



Section 4 – Economic Analysis

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Introduction

After having quantified the need for additional parking and investigated various parking structure options to help meet this need together with the public benefit or enhanced use amenities that may be possible in previous sections of this report, the next step in the process is to investigate the economics of these parking structure alternatives. This section of the report will investigate financing techniques that could be appropriate for the various alternatives and help provide information on the costs of developing and operating the various alternatives proposed.

Financing options proposed include a Parking Revenue Bond that, depending on the site and alternative selected, could be a part of a Public / Private Partnership. In such an arrangement, an adjoining property owner or developer can cooperate to develop the parking and associated space. There are certain issues that would have to be considered that could affect whether the funding could be on tax-exempt basis or would require a taxable rate issue or a combination of the two. At the appropriate time, this will likely require further review between the Town, its selected design team, bond counsel and financial advisor.

An alternate potential that may be available on two of the sites also involving a public / private partnership could involve the Town leasing the existing lot to a private developer and allowing them to develop the necessary parking to meet the needs of their development plus an agreed number of publicly available spaces. This could mean that the Town could realize additional parking at little to no cost to the Town.

Parking Revenue Bond Financing

In a parking revenue bond financing, the revenue from all the parking downtown is used to cover the repayment of the debt and operating costs of the new development. There are very few parking structures that can, by themselves, at Surfside's relatively low rates generate sufficient revenue to cover the repayment of the bonds and operating expenses. Therefore, one way is to rely upon the revenues generated by the entire parking system to cover these costs. In this type of financing, the repayment is based on the parking system revenues and there is no guarantee on the part of the Town to repay the debt as a general obligation of the Town. This type of financing implies certain risks to the bondholders. Should revenues fall short of expectations, the Town is not obligated to pay the debt from tax revenues. Because the risks of relying on the parking revenues from the parking as the sole recourse for the parking issue, the bond underwriters will require that a debt service reserve equal to one year of the annual debt service payment is prefunded.

The parking structure alternatives shown for the Abbott Lot site would most likely be financed using parking revenue bond financing on a tax-exempt issue. Here, the assumption is that the Townhomes (if developed) could be constructed by a private developer from a separate issue and unless the developer was guaranteed more than ten percent of the parking spaces, tax-exempt financing would be possible.

The alternatives on the Post Office Site and the 94th Street lot site because these could be developed as part of a Public / Private Partnership could potentially be developed using a tax-exempt issue although depending on terms of the project negotiated with the public/private entity may result in a taxable issue (with a higher interest rate) being required. These two sites also have the possibility of being developed as part of a public/private partnership with the Town leasing the land to the developer of the project. The Town could then receive an annual lease payment for its land plus have guaranteed access to a specified number of parking spaces within the structure for public use. The contribution paid up-front or annually by the developer could offset costs and reduce the parking rates projected in this study. Under this type of arrangement, the parking is developed at essentially no cost to the Town and in fact could produce surplus annual revenues to reduce the debt service on either of the other two garages.

Project / Finance Cost Detail

In determining the annual debt service for each parking facility, as noted in Section 3, there are various additional costs associated with the financing in addition to the construction cost shown. These include not only design fees but soil testing and financing costs. A description of what may be included by the various line items is shown below.

Financing Terms

Construction Costs (Line 1): The construction costs for each of the various alternatives.

Slab Supporting Park (Line 2): This is a separate cost attributable only to Alternative 1 on the Abbott Lot site. This is provided to show the amount related to the park slab (which comprises the “roof”) of the underground parking facility. The construction cost of the parking spaces themselves are shown separately with the construction cost. The slab must be engineered and built with waterproofing considerations to support the load of earth and plantings of the Public Park above.

Public Park (Line 3): It is being assumed that the cost to construct the Public Park would be financed independently through a separate source and is therefore not included with the parking structure costs.

Professional Fees (Line 4): These are the design fees and reimbursed expenses for the parking structure. It assumes a conventional design/bid scenario.

Geotech and Survey (Line 5): Fees for a site survey including topography of the site and soil borings and geotechnical report on foundations.

Project Specific Insurance (Line 6): The Town would purchase a builder's risk policy but the other insurance would be part of the construction contract.

Contingency (Line 7): Rich and Associates have used a 5% contingency for the design and the construction to cover cost issues.

Equity (Parking Trust Fund) (Line 8): It is expected that up to \$1.5 million from the balance of the Parking Trust Fund (an enterprise fund) would be contributed to the project to lower the amount borrowed.

Townhomes (Liner Buildings) (Line 9): This is a placeholder for Alternatives 2 and 3 on the Abbott Lot site. It would be expected that the Town could develop the parking structure with a developer building the townhomes under a separate contract and financing issue as they about the parking structure but are not within the footprint of the structure.

Project Costs to be Financed (Line 10): Project costs represent the sum of all the costs above necessary to develop the project.

Finance Term (Line 11): A financing term of 30 years has been assumed.

Interest Rate (Line 12): An interest rate of 4.5% has been used for the tax-exempt financing options while a rate of 5.75% has been used for taxable financing.

Term of Construction (Line 13): The construction period is estimated at 12 months for most alternatives but as long as 15 months for the underground option.

Interest during Construction (Line 14): In a revenue bond financing all bond proceeds are received up front and draws are made on these funds to pay for construction. This represents capitalized interest for the term of construction.

Debt Service Reserve (Line 15): The Town's Finance Director has indicated that it would be likely that the bond underwriter would require one year of principal and interest costs to be pre-funded into a reserve account.

Cost of Issuance (Line 16): This is to cover the cost of preparing and issuance of the financing documents.

Underwriter's Discount (Line 17): These are the points paid to the bond underwriter.

Total Financing Costs (Line 18): Total soft costs for financing (Lines 14 through 17)

Addition of the Project Costs (Line 19): from line 10.

Total Amount of Bonds (Line 20): Total of lines 18 and 19.

Debt Service (Line 21): The annual principal and interest payment assuming a level payment each year.

Abbott Lot Site – 3 Alternatives

Abbott Avenue Lot Alternatives

Three alternatives have been developed for the Abbott Lot site. The one underground parking structure and two above grade options are assumed to be individual projects (not as part of a public/private partnership) that could be financed using tax-exempt parking revenue bond financing. It is being assumed that the Town would solicit proposals from interested developers to construct the Townhomes associated with Alternatives 2 and 3 which make up the west face of these options. This would be an entirely separate project removed from the project financing for the parking structure development thus permitting the tax-exempt rate for the parking structure, however, it is safe to assume that the developer would pay some type of ground rent to the Town for the right to develop the project.

- **Alternative 1** – Two level Underground Parking Structure with Public Park replacing existing surface lot
- **Alternative 2** – Above Grade Parking Structure replacing north half of Abbott Avenue Lot. Townhomes separately developed on western side of parking structure facing Abbott Avenue residences. Southern half of site replaced with Community Park.
- **Alternative 3** – Above grade parking structure encompassing entire Abbott Avenue Lot. Townhomes separately developed on western side of parking structure facing Abbott Avenue residences.

Alternative 1 – Underground Parking Structure with Public Park above

Table 12 on **page 4-6** details the project/finance cost for this alternative. Based on the design developed extending this facility to the west beneath Abbott Avenue, this facility would have a construction cost just for the two below grade parking levels of \$19.4 million. Based on the 448± spaces developed with this option equates to just over \$43,000 per space. In addition to the cost of constructing the two levels of parking is the cost of the slab which comprises the roof of the parking structure and supports the public park above. Because of the design considerations for the load that this must support (live load of approximately 300 pounds per square foot) it is relatively expensive at \$6.9 million. Costs common to all the alternatives include the geotech and survey (\$20,000) and the project specific insurance (\$20,000) although these may be higher for this option. Also shown is a \$1 million contingency to provide for unforeseen conditions during construction. *This option (as well as each of the other potential alternatives) also assumes to reduce the amount borrowed by applying up to \$1.5 million from the Parking Trust Fund as project equity.* By using the funds here, it reduces the amount that may be available to cover any calculated shortfalls using parking fees at market value. Any

potential shortfalls would be covered from the one year debt service reserve, which if used, would eventually have to be replenished.

The sum of the project cost for this option totals \$27,400,000. In addition to this, add the financing cost of \$4,044,000 which using the 30 year financing, 4.5 percent interest rate and assuming 15 months for construction results in a total financing of \$31.4 million. This results in an annual debt service of \$1,930,000.

In addition to the debt service, the parking garage would generate additional operating expenses beyond what the existing parking system is incurring. These additional operating expenses are estimated at \$210,000 per year which means that the parking system would have to cover a net increase in costs of more than two million dollars. The present system is generating a net \$275,000 (FY11-12 figures) in operating surplus. This shows that this option cannot be financed without a significant increase in parking rates or some other financial mechanism. One example of the other financial mechanisms would be to pledge parking ticket revenues which are projected to be \$186,000 for FY12-13

Table 12

**Town of Surfside
Abbott Lot Site - Alternative 1 - Underground Structure with Public Park
Revenue Bond Financing - 30 Year Amortization**

1	Construction Cost	\$19,407,000
2	Slab Supporting Park (68,760 sf x \$100 / sf)	\$6,876,000
3	Public Park (funded under separate financial issue)	\$0
4	Professional Fees (Architectural/Engineering & Reimbursed)	\$1,577,000
5	Geotech and Survey	\$20,000
6	Project Specific Insurance	\$20,000
7	Contingency 5%	\$1,000,000
8	Equity (Parking Trust Fund)	(\$1,500,000)
9	Townhomes (Not included this alternative)	\$0
10 Project Cost to be Financed		\$27,400,000
<hr/>		
11	Financing Term	30 Years
12	Interest Rate	4.5 %
13	Term of Construction	15 Months
<hr/>		
<u>Financing Costs</u>		
14	Interest During Construction (Capitalized Interest)	\$1,769,000
15	Debt Service Reserve (1 Year)	\$1,930,000
16	Cost of Issuance	\$200,000
17	Underwriter's Discount	\$145,600
<hr/>		
18	<i>Total Financing Costs</i>	\$4,044,600
19	+ Project Cost to Be Financed	<u>\$27,400,000</u>
20	Total Amount of Bonds	\$31,444,600
21	Debt Service	<u>\$1,930,000</u>

Project Pro Forma

Rich and Associates have developed a financial model to demonstrate the Town of Surfside parking system revenues, operating expenses and the annual net surplus or deficit between these values. A pro forma has been prepared for each alternative and will be shown with the alternative.

