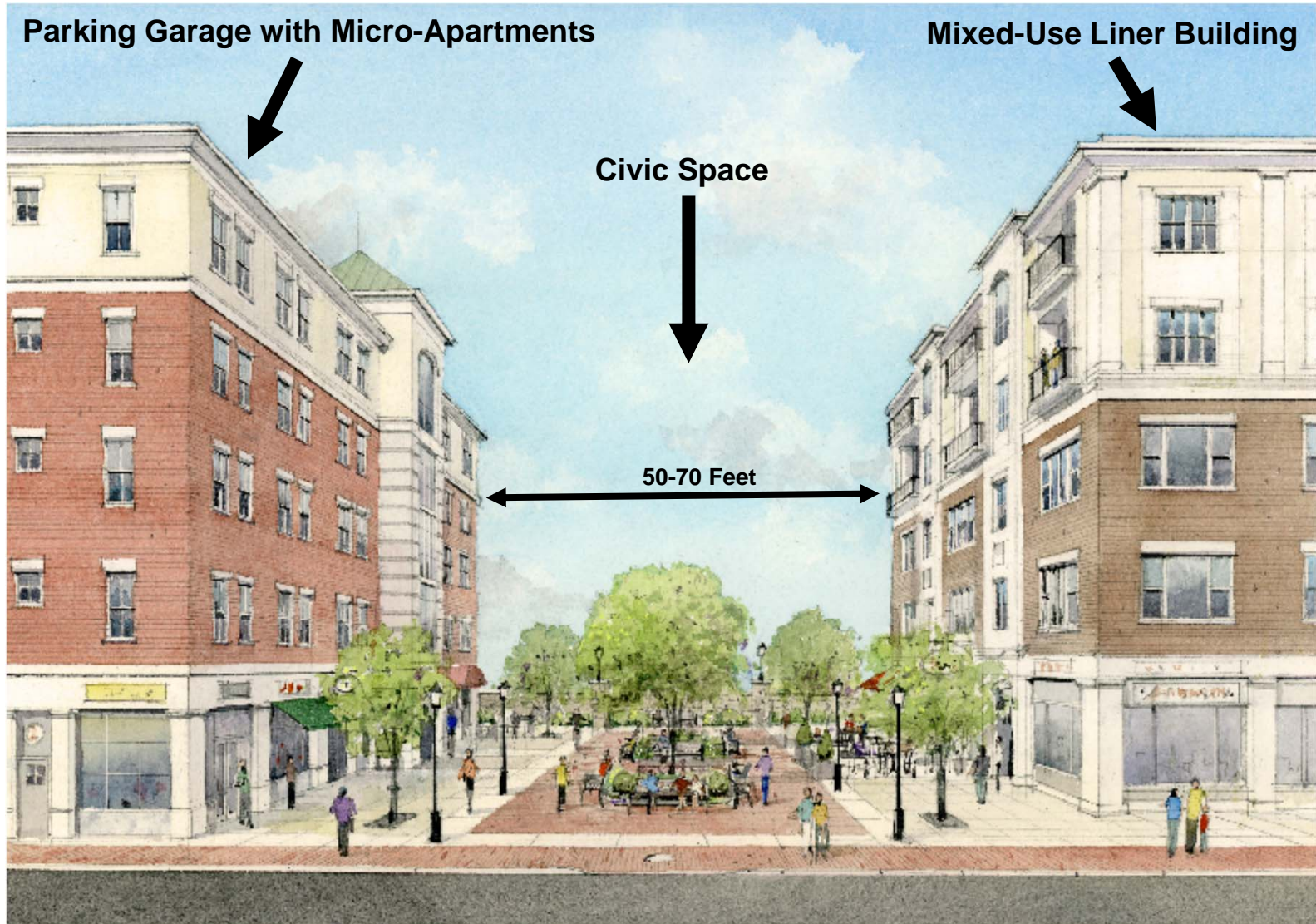
600+/- Space, 5 Story/7 Level, 57 Foot Municipal Garage with Liner Buildings

# Enhanced Walkability and Bicycle Elements

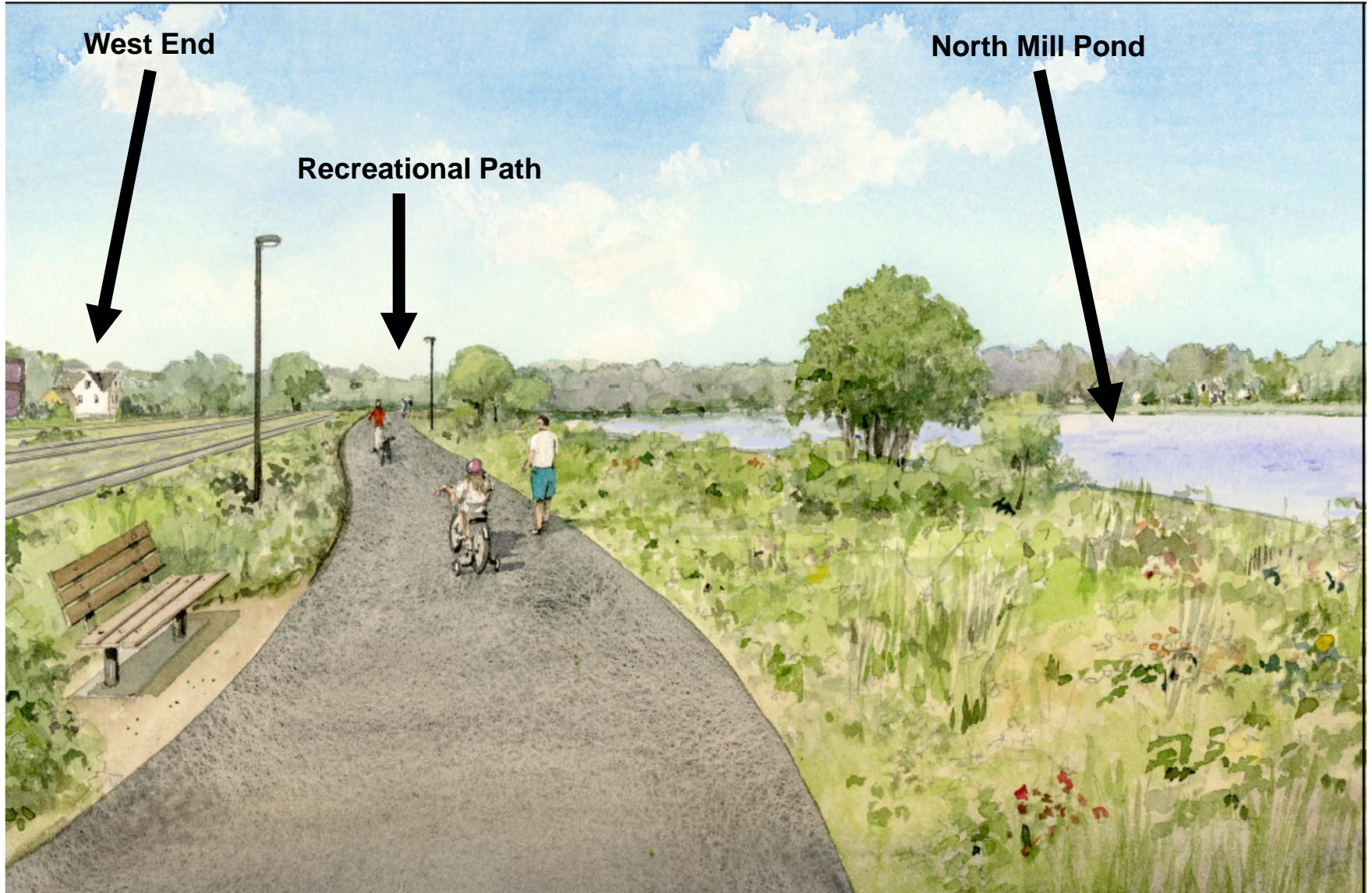
1. Multi-Storied Linear Buildings to Screen Parking Garage
2. Wide Sidewalks & Street Furniture
3. Bicycle Accommodation & Added Surface Parking
4. Additional Active Ground-Floor Uses Areas
5. Added Active and Passive Civic Spaces



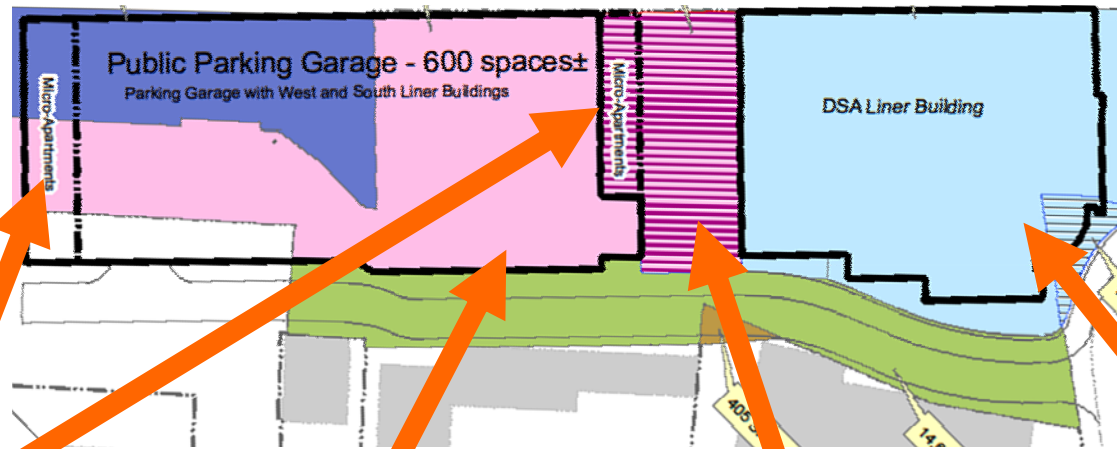
# New Civic Space



# Future Civic Space



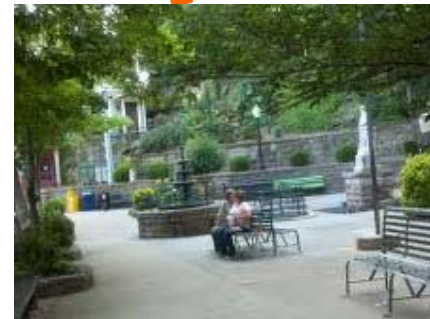
# Main Components of the Municipal Parking Garage Project