For each pro forma, the description of the project is shown across the top. For each option, the assumption is that the project would be constructed in FY13-14 and become operational one year later. Because each of the proposed sites is an existing parking lot, the model assumes that the number of transactions (average of 35,000 transactions per month per the master meter system) will drop by about 25 percent for the period of construction. Once construction is completed, the number of annual transactions is assumed to recover and increase at an average of two percent per year for a defined period (FY20-21 in these examples).

Lot Transactions/Parking Structure Transactions (Line 1 & 2): The total number of annual transactions (starting with the existing volume of 420,000 transactions annually) is divided between the existing parking lots and the new spaces in the parking structure.

Average Monthly Transactions (Line 3): Data from the master meters showed an average of 35,000 monthly transactions or 420,000 annually. These are divided between the lots and parking structure above. As noted above, the number of monthly transactions is assumed to increase at the two percent annual rate through FY20-21.

Average Stay (Line 4): The overall average stay of patrons again from the Master meters is assumed to remain constant at about one and one-half hours (1 ½ hours)

Ticket Average (Line 5): The parking rates as shown in Line 6 factored by the average length of stay in Line 4.

Parking Rates (Line 6): shows the parking rates projected for the entire downtown and are the same for all six alternatives:

- \$1.50 per hour in FY13-14 and FY14-15
- \$1.75 per hour in FY15-16 through FY18-19
- \$2.00 per hour in FY19-20 through FY22-23
- \$2.25 per hour in FY23-24 through FY26-27
- \$2.50 per hour in FY27-28 through FY30-31
- \$2.75 per hour in FY31-32 (end of projection)

Off-Site Parking Fund (Lines 7 – 11): For businesses or entities that are unable to meet the requirements for the number of parking spaces as determined by the zoning ordinance, the Town currently collects a one-time payment of \$22,500 per space for each space that they are deficient. This amount is intended to help the Town offset the costs of providing the parking in a publicly developed parking structure(s). As of the date of this report, four businesses or organizations will be paying into the off-site parking fund. The Town is working with each of the entities to allow them to distribute the payment amounts due over extended periods ranging from 10 to 30 years.

Meter Parking (Line 12): This line shows the total meter parking revenue that would be generated from the Town's system of parking lots, on-street spaces and new parking structure at the parking rates shown in line 6.

Resident Permit Parking (Line 13): Currently residents of Surfside are allowed to purchase a permit which allows them to park in the off-street lots and on-street spaces (excluding Harding Avenue) without paying the meters for up to the defined time limit. Line 13 shows the revenue from these permits increasing at about one-half of one percent per year.

Business Parking Permits (Line 14): The Town sells permits which currently allow employers for their staff or employees individually to park in either the 94th Street Lot or the Post Office Lot also without paying the meter and for staying beyond the defined time limit. Line 14 shows the revenue from these permits which is assumed to increase by 3.2 percent per year.

Parking Ticket Revenue (Line 15): Consistent enforcement of the Town's parking regulations has resulted in an increase in the revenue generated by parking citations which could be (and is shown) pledged to the parking system beginning in FY12-13. This revenue currently goes into the Town's General Fund.

Total Parking Revenue (Line 16): The sum of lines 7 through 15.

Total Parking Expenses (Line 17): Total operating expenses from the parking system in FY11-12 were \$642,000. These are projected to increase at an average of three percent per year throughout the term of the forecast.

Available for New Parking Structure (Line 18): The difference between the Total Parking Revenue shown by Line 16 and the Total Parking Expenses (Line 17).

Debt Service (Line 19): This represents the annual principal and interest payments for the debt incurred in developing the new parking structure.

Operating Expenses (New Parking Structure) (Line 20): This shows the expenses of operating the new parking structure. In the alternatives that have one or more below grade parking levels, the operating expenses are higher because of the electrical cost incurred in lighting and mechanically ventilating the below grade level(s).

Total New Parking Structure (Line 21): The sum of the debt service and operating expenses for each new structure alternative.

Net Surplus/ (Deficit) (Line 22): The difference between the amount of revenue available for the new structure (Line 18) less the cost to operate and amortize the debt of the new structure (line 21) at the rates shown in Line 6. In cases where a specific option may be desired by the Town but results in the parking system operating at a deficit it would obviously require that some other financing or sources of revenue be applied to the debt including parking ticket revenue which in FY12-13 is projected at \$186,000. There is also the possibility that the debt service could be “back-loaded” to reduce the debt service cost in the early years until demand and rates would both gradually increase.

Alternative 1 - Abbott Lot Underground Parking Structure Pro forma

Table 13, the pro forma shown for Alternative 1 which is the two-level underground parking structure beneath the existing Abbott Avenue lot with the Public Park above, shows that at the projected parking rates detailed in the pro forma there would be an annual revenue deficit that the Town would have to cover through other sources of revenue. The initial deficit is projected in excess of \$1.5 million but steadily decreases throughout the forecast period given the parking rate and revenue increases projected.

Table 13
2 Levels Below Grade Parking Structure, Public Park at Grade
Abbott Avenue Lot, 448 Total Cars, 241 Net Added Cars
Project Pro forma - Revenue Bond Financing

Alternate	Description	Cars	Construction Year (FY)	Operational Year (FY)	Construction Year Loss	Operating Expense Increase / Year	Transaction Increase Per Year 1 yr past operational year		Last Year (FY)	
							2.0%	FY20-21		
Alternate	Abbot Lot Site Alternative 1	448	FY13-14	FY14-15	25%	3%	2.0%	FY20-21		

Line #	Fiscal Year	Historical										Projected											
		FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	FY31-32	
1	Lot Transactions	420,000	420,000	315,000	181,467	185,096	188,798	192,574	196,426	200,354	204,361	204,361	204,361	204,361	204,361	204,361	204,361	204,361	204,361	204,361	204,361	204,361	204,361
2	Parking Structure Transactions	0	0	0	238,533	243,304	248,170	253,133	258,196	263,360	268,627	268,627	268,627	268,627	268,627	268,627	268,627	268,627	268,627	268,627	268,627	268,627	268,627
3	Average Monthly Transactions	35,000	35,000	26,250	35,000	35,700	36,414	37,142	37,885	38,643	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416
4	Avg Stay (Hours:Minutes)	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31
5	Ticket Average	\$1.90	\$1.90	\$2.28	\$2.28	\$2.66	\$2.66	\$2.66	\$2.66	\$3.04	\$3.04	\$3.04	\$3.04	\$3.42	\$3.42	\$3.42	\$3.42	\$3.80	\$3.80	\$3.80	\$3.80	\$3.80	\$4.18
6	Downtown Parking Rate / Hr (All Rates in 2013 Dollars)	\$1.25	\$1.25	\$1.50	\$1.50	\$1.75	\$1.75	\$1.75	\$1.75	\$2.00	\$2.00	\$2.00	\$2.00	\$2.25	\$2.25	\$2.25	\$2.25	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.75
Off-Site Parking Fund Annual Payment																							
7	Starbucks (2 Spaces) ⁽¹⁾	\$4,500		\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Young Israel (21 Spaces) ⁽²⁾	\$15,750		\$0	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750
9	The Shul (70 Spaces) ⁽³⁾	\$78,750		\$0	\$0	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750
10	Spiaggia (16 Spaces) ⁽⁴⁾	\$18,000		\$0	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
11	Off-Site Parking Fund Revenue			\$4,500	\$38,250	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500
12	Meter Parking (Lots/Streets/Parking Structure)	\$807,750	\$798,000	\$598,500	\$957,600	\$1,139,544	\$1,162,335	\$1,185,582	\$1,209,293	\$1,409,690	\$1,437,884	\$1,437,884	\$1,437,884	\$1,617,620	\$1,617,620	\$1,617,620	\$1,617,620	\$1,797,355	\$1,797,355	\$1,797,355	\$1,797,355	\$1,797,355	\$1,977,091
13	Resident Permit Parking ⁽⁵⁾	\$17,096	\$17,096	\$17,096	\$17,181	\$17,267	\$17,353	\$17,440	\$17,527	\$17,615	\$17,703	\$17,792	\$17,881	\$17,970	\$18,060	\$18,150	\$18,241	\$18,332	\$18,424	\$18,516	\$18,609	\$18,702	\$18,792
14	Business Parking Permits ⁽⁶⁾	\$92,373	\$92,373	\$92,373	\$95,329	\$98,380	\$101,528	\$104,777	\$108,130	\$111,590	\$115,161	\$118,846	\$122,649	\$126,574	\$130,624	\$134,804	\$139,118	\$143,570	\$148,164	\$152,905	\$157,798	\$162,848	\$162,848
15	Parking Citation Revenue ⁽⁷⁾		\$186,000	\$186,000	\$198,462	\$211,759	\$225,947	\$241,085	\$257,238	\$274,473	\$292,863	\$312,485	\$333,421	\$355,760	\$379,596	\$405,029	\$432,166	\$461,121	\$492,016	\$524,981	\$560,155	\$597,685	\$597,685
16	Total Parking Revenue (Sum lines 11 through 15)	\$917,219	\$1,093,469	\$898,469	\$1,306,822	\$1,583,950	\$1,624,163	\$1,665,884	\$1,709,188	\$1,930,368	\$1,980,611	\$2,004,007	\$2,028,835	\$2,230,424	\$2,258,400	\$2,288,103	\$2,319,645	\$2,532,878	\$2,568,459	\$2,606,257	\$2,646,417	\$2,688,826	\$2,688,826
17	Total Parking Expenses (Existing Lots & Street Spaces)	\$642,102	\$661,365	\$681,206	\$701,642	\$722,691	\$744,372	\$766,703	\$789,704	\$813,396	\$837,797	\$862,931	\$888,819	\$915,484	\$942,948	\$971,237	\$1,000,374	\$1,030,385	\$1,061,297	\$1,093,136	\$1,125,930	\$1,159,708	\$1,159,708
18	Available for New Parking Structure (Line 16 minus Line 17)	\$275,117	\$432,104	\$217,263	\$605,180	\$861,259	\$879,791	\$899,180	\$919,484	\$1,116,973	\$1,142,814	\$1,141,076	\$1,140,016	\$1,314,940	\$1,315,451	\$1,316,866	\$1,319,271	\$1,502,493	\$1,507,162	\$1,513,122	\$1,520,487	\$1,709,118	\$1,709,118
19	Debt Service	NA	NA	\$0	\$1,930,000	\$1,930,000	\$1,930,000	\$1,930,000	\$1,930,000	\$1,930,000	\$1,930,000	\$1,930,000	\$1,930,000	\$1,930,000	\$1,930,000	\$1,930,000	\$1,930,000	\$1,930,000	\$1,930,000	\$1,930,000	\$1,930,000	\$1,930,000	\$1,930,000
20	Operating Expenses (New Parking Structure)	NA	NA	\$0	\$210,642	\$216,961	\$223,470	\$230,174	\$237,080	\$244,192	\$251,518	\$259,063	\$266,835	\$274,840	\$283,086	\$291,578	\$300,325	\$309,335	\$318,615	\$328,174	\$338,019	\$348,160	\$348,160
21	Total New Parking Structure	\$0	\$0	\$0	\$2,140,642	\$2,146,961	\$2,153,470	\$2,160,174	\$2,167,080	\$2,174,192	\$2,181,518	\$2,189,063	\$2,196,835	\$2,204,840	\$2,213,086	\$2,221,578	\$2,230,325	\$2,239,335	\$2,248,615	\$2,258,174	\$2,268,019	\$2,278,160	\$2,278,160
22	Net Surplus / (Deficit) - (Line 18 minus Line 21)	\$275,117	\$432,104	\$217,263	(\$1,535,462)	(\$1,285,703)	(\$1,273,680)	(\$1,260,994)	(\$1,247,596)	(\$1,057,219)	(\$1,038,704)	(\$1,047,988)	(\$1,056,819)	(\$889,901)	(\$897,634)	(\$904,712)	(\$911,055)	(\$736,842)	(\$741,453)	(\$745,052)	(\$747,531)	(\$569,041)	(\$569,041)

Notes
 (1) Starbucks paying for 2 spaces short per zoning ordinance x \$22,500 / space (payable over 10 years)
 (2) Young Israel paying for 21 spaces short per zoning ordinance x \$22,500 / space (payable over 30 years starting in FY14-15)
 (3) The Shul paying for 70 spaces short per zoning ordinance x \$22,500 / space (payable over time period to be determined but estimated at 20 years starting in FY15-16)
 (4) Spiaggia paying for 16 spaces short per zoning ordinance x \$22,500 / space (payable over 20 years starting in FY14-15)
 (5) Assumed 1/2 of one percent increase per year in resident permit parking revenue
 (6) Business Parking Permit Revenue has increased average of 6.4% / year last four years. Assumed 1/2 this rate (3.2% / year increase going forward)
 (7) Parking Citation Revenue has increased average of 13.3% / year last four years. Assumed 1/2 this rate (6.7% / year increase going forward)

Alternative 2 –Parking Structure Half of Abbott Lot with Public Park at South End

Table 14 on the following page details the project / finance cost for Alternative 2 on the Abbott Lot site which is an above grade facility encompassing one-half of the former parking lot with a public park using the remaining portion of the site. The design developed for this facility with one level below grade and four supported levels would have a construction cost of \$13 million. Costs common to all the alternatives include the geotech and survey (\$20,000) and the project specific insurance (\$20,000). Also shown is the 5 percent contingency at \$650,000 again provides for unforeseen conditions during construction. *This option (as well as each of the other potential alternatives) also assumes to reduce the amount borrowed by applying up to \$1.5 million from the Parking Trust Fund as project equity.* By using the funds here, it reduces the amount that may be available to cover any calculated shortfalls using parking fees at market value.

The sum of the project cost to be financed for this option totals \$13,019,000. In addition to this, the financing costs add slightly more than \$1.7 million. Using the 30 year financing, 4.5 percent interest rate and assuming 12 months for construction results in a total financing of just over \$14.7 million. This gives an annual debt service of \$906,000

In addition to the debt service, the parking garage would generate additional operating expenses beyond what the existing parking system is incurring. These additional operating expenses are estimated to total \$108,000 in the first year.

The pro forma for this alternative shown by **Table 15** on **page 4-13** shows that at the projected parking rates for downtown that given this alternative, the parking system would operate at a deficit for the first five years that would need to be covered through other revenue sources. After this initial period, the parking system would generate a surplus given the parking rates and revenue increases projected.

Table 14

**Town of Surfside
Abbott Lot Site - Alternative 2 - Structure on 1/2 of Lot + Townhomes & Public Park
Revenue Bond Financing - 30 Year Amortization**

1	Construction Cost	\$13,044,000
2	Slab Supporting Park (Not Included this Alternative)	\$0
3	Public Park (funded under separate financial issue)	\$0
4	Professional Fees (Architectural/Engineering & Reimbursed)	\$783,000
5	Geotech and Survey	\$20,000
6	Project Specific Insurance	\$20,000
7	Contingency 5%	\$652,000
8	Equity (Parking Trust Fund)	(\$1,500,000)
9	Townhomes (Not included this alternative)	\$0
10 Project Cost to be Financed		\$13,019,000
<hr/>		
11	Financing Term	30 Years
12	Interest Rate (Tax-Exempt)	4.5 %
13	Term of Construction	12 Months
<hr/>		
<u>Financing Costs</u>		
14	Interest During Construction	\$664,000
15	Debt Service Reserve (1 Year)	\$906,000
16	Cost of Issuance	\$95,000
17	Underwriter's Discount	\$69,200
<hr/>		
18	<i>Total Financing Costs</i>	\$1,734,200
19	+ Project Cost to Be Financed	<u>\$13,019,000</u>
20	Total Amount of Bonds	\$14,753,200
21	Debt Service	<u>\$906,000</u>

Table 15
Parking Structure 1/2 length of Lot + Townhomes + Public Park at South End
Abbott Avenue Lot, 414 Total Cars, 207 Net Added Cars
Project Pro Forma - Revenue Bond Financing

Alternate	Description	Cars	Construction Year (FY)	Operational Year (FY)	Construction Year Loss	Operating Expense Increase / Year	Transaction Increase Per Year 1 yr past operational year		Last Year (FY)	
Abbot Lot Site Alternative 2	Parking Structure on half Lot + Public Park	414	FY13-14	FY14-15	25%	3%	2.0%		FY20-21	