Micro-Apartments



Ground-Floor Commercial



Civic Space



Mixed-Use Building

# Pro Forma for the Proposed Deer Street Parking Garage

**A** 600 Spaces

**B** Soft Costs \$5,200,000

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

**D** Total Cost to be Bonded \$23,200,000

**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

# Existing Pass-Holder & Transient Users of the High-Hanover Garage

## **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)



# Projected Pass-Holder & Transient Use of the New Deer Street Garage

## 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

# Existing & Proposed Pass-Holder & Transient (Hourly) Rates for the High-Hanover Garage

## H Pass Holders:

- Increase rate for remaining 500 pass holders

	Monthly Rate	
	Current:	Increase in 2017 to:
24 hr	\$135	\$150
12 hr	\$110	\$125

## 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

# Existing and Proposed Meter-Rates

## 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
	<u>825</u>		

# Projected Parking Rate Summary

## RATE SUMMARY

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

# Projected Expenditures for the New Deer Street Garage

<b><u>Expenditures</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
Bond Payment (Principal & Interest)	\$1,972,000	\$1,931,400	\$1,890,800	\$1,850,200	\$1,809,600
Bond Issuance Costs	\$115,000				
<b>Total Bonding Expenditures</b>	<b>\$2,087,000</b>	<b>\$1,931,400</b>	<b>\$1,890,800</b>	<b>\$1,850,200</b>	<b>\$1,809,600</b>
Operating Cost					
\$400 per space per year	\$240,000	\$244,800	\$249,696	\$254,690	\$259,784
(Increase 2% per for inflation)					
<b>E Total Expenditures</b>	<b>\$2,327,000</b>	<b>\$2,176,200</b>	<b>\$2,140,496</b>	<b>\$2,104,890</b>	<b>\$2,069,384</b>

# Projected Revenue for the New Deer Street Garage

<u>Revenue</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Deer Street New Parking Facility</b>					
<b>F</b> 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
<b>G</b> 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	<b>\$1,018,200</b>	<b>\$1,018,200</b>	<b>\$1,018,200</b>	<b>\$1,018,200</b>	<b>\$1,018,200</b>

# Projected New Revenue from the High-Hanover Garage

<u>Revenue</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>High Hanover Parking Facility</b>					
<b>H</b> Increase Pass rates at High Hanover only (250 spaces 12 hr @ \$125 per Month (from \$110) and 250 spaces 24 hr @ \$150 per month (from \$135))	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
<b>I</b> Estimated Increase in Transient Revenue Increase use of 150 spaces for transient payers 150 spaces, 365 days, 14 hrs \$1.25 per hour, 60% capacity	\$574,875	\$574,875	\$574,875	\$574,875	\$574,875
<b>Total High Hanover New Revenue</b>	<b>\$664,875</b>	<b>\$664,875</b>	<b>\$664,875</b>	<b>\$664,875</b>	<b>\$664,875</b>

# Projected New Meter-Revenue

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



# Summary of Existing & Projected Parking Revenue & Distribution

Parking Revenue	FY 12 Actual	FY 13 Actual	FY 14 Actual	FY 15 Budgeted	FY 16 Estimated	FY 17 Estimated	Difference from FY 16 to FY 17
<b>Total Parking Revenue</b>	4,292,388	4,554,963	4,987,095	5,459,500	5,459,500	7,932,575	2,473,075
<b>Distribution to:</b>							
<b>Parking Transportation Fund</b>	2,342,683	2,601,462	2,659,858	3,047,195	3,047,195	5,374,195	2,327,000
<b>Distribution to:</b>							
<b>General Fund</b>	1,949,705	1,953,501	2,327,237	2,412,305	2,412,305	2,558,380	146,075

# Summary of New Parking Expenditures & Revenues

Total Bonding = \$23,200,000

Summary	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Deer Street New Parking Facility					
<b>E</b> Total Expenditure	\$2,327,000	\$2,176,200	\$2,140,496	\$2,104,890	\$2,069,384
Deer Street New Parking Facility					
<b>F+G</b> Total New Revenue	\$1,018,200	\$1,018,200	\$1,018,200	\$1,018,200	\$1,018,200
High Hanover Parking Facility					
<b>H+I</b> Total New Revenue	\$664,875	\$664,875	\$664,875	\$664,875	\$664,875
Parking Meters					
<b>J</b> Total New Revenue	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000
Total New Revenue	\$2,473,075	\$2,473,075	\$2,473,075	\$2,473,075	\$2,473,075
Total Income(Loss) from Parking Changes	\$146,075 <sup>1</sup>	\$296,875	\$332,579	\$368,185	\$403,691

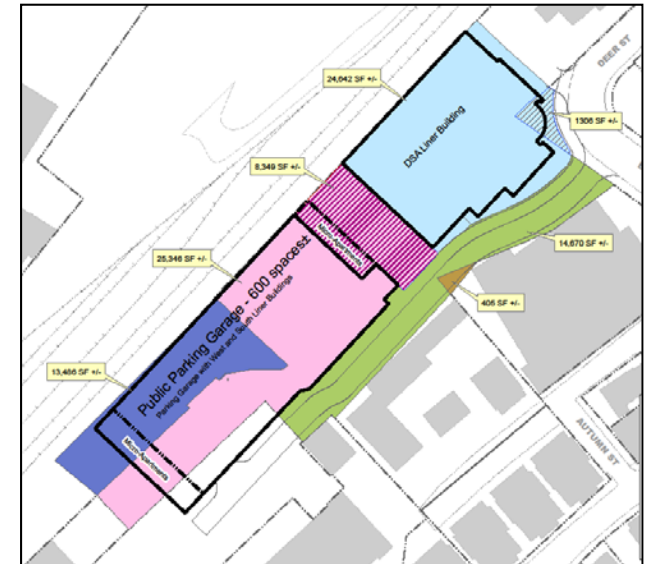
Note: All Surplus income will be added to the General Fund

The General Fund is budgeted to receive Parking-related revenue in FY15 of \$2,412,305

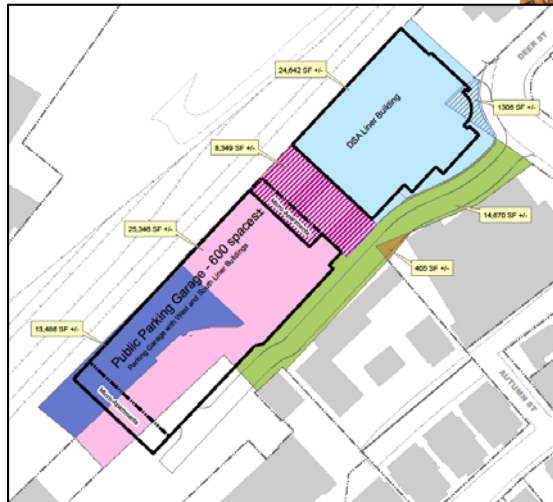
(1) FY17 additional surplus revenue of \$146,075 could be used to fund Resident Parking Discount Program

# Next Steps

1. Revised Letter of Intent (Non-Binding) – May, 2015
2. Site Analysis – (Ongoing)
3. Financial Analysis (Ongoing)
4. Bonding Authorization (May 4, 2015)
5. Development Agreement (May-June, 2015)
6. Design & Permitting (July 2015 – March 2016)
7. Building Construction (2016 – 2017)



# Economic Impact Analysis Appendix



# Portsmouth City Council

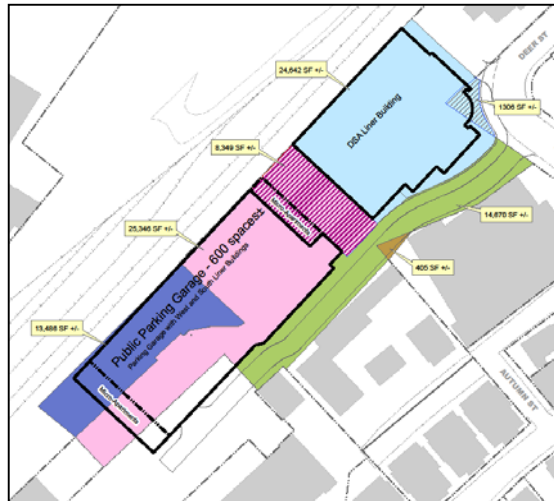
A Public-Private  
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# Direct and External Impacts of the Proposed Deer St. Parking Garage



Presentation to the Portsmouth  
City Council  
April 20, 2015



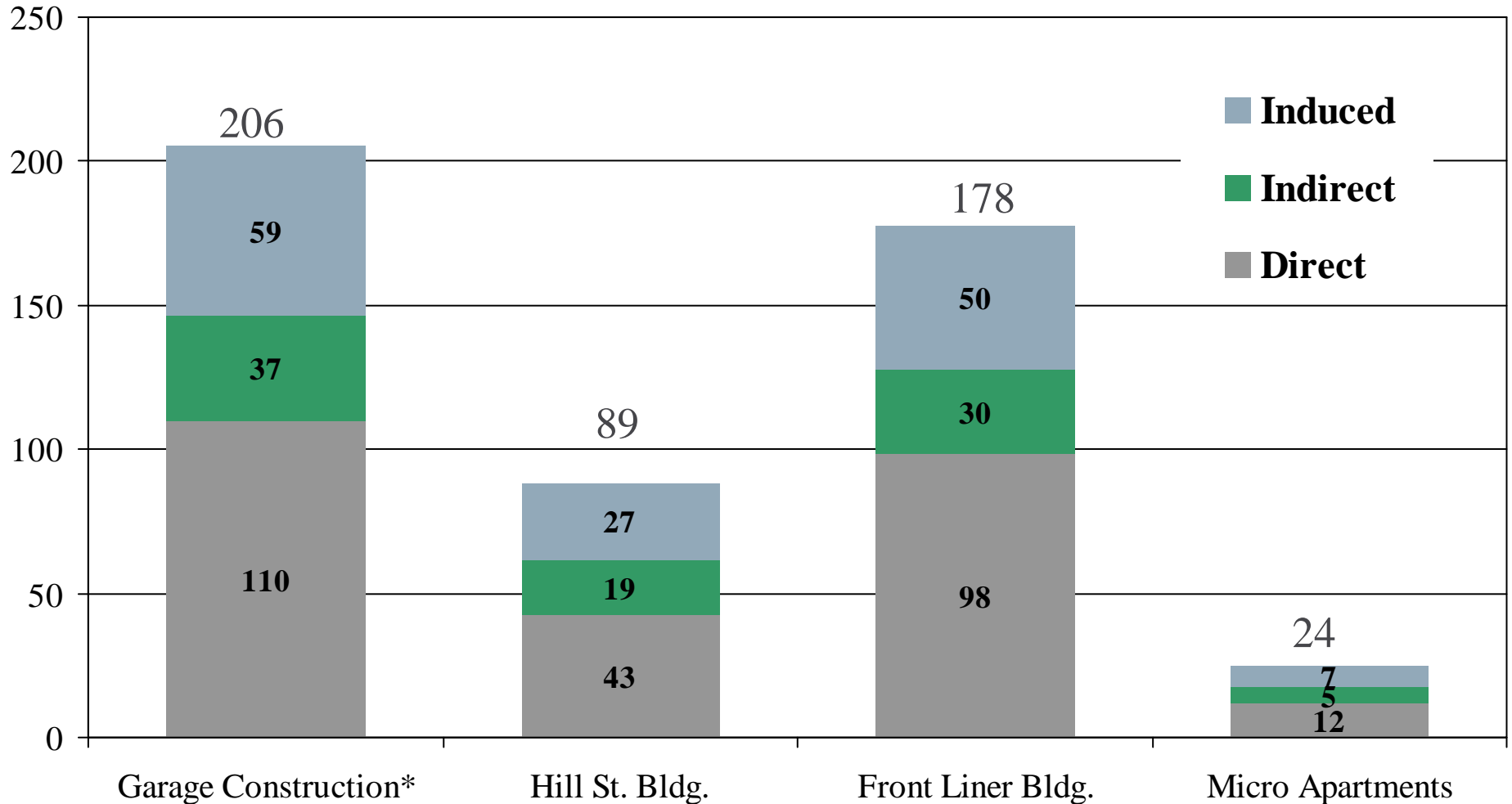
Polecon Research  
Dover, NH  
bgottlob@poleconresearch.com  
(603) 988-9779