Line #	Fiscal Year	Historical									Projected											
		FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	FY31-32
1	Lot Transactions	420,000	420,000	315,000	189,857	193,655	197,528	201,478	205,508	209,618	213,810	213,810	213,810	213,810	213,810	213,810	213,810	213,810	213,810	213,810	213,810	213,810
2	Parking Structure Transactions	0	0	0	230,143	234,745	239,440	244,229	249,114	254,096	259,178	259,178	259,178	259,178	259,178	259,178	259,178	259,178	259,178	259,178	259,178	259,178
3	Average Monthly Transactions	35,000	35,000	26,250	35,000	35,700	36,414	37,142	37,885	38,643	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416
4	Avg Stay (Hours:Minutes)	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31
5	Ticket Average	\$1.90	\$1.90	\$2.28	\$2.28	\$2.66	\$2.66	\$2.66	\$2.66	\$3.04	\$3.04	\$3.04	\$3.04	\$3.42	\$3.42	\$3.42	\$3.42	\$3.80	\$3.80	\$3.80	\$3.80	\$4.18
6	Downtown Parking Rate / Hr (All Rates in 2013 Dollars)	\$1.25	\$1.25	\$1.50	\$1.50	\$1.75	\$1.75	\$1.75	\$1.75	\$2.00	\$2.00	\$2.00	\$2.00	\$2.25	\$2.25	\$2.25	\$2.25	\$2.50	\$2.50	\$2.50	\$2.50	\$2.75
Off-Site Parking Fund Annual Payment																						
7	Starbucks (2 Spaces) ⁽¹⁾	\$4,500		\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Young Israel (21 Spaces) ⁽²⁾	\$15,750		\$0	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750
9	The Shul (70 Spaces) ⁽³⁾	\$78,750		\$0	\$0	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750
10	Spiaggia (16 Spaces) ⁽⁴⁾	\$18,000		\$0	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
11	Off-Site Parking Fund Revenue			\$4,500	\$38,250	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500
12	Meter Parking (Lots/Streets/Parking Structure)	\$807,750	\$798,000	\$598,500	\$957,600	\$1,139,544	\$1,162,335	\$1,185,582	\$1,209,293	\$1,409,690	\$1,437,884	\$1,437,884	\$1,437,884	\$1,617,620	\$1,617,620	\$1,617,620	\$1,617,620	\$1,797,355	\$1,797,355	\$1,797,355	\$1,797,355	\$1,977,091
13	Resident Permit Parking ⁽⁵⁾	\$17,096	\$17,096	\$17,096	\$17,181	\$17,267	\$17,353	\$17,440	\$17,527	\$17,615	\$17,703	\$17,792	\$17,881	\$17,970	\$18,060	\$18,150	\$18,241	\$18,332	\$18,424	\$18,516	\$18,609	\$18,702
14	Business Parking Permits ⁽⁶⁾	\$92,373	\$92,373	\$92,373	\$95,329	\$98,380	\$101,528	\$104,777	\$108,130	\$111,590	\$115,161	\$118,846	\$122,649	\$126,574	\$130,624	\$134,804	\$139,118	\$143,570	\$148,164	\$152,905	\$157,798	\$162,848
15	Parking Citation Revenue ⁽⁷⁾		\$186,000	\$186,000	\$198,462	\$211,759	\$225,947	\$241,085	\$257,238	\$274,473	\$292,863	\$312,485	\$333,421	\$355,760	\$379,596	\$405,029	\$432,166	\$461,121	\$492,016	\$524,981	\$560,155	\$597,685
16	Total Parking Revenue (Sum lines 11 through 15)	\$917,219	\$1,093,469	\$898,469	\$1,306,822	\$1,583,950	\$1,624,163	\$1,665,884	\$1,709,188	\$1,930,368	\$1,980,611	\$2,004,007	\$2,028,835	\$2,230,424	\$2,258,400	\$2,288,103	\$2,319,645	\$2,532,878	\$2,568,459	\$2,606,257	\$2,646,417	\$2,868,826
17	Total Parking Expenses (Existing Lots & Street Spaces)	\$642,102	\$661,365	\$681,206	\$701,642	\$722,691	\$744,372	\$766,703	\$789,704	\$813,396	\$837,797	\$862,931	\$888,819	\$915,484	\$942,948	\$971,237	\$1,000,374	\$1,030,385	\$1,061,297	\$1,093,136	\$1,125,930	\$1,159,708
18	Available for New Parking Structure (Line 16 minus Line 17)	\$275,117	\$432,104	\$217,263	\$605,180	\$861,259	\$879,791	\$899,180	\$919,484	\$1,116,973	\$1,142,814	\$1,141,076	\$1,140,016	\$1,314,940	\$1,315,451	\$1,316,866	\$1,319,271	\$1,502,493	\$1,507,162	\$1,513,122	\$1,520,487	\$1,709,118
19	Debt Service	NA	NA	\$0	\$906,000	\$906,000	\$906,000	\$906,000	\$906,000	\$906,000	\$906,000	\$906,000	\$906,000	\$906,000	\$906,000	\$906,000	\$906,000	\$906,000	\$906,000	\$906,000	\$906,000	\$906,000
20	Operating Expenses (New Parking Structure)	NA	NA	\$0	\$108,031	\$111,272	\$114,611	\$118,049	\$121,590	\$125,238	\$128,995	\$132,865	\$136,851	\$140,956	\$145,185	\$149,541	\$154,027	\$158,648	\$163,407	\$168,309	\$173,359	\$178,559
21	Total New Parking Structure	\$0	\$0	\$0	\$1,014,031	\$1,017,272	\$1,020,611	\$1,024,049	\$1,027,590	\$1,031,238	\$1,034,995	\$1,038,865	\$1,042,851	\$1,046,956	\$1,051,185	\$1,055,541	\$1,060,027	\$1,064,648	\$1,069,407	\$1,074,309	\$1,079,359	\$1,084,559
22	Net Surplus / (Deficit) - (Line 18 minus Line 21)	\$275,117	\$432,104	\$217,263	(\$408,852)	(\$156,014)	(\$140,820)	(\$124,869)	(\$108,107)	\$85,735	\$107,819	\$102,211	\$97,165	\$267,983	\$264,266	\$261,325	\$259,244	\$437,845	\$437,755	\$438,812	\$441,129	\$624,559

Notes

- (1) Starbucks paying for 2 spaces short per zoning ordinance x \$22,500 / space (payable over 10 years)
- (2) Young Israel paying for 21 spaces short per zoning ordinance x \$22,500 / space (payable over 30 years starting in FY14-15)
- (3) The Shul paying for 70 spaces short per zoning ordinance x \$22,500 / space (payable over time period to be determined but estimated at 20 years starting in FY15-16)
- (4) Spiaggia paying for 16 spaces short per zoning ordinance x \$22,500 / space (payable over 20 years starting in FY14-15)
- (5) Assumed 1/2 of one percent increase per year in resident permit parking revenue
- (6) Business Parking Permit Revenue has increased average of 6.4% / year last four years. Assumed 1/2 this rate (3.2% / year increase going forward)
- (7) Parking Citation Revenue has increased average of 13.3% / year last four years. Assumed 1/2 this rate (6.7% / year increase going forward)

Alternative 3 – Parking Structure Full Length of Abbott Avenue Lot

Table 16 on the following page details the project / finance cost for Alternative 3 on the Abbott Lot site which is an above grade facility encompassing the full length of the former parking lot. This facility (not including the cost of the townhomes which are assumed to be privately developed separately) has a total project costs to be financed of \$7.2 million. Cost of financing is just under one million dollars for a total issue of \$8.2 million resulting in calculated debt service of \$501,000 annually given the 30 year, 4 ½ percent financing.

Table 17 on **page 4-16** shows that at the projected parking rates and revenue generated, that the cost of developing and operating this alternative would be such that the parking system could continue to generate a surplus in every year of the forecast period without any additional subsidy from other revenue sources of the Town.

Table 16

**Town of Surfside
Abbott Lot Site - Alternative 3 - Structure on Entire Lot + Townhomes
Revenue Bond Financing - 30 Year Amortization**

1 Construction Cost	\$7,800,000
2 Slab Supporting Park (Not Included this Alternative)	\$0
3 Public Park (Not Included this Alternative)	\$0
4 Professional Fees (Architectural/Engineering & Reimbursed)	\$468,000
5 Geotech and Survey	\$20,000
6 Project Specific Insurance	\$20,000
7 Contingency 5%	\$390,000
8 Equity (Parking Trust Fund)	(\$1,500,000)
9 Townhomes (Not included this alternative)	\$0
10 Project Cost to be Financed	\$7,198,000
<hr/>	
11 Financing Term	30 Years
12 Interest Rate (Tax-Exempt)	4.5 %
13 Term of Construction	12 Months
<hr/>	
<u>Financing Costs</u>	
14 Interest During Construction	\$367,000
15 Debt Service Reserve (1 Year)	\$501,000
16 Cost of Issuance	\$52,500
17 Underwriter's Discount	\$38,250
<hr/>	
18 <i>Total Financing Costs</i>	\$958,750
19 + Project Cost to Be Financed	<u>\$7,198,000</u>
20 Total Amount of Bonds	\$8,156,750
21 Debt Service	<u>\$501,000</u>

Table 17
Parking Structure Full length of Lot - Townhomes Liner Bldg
Abbott Avenue Lot, 514 Total Cars, 307 Net Added Cars
Project Pro Forma - Revenue Bond Financing

Alternate	Description	Cars	Construction Year (FY)	Operational Year (FY)	Construction Year Loss	Operating Expense Increase / Year	Transaction Increase Per Year 1 yr past operational year		Last Year (FY)	
							2.0%	FY20-21		
Alternate	Abbot Lot Site Alternative 3	514	FY13-14	FY14-15	25%	3%	2.0%	FY20-21		

Line #	Fiscal Year =====>	Historical					Projected															
		FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	FY31-32
1	Lot Transactions	420,000	420,000	315,000	167,297	170,643	174,056	177,537	181,088	184,709	188,404	188,404	188,404	188,404	188,404	188,404	188,404	188,404	188,404	188,404	188,404	188,404
2	Parking Structure Transactions	0	0	0	252,703	257,757	262,912	268,170	273,534	279,004	284,585	284,585	284,585	284,585	284,585	284,585	284,585	284,585	284,585	284,585	284,585	284,585
3	Average Monthly Transactions	35,000	35,000	26,250	35,000	35,700	36,414	37,142	37,885	38,643	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416
4	Avg Stay (Hours:Minutes)	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31
5	Ticket Average	\$1.90	\$1.90	\$2.28	\$2.28	\$2.66	\$2.66	\$2.66	\$3.04	\$3.04	\$3.04	\$3.04	\$3.04	\$3.42	\$3.42	\$3.42	\$3.42	\$3.80	\$3.80	\$3.80	\$3.80	\$4.18
6	Downtown Parking Rate / Hr (All Rates in 2013 Dollars)	\$1.25	\$1.25	\$1.50	\$1.50	\$1.75	\$1.75	\$1.75	\$1.75	\$2.00	\$2.00	\$2.00	\$2.00	\$2.25	\$2.25	\$2.25	\$2.25	\$2.50	\$2.50	\$2.50	\$2.50	\$2.75
Off-Site Parking Fund Annual Payment																						
7	Starbucks (2 Spaces) ⁽¹⁾	\$4,500		\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Young Israel (21 Spaces) ⁽²⁾	\$15,750		\$0	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750
9	The Shul (70 Spaces) ⁽³⁾	\$78,750		\$0	\$0	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750
10	Spiaggia (16 Spaces) ⁽⁴⁾	\$18,000		\$0	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
11	Off-Site Parking Fund Revenue			\$4,500	\$38,250	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500
12	Meter Parking (Lots/Streets/Parking Structure)	\$807,750	\$798,000	\$598,500	\$957,600	\$1,139,544	\$1,162,335	\$1,185,582	\$1,209,293	\$1,409,690	\$1,437,884	\$1,437,884	\$1,437,884	\$1,617,620	\$1,617,620	\$1,617,620	\$1,617,620	\$1,797,355	\$1,797,355	\$1,797,355	\$1,797,355	\$1,977,091
13	Resident Permit Parking ⁽⁵⁾	\$17,096	\$17,096	\$17,096	\$17,181	\$17,267	\$17,353	\$17,440	\$17,527	\$17,615	\$17,703	\$17,792	\$17,881	\$17,970	\$18,060	\$18,150	\$18,241	\$18,332	\$18,424	\$18,516	\$18,609	\$18,702
14	Business Parking Permits ⁽⁶⁾	\$92,373	\$92,373	\$92,373	\$95,329	\$98,380	\$101,528	\$104,777	\$108,130	\$111,590	\$115,161	\$118,846	\$122,649	\$126,574	\$130,624	\$134,804	\$139,118	\$143,570	\$148,164	\$152,905	\$157,798	\$162,848
15	Parking Citation Revenue ⁽⁷⁾		\$186,000	\$186,000	\$198,462	\$211,759	\$225,947	\$241,085	\$257,238	\$274,473	\$292,863	\$312,485	\$333,421	\$355,760	\$379,596	\$405,029	\$432,166	\$461,121	\$492,016	\$524,981	\$560,155	\$597,685
16	Total Parking Revenue (Sum lines 11 through 15)	\$917,219	\$1,093,469	\$898,469	\$1,306,822	\$1,583,950	\$1,624,163	\$1,665,884	\$1,709,188	\$1,930,368	\$1,980,611	\$2,004,007	\$2,028,835	\$2,230,424	\$2,258,400	\$2,288,103	\$2,319,645	\$2,532,878	\$2,568,459	\$2,606,257	\$2,646,417	\$2,868,826
17	Total Parking Expenses (Existing Lots & Street Spaces)	\$642,102	\$661,365	\$681,206	\$701,642	\$722,691	\$744,372	\$766,703	\$789,704	\$813,396	\$837,797	\$862,931	\$888,819	\$915,484	\$942,948	\$971,237	\$1,000,374	\$1,030,385	\$1,061,297	\$1,093,136	\$1,125,930	\$1,159,708
18	Available for New Parking Structure (Line 16 minus Line 17)	\$275,117	\$432,104	\$217,263	\$605,180	\$861,259	\$879,791	\$899,180	\$919,484	\$1,116,973	\$1,142,814	\$1,141,076	\$1,140,016	\$1,314,940	\$1,315,451	\$1,316,866	\$1,319,271	\$1,502,493	\$1,507,162	\$1,513,122	\$1,520,487	\$1,709,118
19	Debt Service	NA	NA	\$0	\$501,000	\$501,000	\$501,000	\$501,000	\$501,000	\$501,000	\$501,000	\$501,000	\$501,000	\$501,000	\$501,000	\$501,000	\$501,000	\$501,000	\$501,000	\$501,000	\$501,000	\$501,000
20	Operating Expenses (New Parking Structure)	NA	NA	\$0	\$77,504	\$79,829	\$82,224	\$84,691	\$87,232	\$89,849	\$92,544	\$95,321	\$98,180	\$101,126	\$104,159	\$107,284	\$110,503	\$113,818	\$117,232	\$120,749	\$124,372	\$128,103
21	Total New Parking Structure	\$0	\$0	\$0	\$578,504	\$580,829	\$583,224	\$585,691	\$588,232	\$590,849	\$593,544	\$596,321	\$599,180	\$602,126	\$605,159	\$608,284	\$611,503	\$614,818	\$618,232	\$621,749	\$625,372	\$629,103
22	Net Surplus / (Deficit) - (Line 18 minus Line 21)	\$275,117	\$432,104	\$217,263	\$26,676	\$280,429	\$296,566	\$313,489	\$331,252	\$526,124	\$549,270	\$544,755	\$540,836	\$712,814	\$710,292	\$708,582	\$707,768	\$887,675	\$888,930	\$891,372	\$895,116	\$1,080,015

- Notes**
- (1) Starbucks paying for 2 spaces short per zoning ordinance x \$22,500 / space (payable over 10 years)
 - (2) Young Israel paying for 21 spaces short per zoning ordinance x \$22,500 / space (payable over 30 years starting in FY14-15)
 - (3) The Shul paying for 70 spaces short per zoning ordinance x \$22,500 / space (payable over time period to be determined but estimated at 20 years starting in FY15-16)
 - (4) Spiaggia paying for 16 spaces short per zoning ordinance x \$22,500 / space (payable over 20 years starting in FY14-15)
 - (5) Assumed 1/2 of one percent increase per year in resident permit parking revenue
 - (6) Business Parking Permit Revenue has increased average of 6.4% / year last four years. Assumed 1/2 this rate (3.2% / year increase going forward)
 - (7) Parking Citation Revenue has increased average of 13.3% / year last four years. Assumed 1/2 this rate (6.7% / year increase going forward)

Post Office Lot Site – 1 Alternative

- Above Grade Parking Structure encompassing existing parking lot, adjoining building and Post Office parking behind building. Post Office replaced within parking structure.

Alternative 1 - Parking Structure with 1st floor Post Office and commercial space

The Post Office Site differs from the Abbott Avenue structures because of the possibility for a public / private partnership. This is due because the Town owns the parking lot while a private individual owns the building housing the Post Office. In order to develop the parking structure on this site would likely require cooperation between the Town and building owner because the building owner presently leases space to the U.S. Postal Service and it is assumed would like to continue to do so.

Therefore, this gives two options. Under the first option, the Town could develop the parking structure and post office space and adjoining commercial area fronting the up-front development cost for this space. Depending on the value of this space as a proportion of the total project costs would determine whether the financing issue was tax-exempt or would have to be taxable. Therefore, Rich and Associates are showing a worse-case condition with the financing for this option calculated assuming the Town develops the structure using a taxable issue with a slightly higher interest rate. Depending on the negotiated terms between the Town and building owner, it may be possible to still develop the combined facility using tax-exempt financing.

Table 18 on **page 4-19** details the project / finance cost for this alternative. At this point in time, taxable financing is estimated to have an interest rate of 5 $\frac{3}{4}$ percent (1 $\frac{1}{4}$ percent above the tax-exempt rate). The Project Costs to be Financed for the parking structure total \$5.3 million with financing cost adding just under \$900,000 more. The \$6.2 million of total financing results in an annual debt service cost of \$435,000.

Table 19 on **page 4-20** shows that this alternative with the parking system would also generate a surplus in every year of the forecast period at the projected parking rates.

Alternatively, the Town could lease the existing parking lot to the adjoining property owner and permit them to develop the parking structure and adjoining building space. The Town could be paid a lease amount for the former parking lot property with a guarantee for a defined number of public use spaces within the newly developed parking structure. This is a possibility where the Town could realize additional parking at little to no cost to the Town and have the parking lot parcel go back on the tax rolls. In this case the developer would be responsible for obtaining the necessary financing for the project and would receive the revenue from the

parking structure spaces. The difficulty with this option is that the parking rates for the structure may have to be higher than the surrounding market because of the higher costs of financing and the lack of guaranteed revenue from the rest of the parking system to help support the garage which can make the parking garage less attractive as a parking location. This potential would obviously require further review and discussion between the Town and the property owner, but is a viable option.