# The Proposed Deer St. Public-Private Parking Garage Project Will Have Direct, Indirect and External Impacts

- Increase in Jobs and Income from Construction Activity
- Increase in Jobs and Income from Ongoing Operations & Business Activity of Properties Included in the Project
- Increase in Property Tax Base:
  - Direct - via front liner, Hill St., micro apt., and commercial liner buildings
  - Indirect via increase in publicly available parking that benefits and is capitalized in commercial property values
- Impact on Parking Availability in Downtown District
- Impact on Traffic Congestion
- Environmental Impacts (Reductions in CO2 Emissions) Via Reduction in Vehicle Miles Traveled While “Cruising” for Curbside Parking

# Combined, the Proposed Public-Private Garage Project Will Support a Total of 497 Jobs During Construction Activity

Job Impacts From Construction

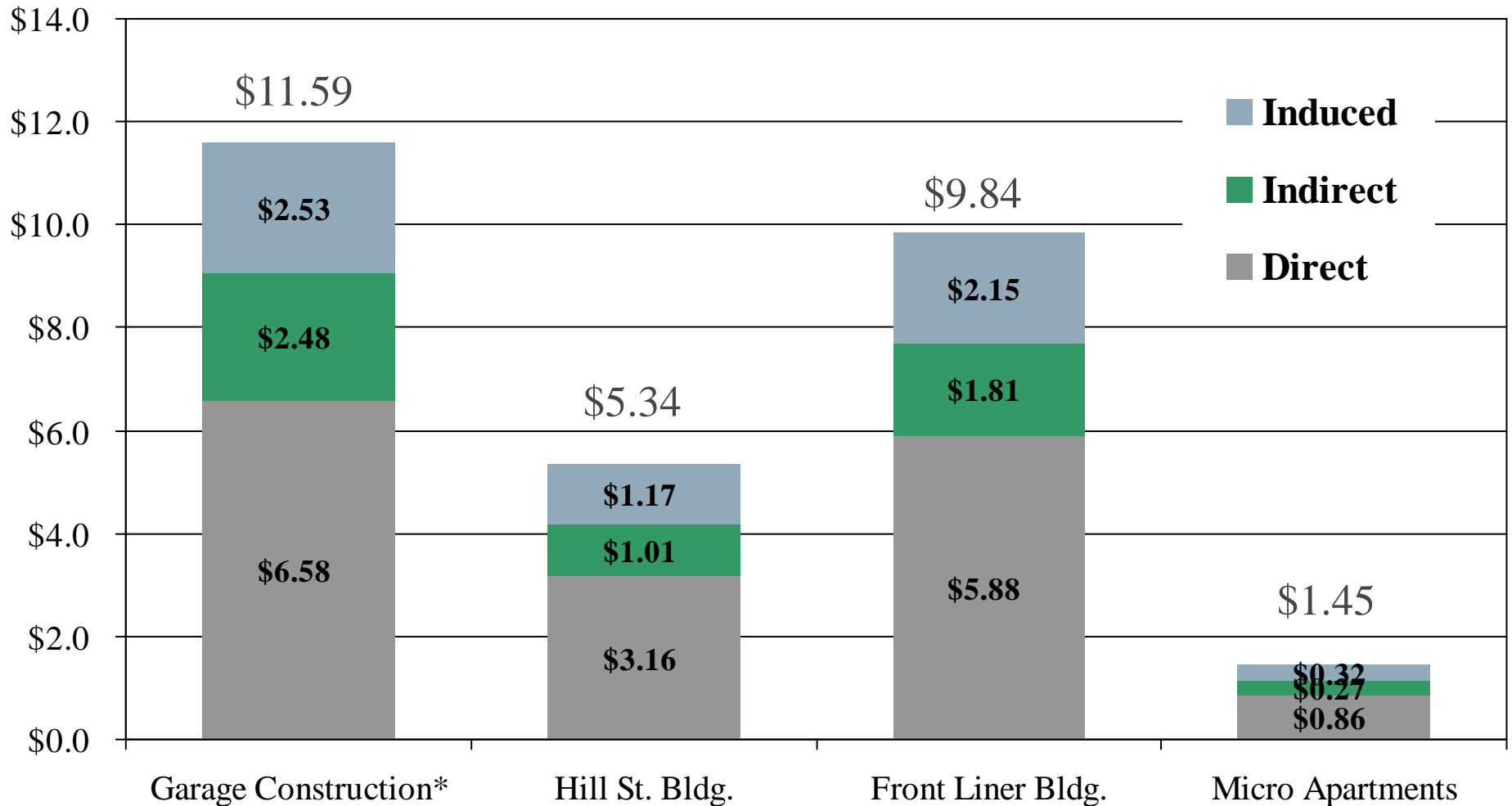


\* Garage construction includes sewer and road improvements as well as 3,000 sq. ft commercial liner building



# A Total of \$28.2 Million in Labor Income Will be Earned as a Result of the Proposed Public-Private Deer St. Garage Project

Labor Income From Project Construction (\$Millions)

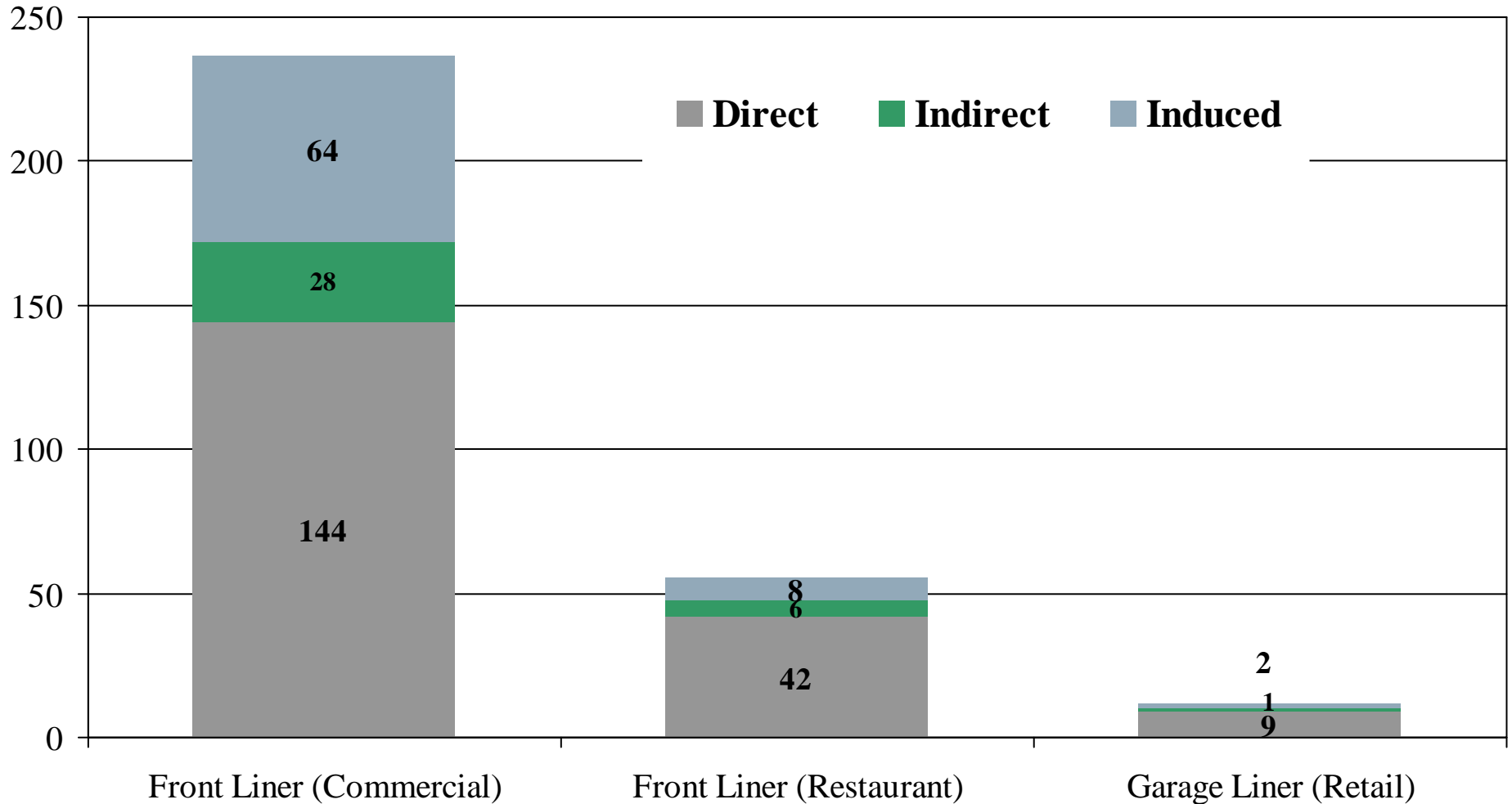


\* Garage construction includes sewer and road improvements as well as 3,000 sq. ft commercial liner building

The Annual (Ongoing) Employment Impacts of Proposed Deer St. Public-Private Parking Garage Project Will Depend on a Number of Factors Including:

- The Industry Mix of Liner Building Occupants
- Whether Organizations are New to Portsmouth or Relocate from Another City Location
- Occupancy Rates

# Ongoing Employment Impacts Estimated Based on Building Space, Industry Averages and Assume a Mix of “Office Using” Industries in the Non-Restaurant Portion of the Front Liner Building

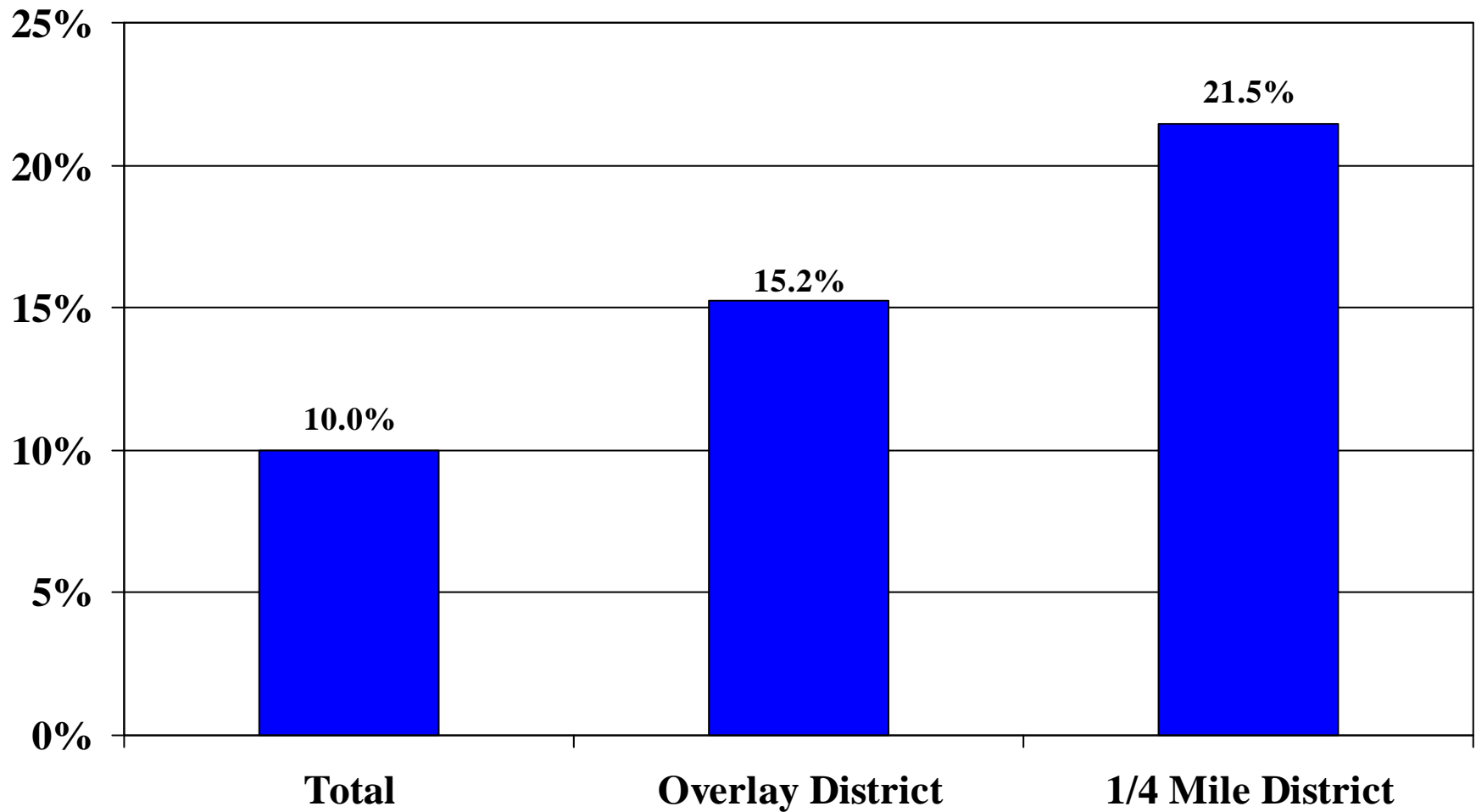


\* Garage construction includes sewer and road improvements as well as 3,000 sq. ft commercial liner building

The Deer St. Project is Different From Most Other Development Projects - it Has External Benefits That are as Large or Larger Than Direct Impacts

# The Impact of the Proposed Deer St. Garage on the Total Number of Parking Spaces in the City Will be Large and Have Significant External Impacts Beyond Parking

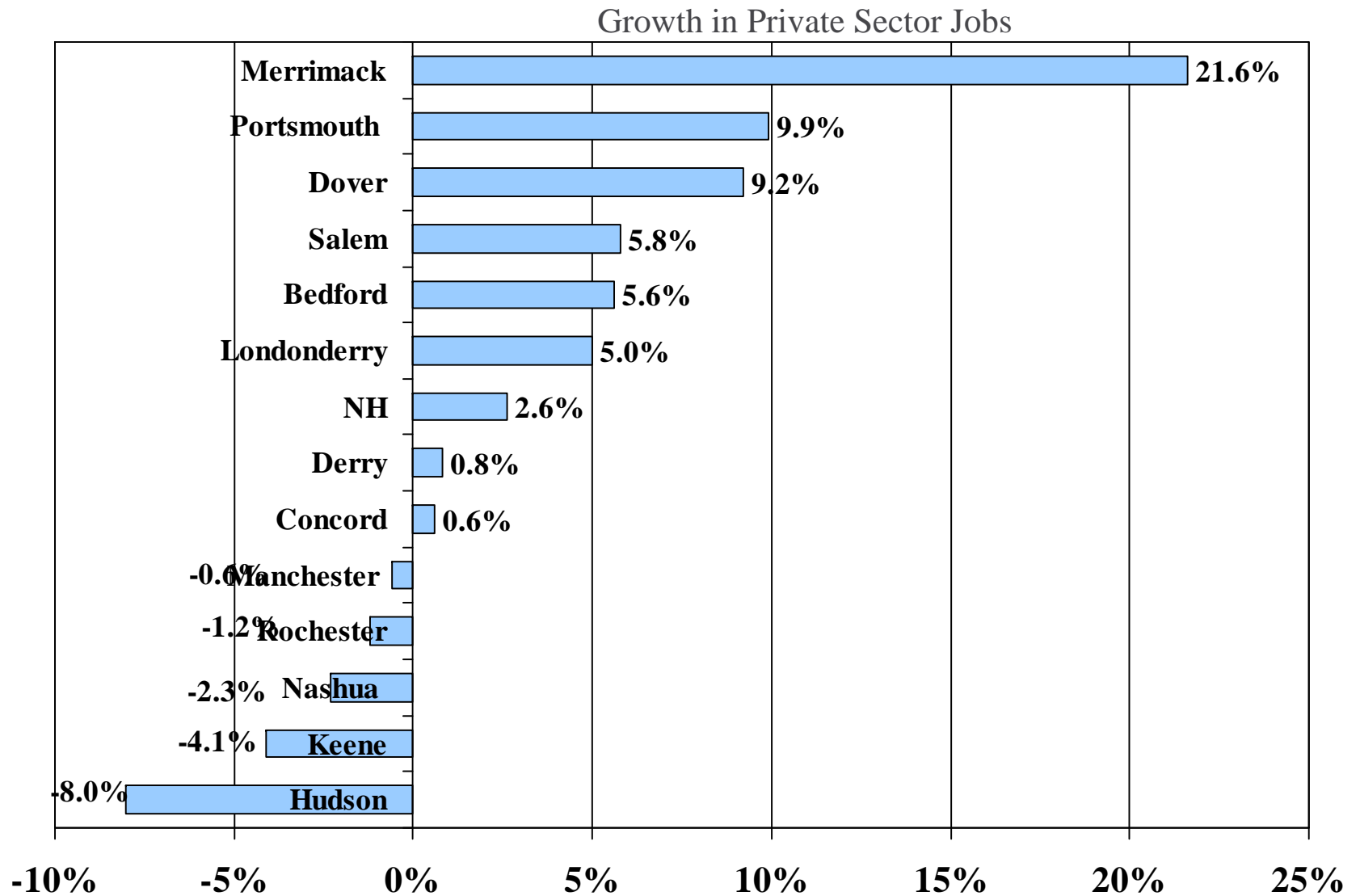
Percent Increase in Public & Private Parking