Table 18

**Town of Surfside
Post Office Site - Parking Structure + Ground Floor Post Office & Commercial Space
Revenue Bond Financing - 30 Year Amortization**

1	Construction Cost	\$6,091,000
2	Slab Supporting Park (Not Included this Alternative)	\$0
3	Public Park (Not Included this Alternative)	\$0
4	Professional Fees (Architectural/Engineering & Reimbursed)	\$365,000
5	Geotech and Survey	\$20,000
6	Project Specific Insurance	\$20,000
7	Contingency 5%	\$305,000
8	Equity (Parking Trust Fund)	(\$1,500,000)
9	Townhomes (Not included this alternative)	\$0
10 Project Cost to be Financed		\$5,301,000
<hr/>		
11	Financing Term	30 Years
12	Interest Rate (Taxable)	5.75 %
13	Term of Construction	12 Months
<hr/>		
<u>Financing Costs</u>		
14	Interest During Construction	\$354,000
15	Debt Service Reserve (1 Year)	\$435,000
16	Cost of Issuance	\$39,000
17	Underwriter's Discount	\$28,000
<hr/>		
18	<i>Total Financing Costs</i>	\$856,000
19	+ Project Cost to Be Financed	<u>\$5,301,000</u>
20	Total Amount of Bonds	\$6,157,000
21	Debt Service	<u>\$435,000</u>

Table 19

Town of Surfside, Florida
Full Site Grade + 3 Supported floors
Post Office Lot - 280 Cars, 219 Net Added Cars
Revenue Bond Financing

Alternate	Description	Cars	Construction Year (FY)	Operational Year (FY)	Construction Year Loss	Operating Expense Increase / Year	Transaction Increase Per Year 1 yr past operational year	Last Year (FY)
Post Office Site Alternative 1	Parking Structure + Post Office & Commercial Space	295	FY13-14	FY14-15	25%	3%	2.0%	FY20-21

Line #	Fiscal Year =====>	Historical					Projected											
		FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-26	FY26-27	FY27-28
1	Lot Transactions	420,000	420,000	315,000	266,918	272,257	277,702	283,256	288,921	294,699	300,593	300,593	300,593	300,593	300,593	300,593	300,593	300,593
2	Parking Structure Transactions	0	0	0	153,082	156,143	159,266	162,451	165,700	169,014	172,395	172,395	172,395	172,395	172,395	172,395	172,395	172,395
3	Average Monthly Transactions	35,000	35,000	26,250	35,000	35,700	36,414	37,142	37,885	38,643	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416
4	Avg Stay (Hours:Minutes)	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31
5	Ticket Average	\$1.90	\$1.90	\$2.28	\$2.28	\$2.66	\$2.66	\$2.66	\$2.66	\$3.04	\$3.04	\$3.04	\$3.04	\$3.42	\$3.42	\$3.42	\$3.42	\$3.80
6	Downtown Parking Rate / Hr (All Rates in 2013 Dollars)	\$1.25	\$1.25	\$1.50	\$1.50	\$1.75	\$1.75	\$1.75	\$1.75	\$2.00	\$2.00	\$2.00	\$2.00	\$2.25	\$2.25	\$2.25	\$2.25	\$2.50
Off-Site Parking Fund Annual Payment																		
7	Starbucks (2 Spaces) ⁽¹⁾	\$4,500		\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$0	\$0	\$0	\$0	\$0
8	Young Israel (21 Spaces) ⁽²⁾	\$15,750		\$0	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750
9	The Shul (70 Spaces) ⁽³⁾	\$78,750		\$0	\$0	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750
10	Spiaggia (16 Spaces) ⁽⁴⁾	\$18,000		\$0	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
11	Off-Site Parking Fund Revenue			\$4,500	\$38,250	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500
12	Meter Parking (Lots/Streets/Parking Structure)	\$807,750	\$798,000	\$598,500	\$957,600	\$1,139,544	\$1,162,335	\$1,185,582	\$1,209,293	\$1,409,690	\$1,437,884	\$1,437,884	\$1,437,884	\$1,617,620	\$1,617,620	\$1,617,620	\$1,617,620	\$1,797,355
13	Resident Permit Parking ⁽⁵⁾	\$17,096	\$17,096	\$17,096	\$17,181	\$17,267	\$17,353	\$17,440	\$17,527	\$17,615	\$17,703	\$17,792	\$17,881	\$17,970	\$18,060	\$18,150	\$18,241	\$18,332
14	Business Parking Permits ⁽⁶⁾	\$92,373	\$92,373	\$92,373	\$95,329	\$98,380	\$101,528	\$104,777	\$108,130	\$111,590	\$115,161	\$118,846	\$122,649	\$126,574	\$130,624	\$134,804	\$139,118	\$143,570
15	Parking Citation Revenue ⁽⁷⁾		\$186,000	\$186,000	\$198,462	\$211,759	\$225,947	\$241,085	\$257,238	\$274,473	\$292,863	\$312,485	\$333,421	\$355,760	\$379,596	\$405,029	\$432,166	\$461,121
16	Total Parking Revenue (Sum lines 11 through 15)	\$917,219	\$1,093,469	\$898,469	\$1,306,822	\$1,583,950	\$1,624,163	\$1,665,884	\$1,709,188	\$1,930,368	\$1,980,611	\$2,004,007	\$2,028,835	\$2,230,424	\$2,258,400	\$2,288,103	\$2,319,645	\$2,532,878
17	Total Parking Expenses (Existing Lots & Street Spaces)	\$642,102	\$661,365	\$681,206	\$701,642	\$722,691	\$744,372	\$766,703	\$789,704	\$813,396	\$837,797	\$862,931	\$888,819	\$915,484	\$942,948	\$971,237	\$1,000,374	\$1,030,385
18	Available for New Parking Structure (Line 16 minus Line 17)	\$275,117	\$432,104	\$217,263	\$605,180	\$861,259	\$879,791	\$899,180	\$919,484	\$1,116,973	\$1,142,814	\$1,141,076	\$1,140,016	\$1,314,940	\$1,315,451	\$1,316,866	\$1,319,271	\$1,502,493
19	Debt Service	NA	NA	\$0	\$435,000	\$435,000	\$435,000	\$435,000	\$435,000	\$435,000	\$435,000	\$435,000	\$435,000	\$435,000	\$435,000	\$435,000	\$435,000	\$435,000
20	Operating Expenses (New Parking Structure)	NA	NA	\$0	\$61,981	\$63,841	\$65,756	\$67,729	\$69,761	\$71,853	\$74,009	\$76,229	\$78,516	\$80,872	\$83,298	\$85,797	\$88,371	\$91,022
21	Total New Parking Structure	\$0	\$0	\$0	\$496,981	\$498,841	\$500,756	\$502,729	\$504,761	\$506,853	\$509,009	\$511,229	\$513,516	\$515,872	\$518,298	\$520,797	\$523,371	\$526,022
22	Net Surplus / (Deficit) - (Line 18 minus Line 21)	\$275,117	\$432,104	\$217,263	\$108,198	\$362,418	\$379,035	\$396,452	\$414,723	\$610,119	\$633,805	\$629,847	\$626,500	\$799,068	\$797,154	\$796,069	\$795,900	\$976,471

Notes

- (1) Starbucks paying for 2 spaces short per zoning ordinance x \$22,500 / space (payable over 10 years)
- (2) Young Israel paying for 21 spaces short per zoning ordinance x \$22,500 / space (payable over 30 years starting in FY14-15)
- (3) The Shul paying for 70 spaces short per zoning ordinance x \$22,500 / space (payable over time period to be determined but estimated at 20 years starting in FY15-16)
- (4) Spiaggia paying for 16 spaces short per zoning ordinance x \$22,500 / space (payable over 20 years starting in FY14-15)
- (5) Assumed 1/2 of one percent increase per year in resident permit parking revenue

94th Street Lot Site – Two Alternatives

- **Alternative 1** – Above Grade Parking Structure (with one level below grade) encompassing existing parking lot and adjoining residential buildings to the east along Collins. Developed as part of Public / Private Partnership with newly developed commercial space.
- **Alternative 2** – Above Grade Parking Structure encompassing existing parking lot only.

Alternative 1 - Parking Structure with Adjoining Commercial Space

Alternative 1 on the 94th Street Lot also affords an opportunity for a public / private partnership. The properties to the east of the parking lot are controlled by a single individual who has approached the Town about a joint development. This could take various forms such as the Town developing the parking structure with a parking revenue bond and the developer building the adjoining commercial space financed on their own issue. So long as the private developer is not guaranteed more than 10 percent of the garage capacity, this could be funded on a tax-exempt issue.

The project and finance cost of this potential are shown in **Table 20** on **page 4-23**. The cost estimates shown assume just the parking structure development costs following the premise noted above of the adjoining property owner (developer) developing the commercial space on their own financial issue. Although developed as a cooperative effort, the two financings for this purpose are assumed to be completely separate. The parking structure has a project cost to be financed of \$9.2 million with \$1.2 million in additional cost of financing (line 18). The nearly \$10.4 million issue results in the calculated annual debt service being \$637,000.

Table 21 shows that with the downtown parking rates increased to \$1.50 per hour in FY13-14 that this alternative would result in the downtown parking system operating at a deficit of \$145,000 in FY14-15 after which, at the projected rates, the parking system with this alternative would generate revenue surpluses. The initial year revenue shortfall could be offset by structuring the debt in a different manner.

This site, like the Post Office Site, could also offer an opportunity for the developer to lease the Town's existing parking lot and develop the entire project. In this arrangement, in return for the use of the Town's parking lot parcel, the Town could receive a lease payment for the property and a guarantee that a certain number of the parking spaces developed in the structure would be for public use. This could mean that the Town could realize added parking developed for the downtown community at virtually no cost and could possibly make a contribution to the Abbott project. It would also mean that the existing parking lot parcel would go back on the tax rolls. Depending on the arrangement and economics, this may mean that the parking rates

contribution to the Abbott project. It would also mean that the existing parking lot parcel would go back on the tax rolls. Depending on the arrangement and economics, this may mean that the parking rates could be higher if the developer must cover all the costs of building and financing the parking structure from parking rates received from the structure without the added support from the remainder of the parking system. Again, this is an option that merits further discussion between the Town and potential developers.