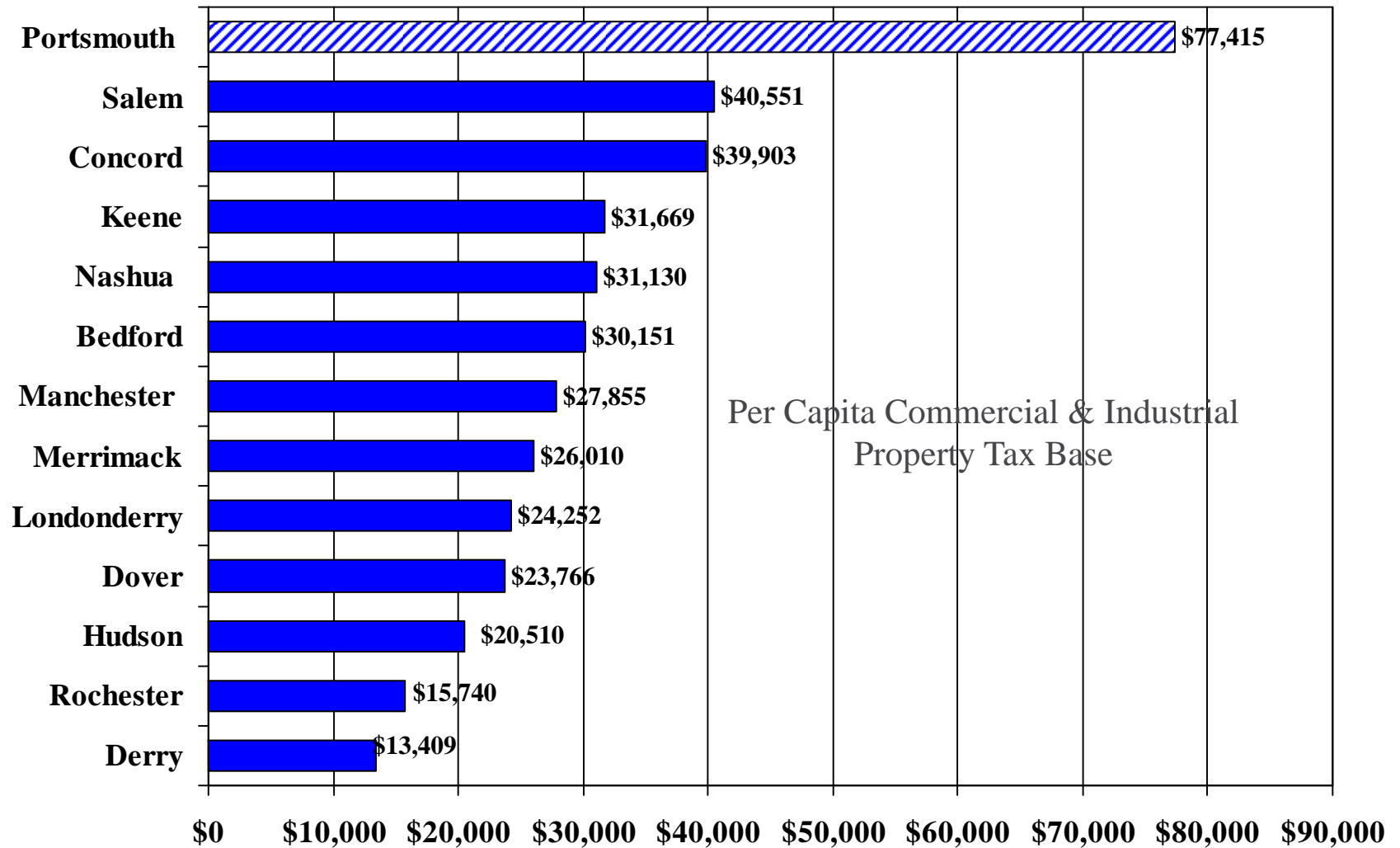
We Calculated External Impacts for Larger and Smaller Areas of the City but Focus Our Results on the Downtown Overlay District



With the Exception of Merrimack (Due to New Large Retail Complex) Portsmouth is Tops in Job Growth Among Cities in NH (2003-2013)

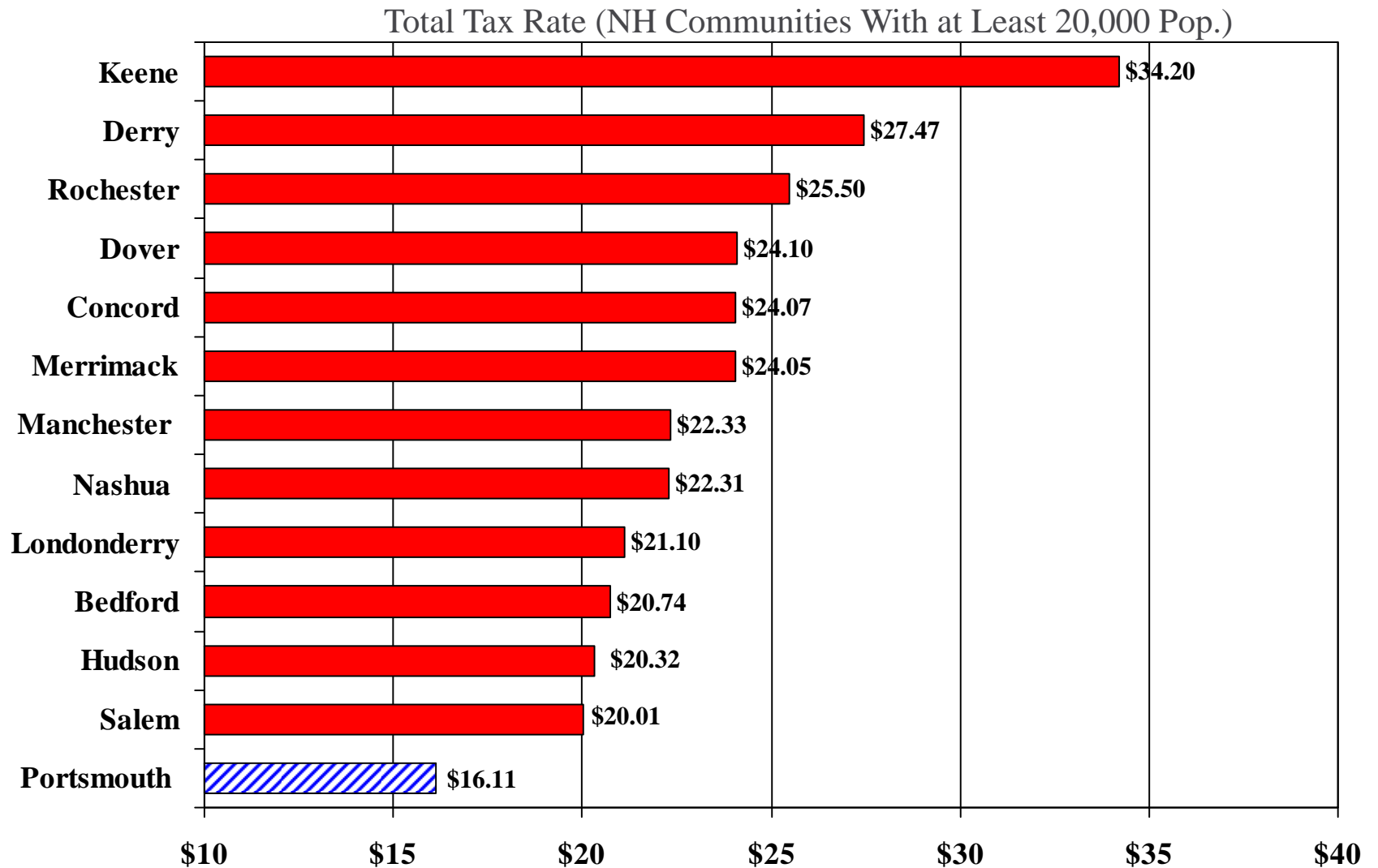


Portsmouth's Strong Commercial/Industrial Tax Base Allows a Higher Level of Community Services to be Provided at a Relatively Lower Cost to Residential Property Owners. However, the Impending Sale of Eversouce's Schiller Station will impact the City's Tax Base



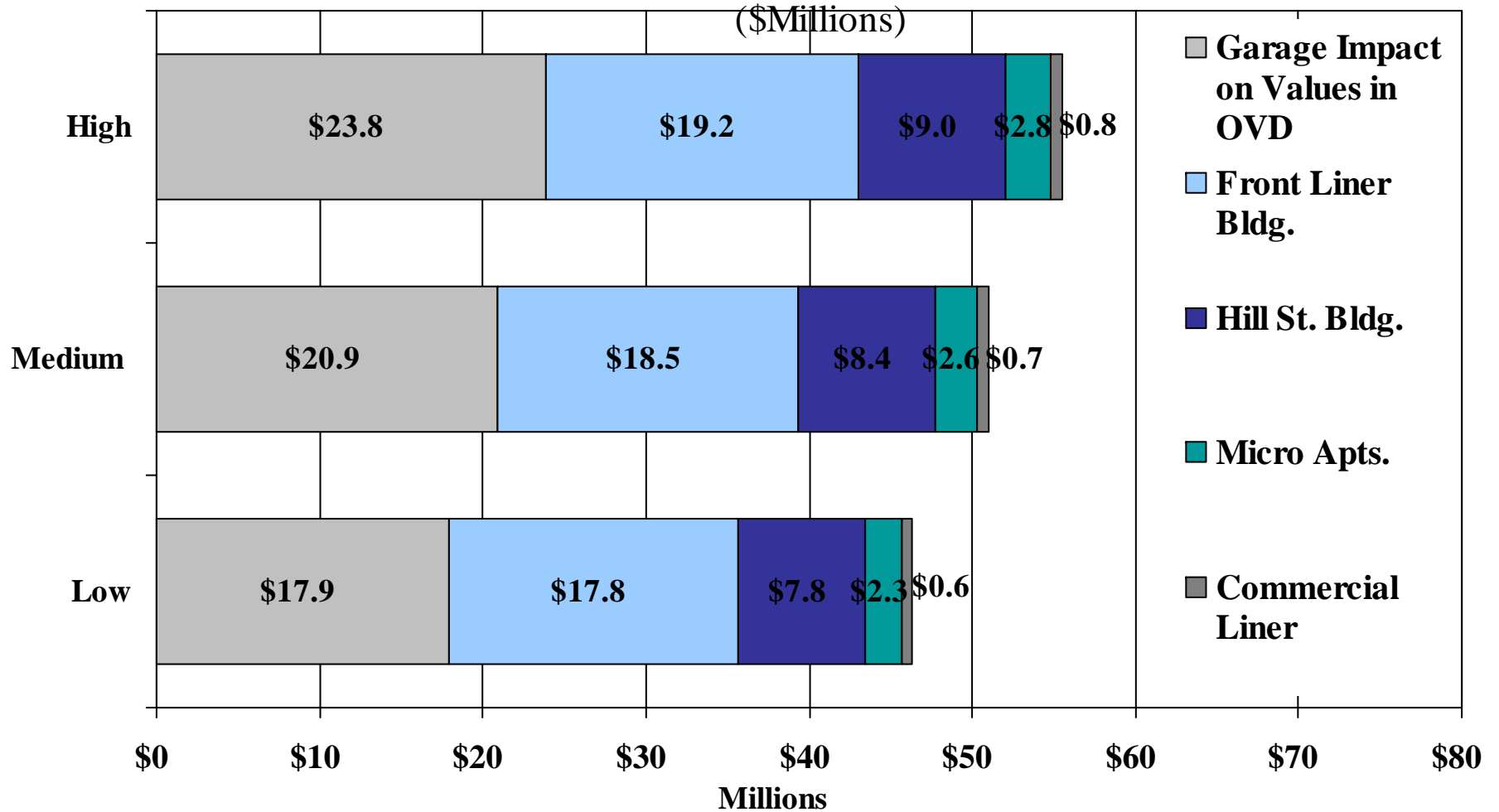


As a Result of Portsmouth Strong Commercial/Industrial Tax Base The City's Property Tax Rate is Lower Than all Cities in NH.