Table 20

**Town of Surfside
94th Street Lot Site - Parking Structure + Associated Commercial Development
Revenue Bond Financing - 30 Year Amortization**

1	Construction Cost	\$9,568,000
2	Slab Supporting Park (Not Included this Alternative)	\$0
3	Public Park (Not Included this Alternative)	\$0
4	Professional Fees (Architectural/Engineering & Reimbursed)	\$574,000
5	Geotech and Survey	\$20,000
6	Project Specific Insurance	\$20,000
7	Contingency 5%	\$478,000
8	Equity (Parking Trust Fund)	(\$1,500,000)
9	Townhomes (Not included this alternative)	\$0
10 Project Cost to be Financed		\$9,160,000
11	Financing Term	30 Years
12	Interest Rate (Tax-Exempt)	4.5 %
13	Term of Construction	12 Months
<u>Financing Costs</u>		
14	Interest During Construction	\$467,000
15	Debt Service Reserve (1 Year)	\$637,000
16	Cost of Issuance	\$66,900
17	Underwriter's Discount	\$48,700
18	<i>Total Financing Costs</i>	\$1,219,600
19	+ Project Cost to Be Financed	<u>\$9,160,000</u>
20	Total Amount of Bonds	\$10,379,600
21	Debt Service	<u>\$637,000</u>

Table 21
1 Level below grade plus 4 floors with commercial
94th Street Lot & Adjacent Properties 88 Net Added Community Parking Spaces
Project Pro Forma - Revenue Bond Financing

Alternate	94th Street Lot Site - Alternative 1	Description	Cars	Construction Year (FY)	Operational Year (FY)	Construction Year Loss	Operating Expense Increase / Year	Transaction Increase Per Year 1 yr past operational year														
								2.0%	Last Year (FY) FY20-21													
		1 level below grade, 3 1/2 supported w/ commercial development	370	FY13-14	FY14-15	25%	3%															
Historical		Projected																				
Line #	Fiscal Year =====>	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	FY31-32
1	Lot Transactions	420,000	420,000	315,000	230,168	234,771	239,467	244,256	249,141	254,124	259,206	259,206	259,206	259,206	259,206	259,206	259,206	259,206	259,206	259,206	259,206	259,206
2	Parking Structure Transactions	0	0	0	189,832	193,629	197,501	201,451	205,480	209,590	213,782	213,782	213,782	213,782	213,782	213,782	213,782	213,782	213,782	213,782	213,782	213,782
3	Average Monthly Transactions	35,000	35,000	26,250	35,000	35,700	36,414	37,142	37,885	38,643	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416
4	Avg Stay (Hours:Minutes)	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31
5	Ticket Average	\$1.90	\$1.90	\$2.28	\$2.28	\$2.66	\$2.66	\$2.66	\$2.66	\$3.04	\$3.04	\$3.04	\$3.04	\$3.42	\$3.42	\$3.42	\$3.42	\$3.80	\$3.80	\$3.80	\$3.80	\$4.18
6	Downtown Parking Rate / Hr (All Rates in 2013 Dollars)	\$1.25	\$1.25	\$1.50	\$1.50	\$1.75	\$1.75	\$1.75	\$1.75	\$2.00	\$2.00	\$2.00	\$2.00	\$2.25	\$2.25	\$2.25	\$2.25	\$2.50	\$2.50	\$2.50	\$2.50	\$2.75
Off-Site Parking Fund Annual Payment																						
7	Starbucks (2 Spaces) ⁽¹⁾	\$4,500		\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Young Israel (21 Spaces) ⁽²⁾	\$15,750		\$0	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750
9	The Shul (70 Spaces) ⁽³⁾	\$78,750		\$0	\$0	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750
10	Spiaggia (16 Spaces) ⁽⁴⁾	\$18,000		\$0	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
11	Off-Site Parking Fund Revenue			\$4,500	\$38,250	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500
12	Meter Parking (Lots/Streets/Parking Structure)	\$807,750	\$798,000	\$598,500	\$957,600	\$1,139,544	\$1,162,335	\$1,185,582	\$1,209,293	\$1,409,690	\$1,437,884	\$1,437,884	\$1,437,884	\$1,617,620	\$1,617,620	\$1,617,620	\$1,617,620	\$1,797,355	\$1,797,355	\$1,797,355	\$1,797,355	\$1,977,091
13	Resident Permit Parking ⁽⁵⁾	\$17,096	\$17,096	\$17,096	\$17,181	\$17,267	\$17,353	\$17,440	\$17,527	\$17,615	\$17,703	\$17,792	\$17,881	\$17,970	\$18,060	\$18,150	\$18,241	\$18,332	\$18,424	\$18,516	\$18,609	\$18,702
14	Business Parking Permits ⁽⁶⁾	\$92,373	\$92,373	\$92,373	\$95,329	\$98,380	\$101,528	\$104,777	\$108,130	\$111,590	\$115,161	\$118,846	\$122,649	\$126,574	\$130,624	\$134,804	\$139,118	\$143,570	\$148,164	\$152,905	\$157,798	\$162,848
15	Parking Citation Revenue ⁽⁷⁾		\$186,000	\$186,000	\$198,462	\$211,759	\$225,947	\$241,085	\$257,238	\$274,473	\$292,863	\$312,485	\$333,421	\$355,760	\$379,596	\$405,029	\$432,166	\$461,121	\$492,016	\$524,981	\$560,155	\$597,685
16	Total Parking Revenue (Sum lines 11 through 15)	\$917,219	\$1,093,469	\$898,469	\$1,306,822	\$1,583,950	\$1,624,163	\$1,665,884	\$1,709,188	\$1,930,368	\$1,980,611	\$2,004,007	\$2,028,835	\$2,230,424	\$2,258,400	\$2,288,103	\$2,319,645	\$2,532,878	\$2,568,459	\$2,606,257	\$2,646,417	\$2,868,826
17	Total Parking Expenses (Existing Lots & Street Spaces)	\$642,102	\$661,365	\$681,206	\$701,642	\$722,691	\$744,372	\$766,703	\$789,704	\$813,396	\$837,797	\$862,931	\$888,819	\$915,484	\$942,948	\$971,237	\$1,000,374	\$1,030,385	\$1,061,297	\$1,093,136	\$1,125,930	\$1,159,708
18	Available for New Parking Structure (Line 16 minus Line 17)	\$275,117	\$432,104	\$217,263	\$605,180	\$861,259	\$879,791	\$899,180	\$919,484	\$1,116,973	\$1,142,814	\$1,141,076	\$1,140,016	\$1,314,940	\$1,315,451	\$1,316,866	\$1,319,271	\$1,502,493	\$1,507,162	\$1,513,122	\$1,520,487	\$1,709,118
19	Debt Service	NA	NA	\$0	\$637,000	\$637,000	\$637,000	\$637,000	\$637,000	\$637,000	\$637,000	\$637,000	\$637,000	\$637,000	\$637,000	\$637,000	\$637,000	\$637,000	\$637,000	\$637,000	\$637,000	\$637,000
20	Operating Expenses (New Parking Structure)	NA	NA	\$0	\$113,467	\$116,871	\$120,377	\$123,988	\$127,708	\$131,539	\$135,485	\$139,550	\$143,736	\$148,048	\$152,490	\$157,065	\$161,777	\$166,630	\$171,629	\$176,778	\$182,081	\$187,543
21	Total New Parking Structure	\$0	\$0	\$0	\$750,467	\$753,871	\$757,377	\$760,988	\$764,708	\$768,539	\$772,485	\$776,550	\$780,736	\$785,048	\$789,490	\$794,065	\$798,777	\$803,630	\$808,629	\$813,778	\$819,081	\$824,543
22	Net Surplus / (Deficit) - (Line 18 minus Line 21)	\$275,117	\$432,104	\$217,263	(\$145,287)	\$107,388	\$122,414	\$138,192	\$154,776	\$348,434	\$370,328	\$364,526	\$359,279	\$529,891	\$525,961	\$522,801	\$520,494	\$698,863	\$698,534	\$699,344	\$701,407	\$884,575

Notes

- (1) Starbucks paying for 2 spaces short per zoning ordinance x \$22,500 / space (payable over 10 years)
- (2) Young Israel paying for 21 spaces short per zoning ordinance x \$22,500 / space (payable over 30 years starting in FY14-15)
- (3) The Shul paying for 70 spaces short per zoning ordinance x \$22,500 / space (payable over time period to be determined but estimated at 20 years starting in FY15-16)
- (4) Spiaggia paying for 16 spaces short per zoning ordinance x \$22,500 / space (payable over 20 years starting in FY14-15)
- (5) Assumed 1/2 of one percent increase per year in resident permit parking revenue
- (6) Business Parking Permit Revenue has increased average of 6.4% / year last four years. Assumed 1/2 this rate (3.2% / year increase going forward)
- (7) Parking Citation Revenue has increased average of 13.3% / year last four years. Assumed 1/2 this rate (6.7% / year increase going forward)

Alternative 2 - Parking Structure Alone.

Alternative 2 on the 94th Street Lot is the most basic of all the options as simply a parking structure. It is important to understand that this does not mean that it is only possible to develop an unattractive “parking garage” as so many are inclined to expect. On the contrary, architectural treatments are possible that could result in a very attractive facility that fits within the commercial and residential character of the area. Although such a development does not have the added public benefits and amenities of some of the other options, a consideration which would have to be weighed by the community, it does provide needed additional parking supply for the downtown. As a project financed by the Town from parking revenues, it may do so less expensively than other alternatives.