Increasing the Supply of Publicly Available Parking and Reducing Traffic Congestion Increases Property Values in the Downtown. Along With DSA's Investments This Will Increase Property Valuation by Between \$46 and \$56 Million (Half of the Potential Loss from Utility Properties)

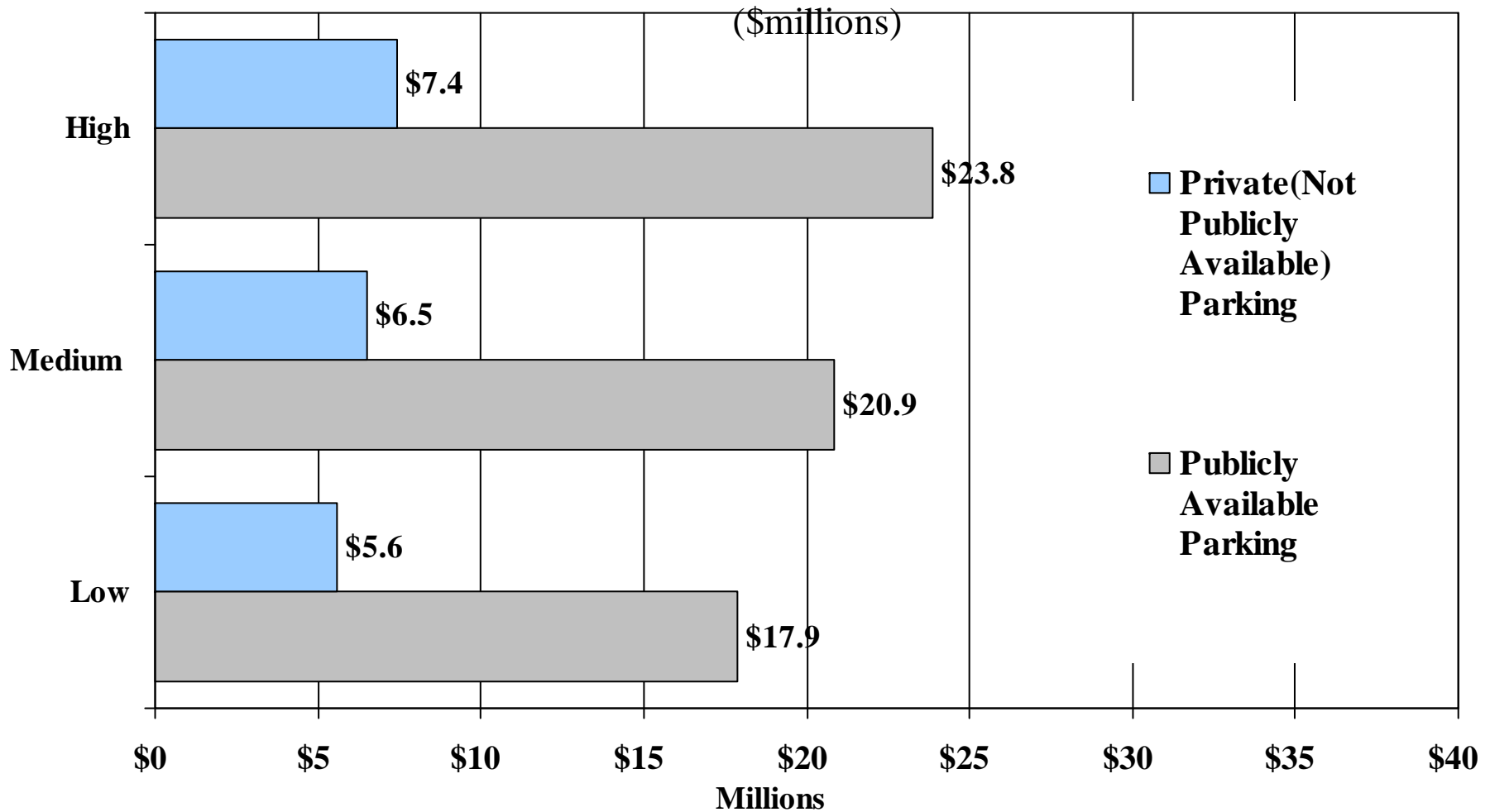
Project Impacts on Property Valuation in Downtown Overlay District



# Publicly Available Parking Adds About Three Times as Much Value to Commercial Properties in the Downtown Overlay District as Does Private Parking.

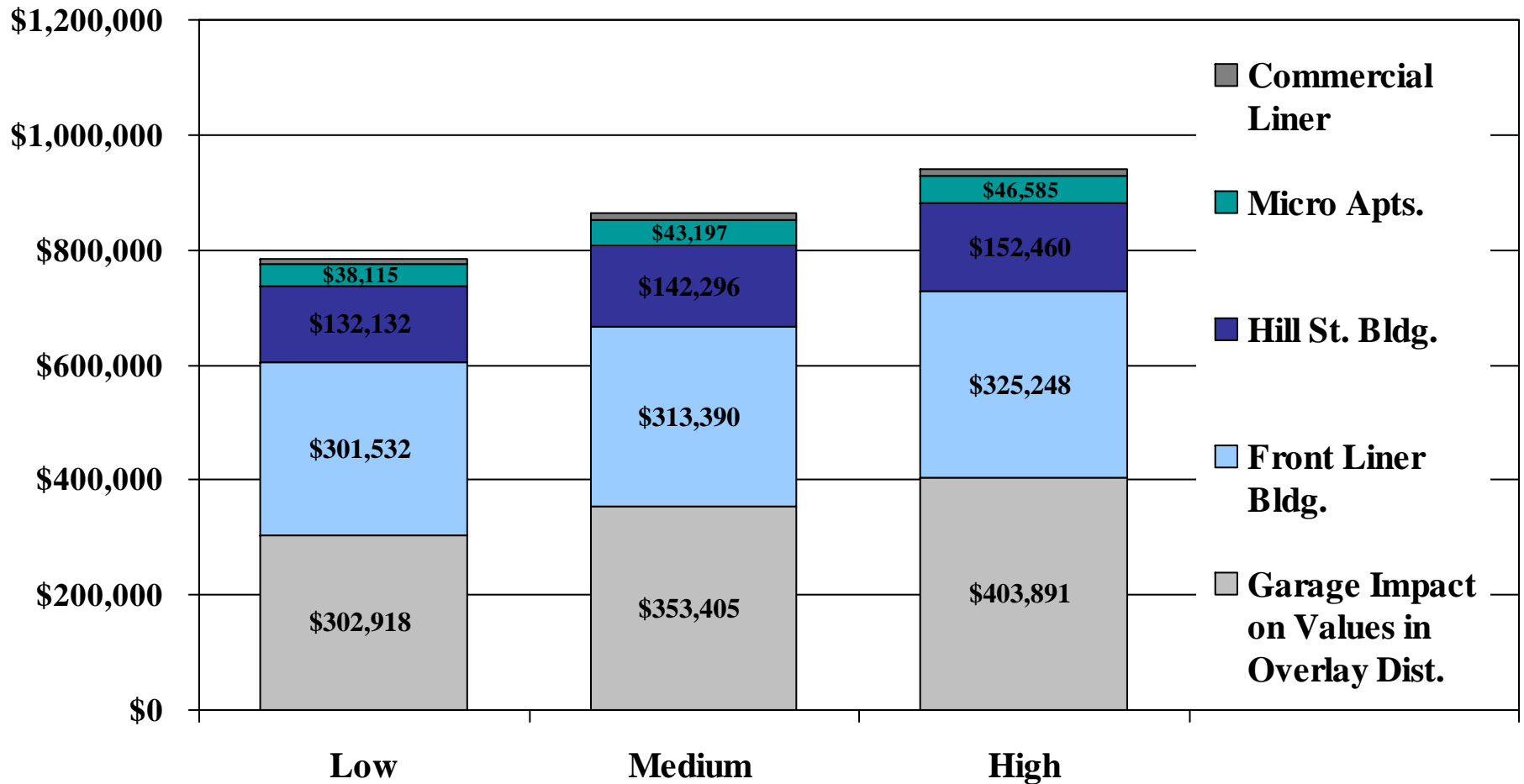
(On-site Parking Only Benefits Neighboring Properties to the Extent that it Reduces Traffic Search and Congestion Generated by the Property it Belongs to, While Public Parking Can Reduce Parking Search and Related Congestion Generally).

### Garage Impact on Property Valuation in Downtown Overlay District



Increased Property Values in the Overlay District and Resulting Tax Revenues From Garage Construction Will Cover an Estimated 16% to 21% of Bond Payments. Including Revenue From Micro Apts., Garage Liner, Front Liner, & Hill St. Bldg. Would Cover an Estimated 41% to 50%

Estimated Property Tax Revenues\*\*

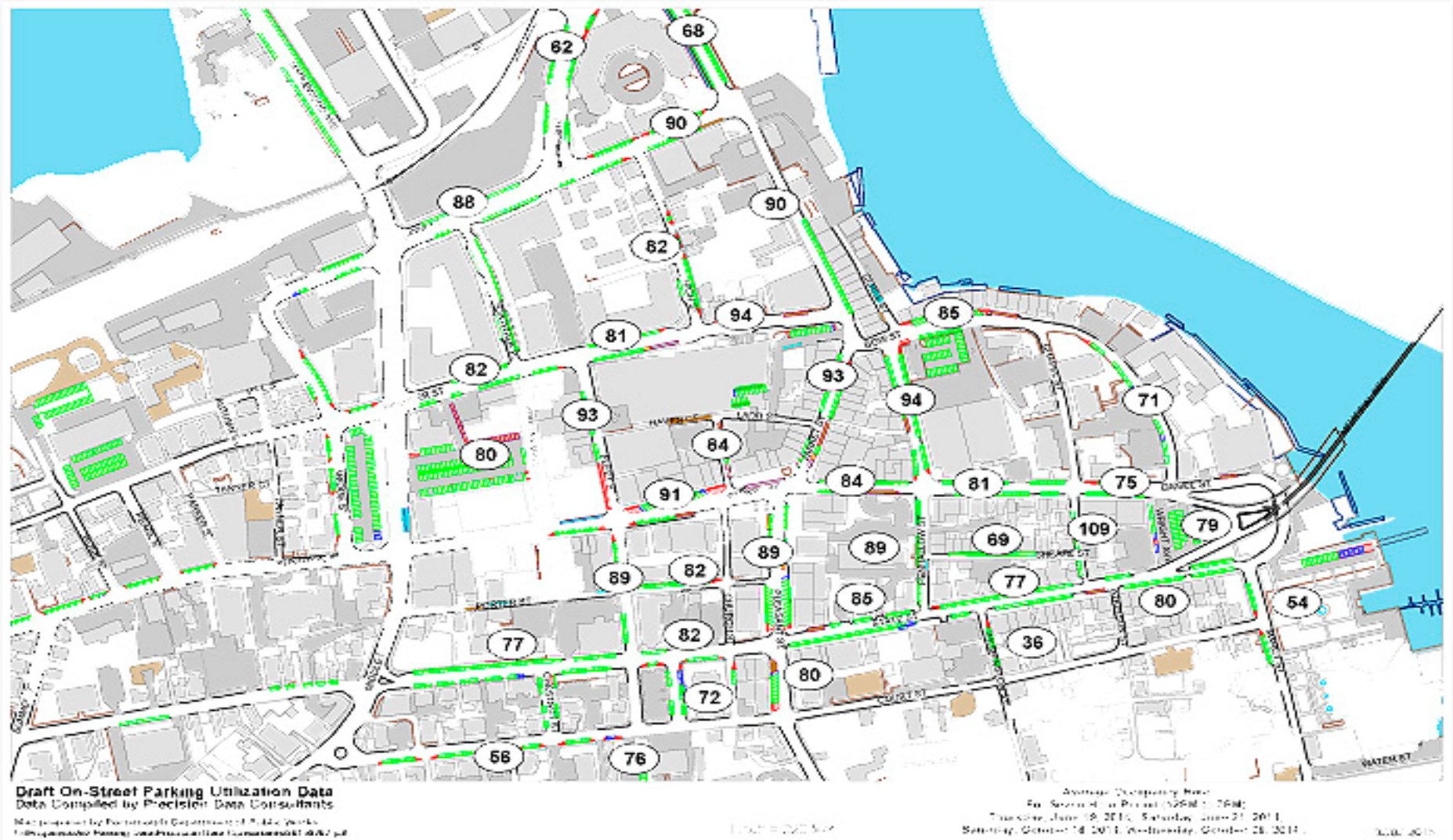


\*\*Based on current total tax rate of \$18.10 less \$1.16 county portion of tax rate

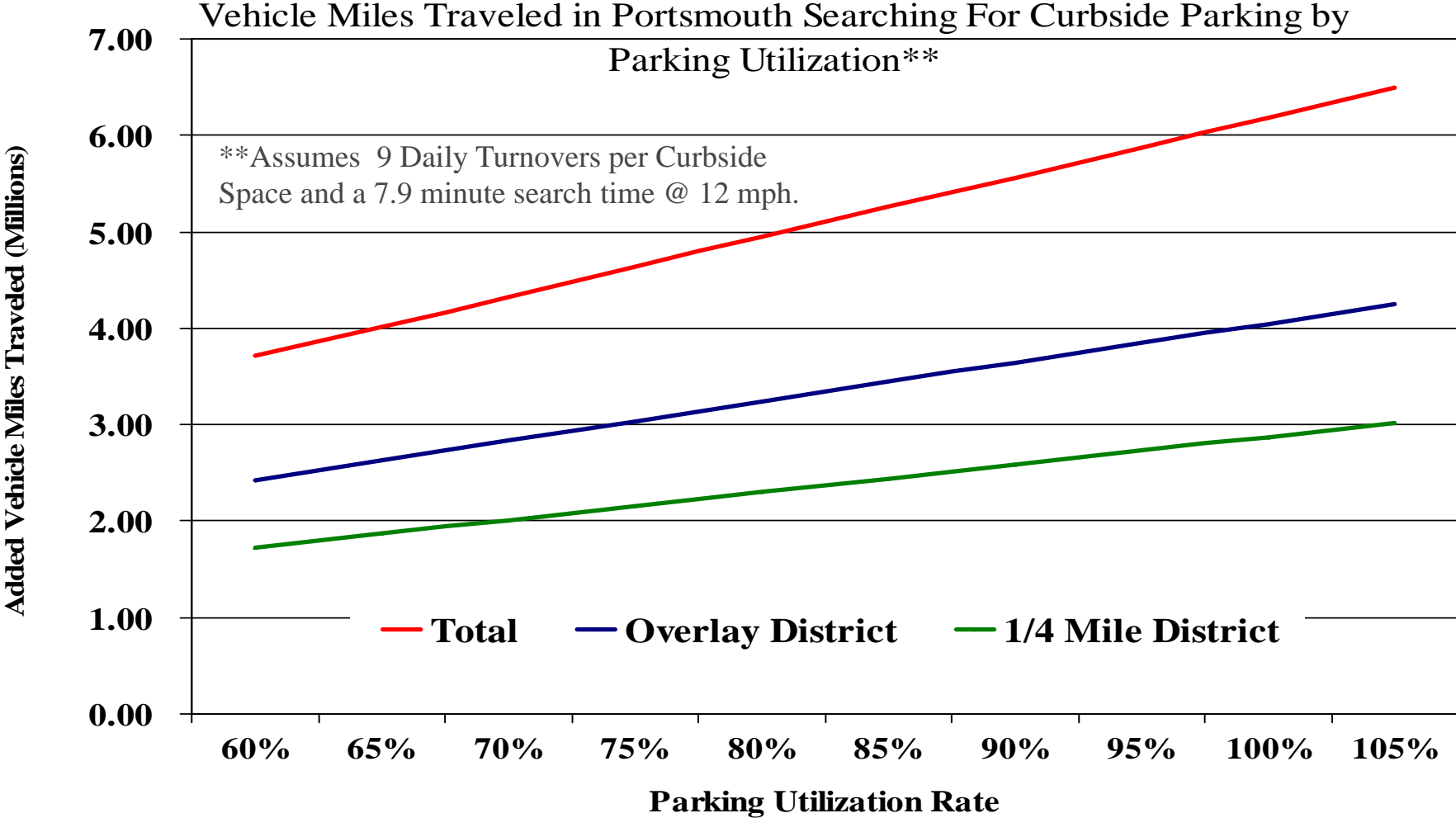
Our Model of Vehicle Miles Traveled, Traffic Congestion and CO2 Emissions Allows Estimation of Impacts for a Near Infinite Number of Scenarios Using Different Inputs and Assumptions Including:

- The Number of Curbside Parking Spaces
- The Utilization Rate (How Full & How Often) of Curbside Parking
- The Avg. Turnover (How Many Cars Use Each Space Each Day) of Curbside Spaces
- The Avg. Length of Time Spent Searching (“Cruising”) for Curbside Parking
- The Avg. Speed (MPH) of Drivers Searching for Parking
- The Avg. Mileage (MPG) of Vehicles Searching for Parking
- ***Using Almost Any Set of Inputs and Assumptions, Searching for Parking Creates Dramatic Increases in Vehicle Miles, Congestion, and CO2 Emissions in Portsmouth***

# On-Street Parking Utilization Rates in the City are High



In a Baseline Scenario, “Cruising” for Curbside Parking in Portsmouth Produces an Additional 2.5 to 4.3 Million Vehicle Miles Traveled Annually in the Downtown Overlay District

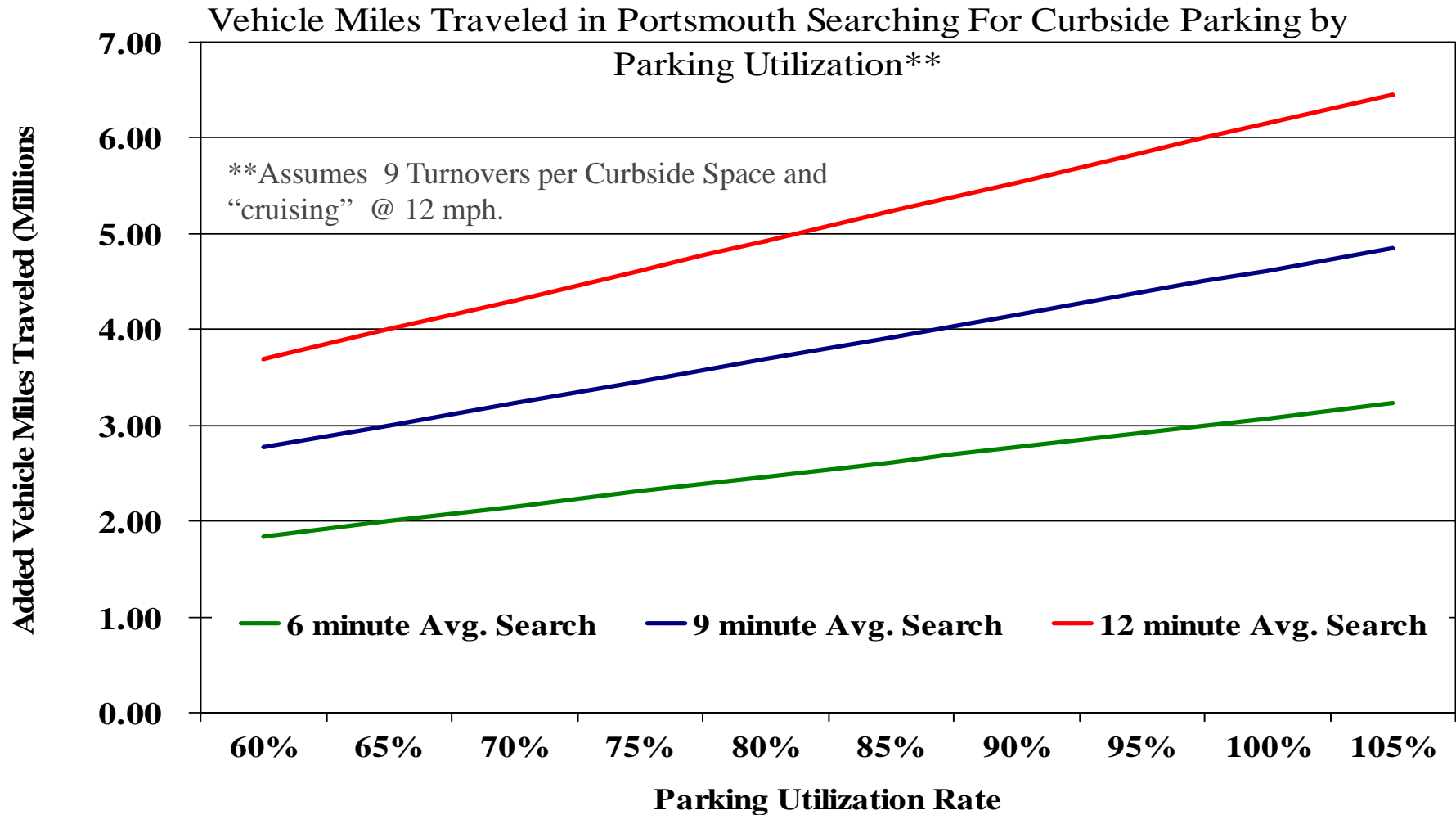


## Increasing Publicly Available “Off-Street” Parking at the Proposed Deer St. Garage, Along With Appropriate Pricing of all City Parking, Provides Environmental and “Livability” Benefits

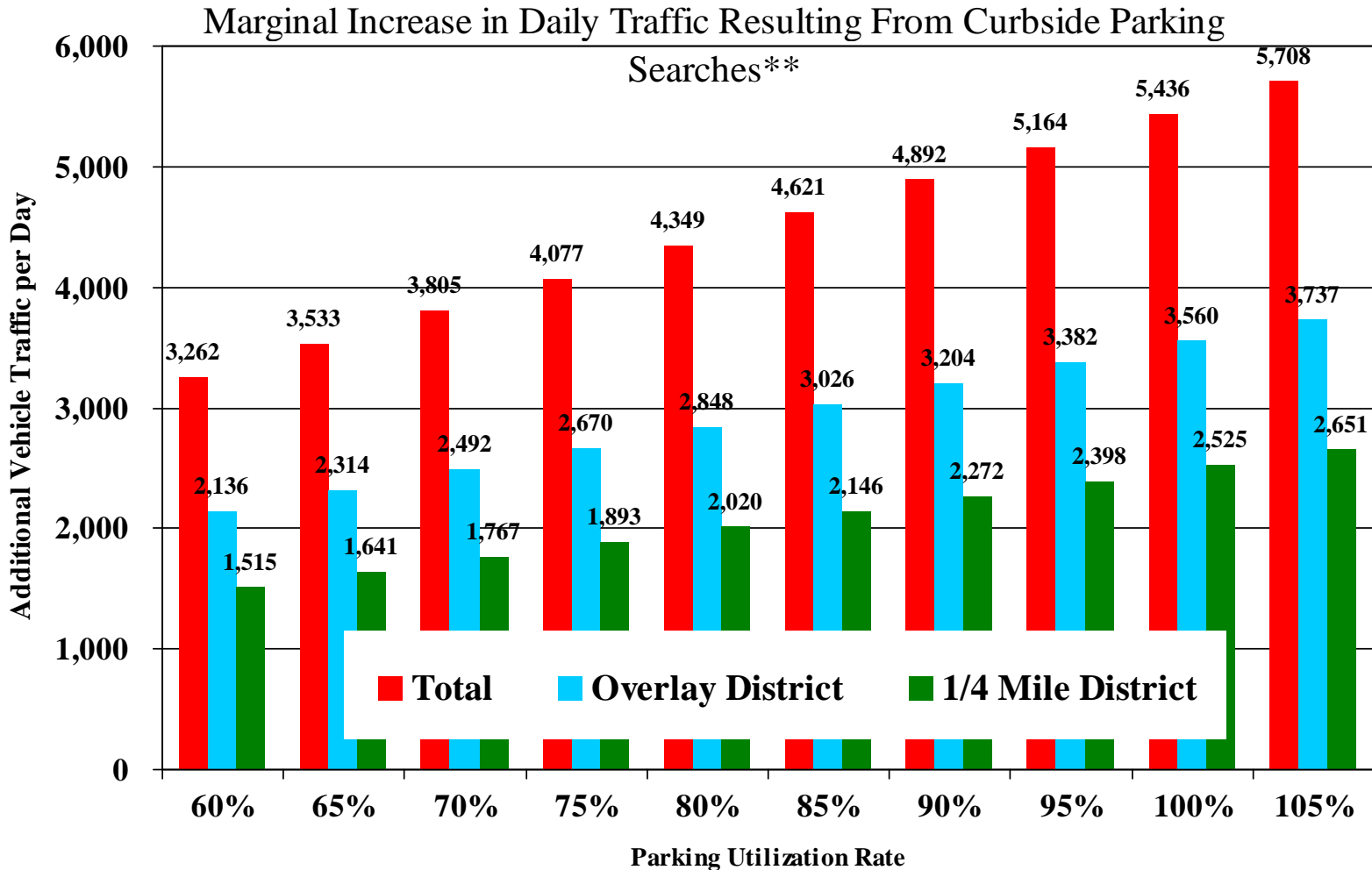
- Reducing Parking Search “Cruise” Time
- Reducing “Cruising” Limits the Number of Entries & Exits From Curbside Spaces and Increases Traffic Flow
- Collectively Reducing Road Congestion
- Increases “Walkability” of Downtown
- Reduces Vehicle Miles Traveled in the Downtown and Related CO<sub>2</sub> Emissions



# As Search Times for Curbside Parking (Cruising) Increase, Additional Vehicle Miles Traveled (and Traffic Congestion) in the Downtown Overlay District Increase Dramatically

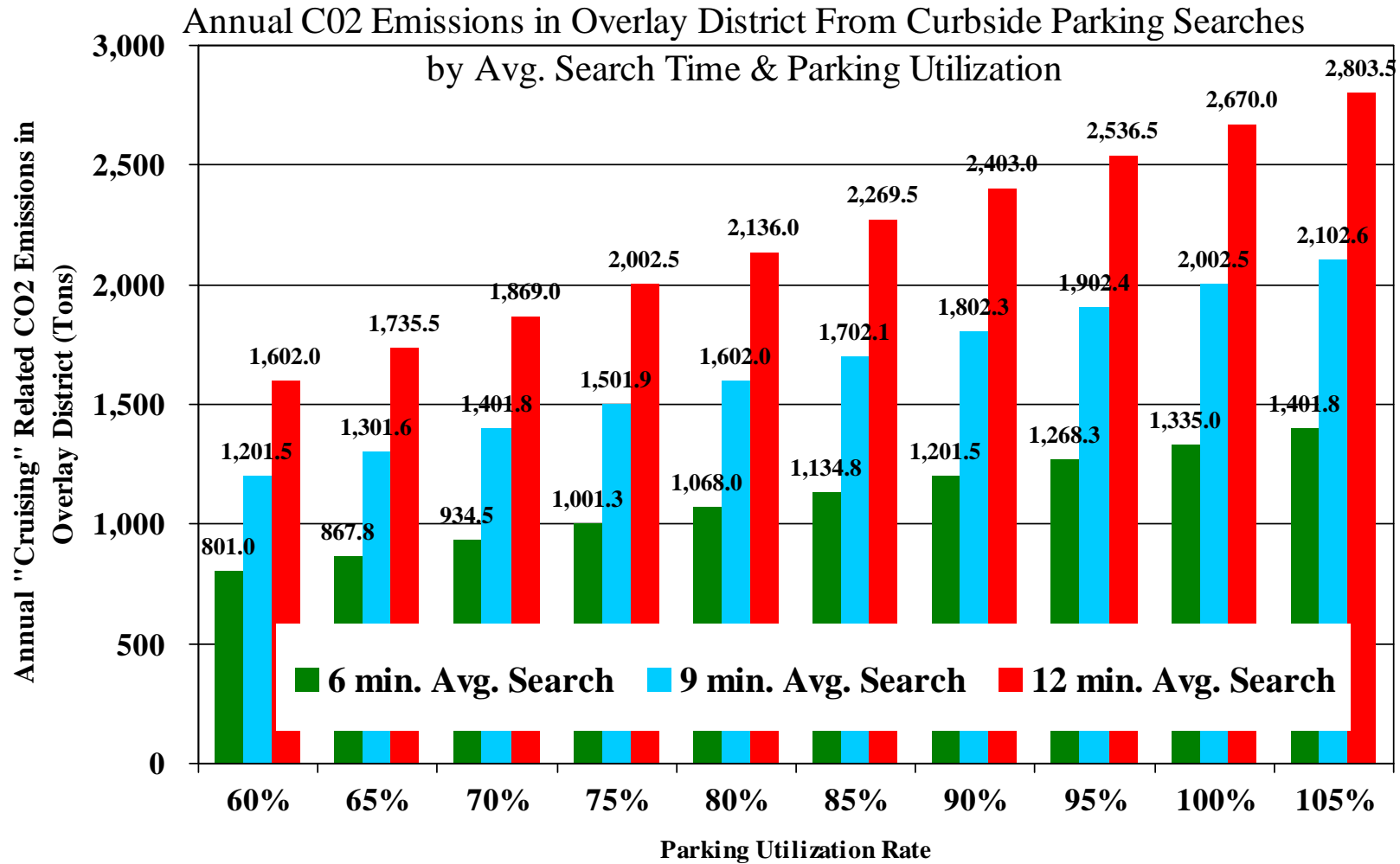


# Vehicles That “Cruise” for Curbside Parking Add to the Number of Drivers on the Road at any Time and They Have a Greater Impact on Traffic Congestion Than Does Thru Traffic



\*\*Assumes Avg. of 9 Daily Turnovers per Curbside Space

# C02 Emissions Related to Searches for Curbside Parking in the Overlay District Alone are Estimated to be at Least 1,400 - 2,000 Tons Annually



# Conclusions

- Large Job and Income Gains Will Accrue From Garage and Building Construction Activity
- Increase in Property Tax Base (\$28.5 to \$31.7 Million) Just From Front Liner, Hill St., Comm. Liner & Apt Construction
- But “External” Benefits May be Greater
- Off-site Parking is Positively Associated with Commercial/Industrial Property Prices.
- Reduced Traffic and Congestion Benefit Residents but also Commercial Properties and are Capitalized in Commercial Values. Small Increases in Individual Property Values are Aggregated Across Downtown Properties into Large Total Benefits in Property Values (\$17.9 to \$23.8 Million)
- Publicly Available Off-Site Parking Generates About Three Times the External Benefits in the Portsmouth Downtown as Parking that is not Publicly Accessible.

•

## Conclusions cont.

- The External Benefit to Property Values is a Significant Proportion of the Costs of Parking Construction
- One Implication: On Average, Communities are Better Off if they Allow Property Owners to Pay Fees to be *Used for Construction of Nearby Publicly Available Parking* in Lieu of Parking Requirements
- “Cruising” for Parking Dramatically Increases Vehicle Miles Traveled in the Downtown, Increasing Traffic Congestion While Reducing Walkability and Producing Thousands of Tons of CO<sub>2</sub>
- Increasing Publicly Available Parking in the Downtown by 10% to 21% Will Significantly Reduce Vehicle Miles, Traffic Congestion, and CO<sub>2</sub> Emissions