As **Table 22** shows this facility has a project cost to be financed of just over \$3.5 million and financing costs at under \$500,000. The resulting total of \$4 million and annual debt service of \$245,000 is obviously the lowest cost of all the options investigated. Other facilities with the associated public benefit amenities must also be considered by the community so that it is not just an issue of economics.

The project pro forma, shown by **Table 23**, demonstrates that using the same downtown parking rates as the other alternatives that this alternative generates surpluses in every year of the forecast period. By the end period covered by the forecast, the surplus revenues may exceed one million dollars annually which could be applied to other downtown projects.

Table 22

**Town of Surfside
94th Street Lot Site - Parking Structure Only on Existing Lot
Revenue Bond Financing - 30 Year Amortization**

1	Construction Cost	\$4,493,000
2	Slab Supporting Park (Not Included this Alternative)	\$0
3	Public Park (Not Included this Alternative)	\$0
4	Professional Fees (Architectural/Engineering & Reimbursed)	\$270,000
5	Geotech and Survey	\$20,000
6	Project Specific Insurance	\$20,000
7	Contingency 5%	\$225,000
8	Equity (Parking Trust Fund)	(\$1,500,000)
9	Townhomes (Not included this alternative)	\$0
10 Project Cost to be Financed		\$3,528,000
11	Financing Term	30 Years
12	Interest Rate (Tax-Exempt)	4.5 %
13	Term of Construction	12 Months
<u>Financing Costs</u>		
14	Interest During Construction	\$180,000
15	Debt Service Reserve (1 Year)	\$245,000
16	Cost of Issuance	\$25,750
17	Underwriter's Discount	\$18,750
18	<i>Total Financing Costs</i>	\$469,500
19	+ Project Cost to Be Financed	<u>\$3,528,000</u>
20	Total Amount of Bonds	\$3,997,500
21	Debt Service	<u>\$245,000</u>

Table 23
Parking Structure Only - 94th Street Lot
94th Street Lot, 223 Cars, 124 Net Added Cars
Project Pro Forma Revenue Bond Financing

Alternate	94th Street Lot Site - Alternative 2	Description	Cars	Construction Year (FY)	Operational Year (FY)	Construction Year Loss	Operating Expense Increase / Year	Transaction Increase Per Year 1 yr past operational year	Last Year (FY)
		Parking Structure on 94th Street Lot only	223	FY13-14	FY14-15	25%	3%	2.0%	FY20-21

Line #	Fiscal Year =====>	Historical										Projected										
		FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	FY31-32
1	Lot Transactions	420,000	420,000	315,000	281,249	286,874	292,612	298,464	304,433	310,522	316,733	316,733	316,733	316,733	316,733	316,733	316,733	316,733	316,733	316,733	316,733	316,733
2	Parking Structure Transactions	0	0	0	138,751	141,526	144,356	147,243	150,188	153,192	156,256	156,256	156,256	156,256	156,256	156,256	156,256	156,256	156,256	156,256	156,256	156,256
3	Average Monthly Transactions	35,000	35,000	26,250	35,000	35,700	36,414	37,142	37,885	38,643	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416	39,416
4	Avg Stay (Hours:Minutes)	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31	1:31
5	Ticket Average	\$1.90	\$1.90	\$2.28	\$2.28	\$2.66	\$2.66	\$2.66	\$2.66	\$3.04	\$3.04	\$3.04	\$3.04	\$3.42	\$3.42	\$3.42	\$3.42	\$3.80	\$3.80	\$3.80	\$3.80	\$4.18
6	Downtown Parking Rate / Hr (All Rates in 2013 Dollars)	\$1.25	\$1.25	\$1.50	\$1.50	\$1.75	\$1.75	\$1.75	\$1.75	\$2.00	\$2.00	\$2.00	\$2.00	\$2.25	\$2.25	\$2.25	\$2.25	\$2.50	\$2.50	\$2.50	\$2.50	\$2.75
	Off-Site Parking Fund Annual Payment																					
7	Starbucks (2 Spaces) ⁽¹⁾	\$4,500		\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Young Israel (21 Spaces) ⁽²⁾	\$15,750		\$0	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750
9	The Shul (70 Spaces) ⁽³⁾	\$78,750		\$0	\$0	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750
10	Spiaggia (16 Spaces) ⁽⁴⁾	\$18,000		\$0	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
11	Off-Site Parking Fund Revenue			\$4,500	\$38,250	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500
12	Meter Parking (Lots/Streets/Parking Structure)	\$807,750	\$798,000	\$598,500	\$957,600	\$1,139,544	\$1,162,335	\$1,185,582	\$1,209,293	\$1,409,690	\$1,437,884	\$1,437,884	\$1,437,884	\$1,617,620	\$1,617,620	\$1,617,620	\$1,617,620	\$1,797,355	\$1,797,355	\$1,797,355	\$1,797,355	\$1,977,091
13	Resident Permit Parking ⁽⁵⁾	\$17,096	\$17,096	\$17,096	\$17,181	\$17,267	\$17,353	\$17,440	\$17,527	\$17,615	\$17,703	\$17,792	\$17,881	\$17,970	\$18,060	\$18,150	\$18,241	\$18,332	\$18,424	\$18,516	\$18,609	\$18,702
14	Business Parking Permits ⁽⁶⁾	\$92,373	\$92,373	\$92,373	\$95,329	\$98,380	\$101,528	\$104,777	\$108,130	\$111,590	\$115,161	\$118,846	\$122,649	\$126,574	\$130,624	\$134,804	\$139,118	\$143,570	\$148,164	\$152,905	\$157,798	\$162,848
15	Parking Citation Revenue ⁽⁷⁾		\$186,000	\$186,000	\$198,462	\$211,759	\$225,947	\$241,085	\$257,238	\$274,473	\$292,863	\$312,485	\$333,421	\$355,760	\$379,596	\$405,029	\$432,166	\$461,121	\$492,016	\$524,981	\$560,155	\$597,685
16	Total Parking Revenue (Sum lines 11 through 15)	\$917,219	\$1,093,469	\$898,469	\$1,306,822	\$1,583,950	\$1,624,163	\$1,665,884	\$1,709,188	\$1,930,368	\$1,980,611	\$2,004,007	\$2,028,835	\$2,230,424	\$2,258,400	\$2,288,103	\$2,319,645	\$2,532,878	\$2,568,459	\$2,606,257	\$2,646,417	\$2,868,826
17	Total Parking Expenses (Existing Lots & Street Spaces)	\$642,102	\$661,365	\$681,206	\$701,642	\$722,691	\$744,372	\$766,703	\$789,704	\$813,396	\$837,797	\$862,931	\$888,819	\$915,484	\$942,948	\$971,237	\$1,000,374	\$1,030,385	\$1,061,297	\$1,093,136	\$1,125,930	\$1,159,708
18	Available for New Parking Structure (Line 16 minus Line 17)	\$275,117	\$432,104	\$217,263	\$605,180	\$861,259	\$879,791	\$899,180	\$919,484	\$1,116,973	\$1,142,814	\$1,141,076	\$1,140,016	\$1,314,940	\$1,315,451	\$1,318,866	\$1,319,271	\$1,502,493	\$1,507,162	\$1,513,122	\$1,520,487	\$1,709,118
19	Debt Service	NA	NA	\$0	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000
20	Operating Expenses (New Parking Structure)	NA	NA	\$0	\$54,837	\$56,482	\$58,177	\$59,922	\$61,720	\$63,572	\$65,479	\$67,443	\$69,466	\$71,550	\$73,697	\$75,908	\$78,185	\$80,530	\$82,946	\$85,435	\$87,998	\$90,638
21	Total New Parking Structure	\$0	\$0	\$0	\$299,837	\$301,482	\$303,177	\$304,922	\$306,720	\$308,572	\$310,479	\$312,443	\$314,466	\$316,550	\$318,697	\$320,908	\$323,185	\$325,530	\$327,946	\$330,435	\$332,998	\$335,638
22	Net Surplus / (Deficit) - (Line 18 minus Line 21)	\$275,117	\$432,104	\$217,263	\$305,342	\$559,776	\$576,614	\$594,258	\$612,764	\$808,401	\$832,335	\$828,633	\$825,550	\$998,389	\$996,754	\$995,958	\$996,086	\$1,176,963	\$1,179,216	\$1,182,687	\$1,187,490	\$1,373,480

Notes

- (1) Starbucks paying for 2 spaces short per zoning ordinance x \$22,500 / space (payable over 10 years)
- (2) Young Israel paying for 21 spaces short per zoning ordinance x \$22,500 / space (payable over 30 years starting in FY14-15)
- (3) The Shul paying for 70 spaces short per zoning ordinance x \$22,500 / space (payable over time period to be determined but estimated at 20 years starting in FY15-16)
- (4) Spiaggia paying for 16 spaces short per zoning ordinance x \$22,500 / space (payable over 20 years starting in FY14-15)
- (5) Assumed 1/2 of one percent increase per year in resident permit parking revenue
- (6) Business Parking Permit Revenue has increased average of 6.4% / year last four years. Assumed 1/2 this rate (3.2% / year increase going forward)
- (7) Parking Citation Revenue has increased average of 13.3% / year last four years. Assumed 1/2 this rate (6.7% / year increase going forward)

Summary – Economics

Rich and Associates has investigated the economics for each of the various parking structure alternatives assuming, as one option, that the Town would finance the improvements using a **Parking Revenue Bond** which relies upon the revenues generated by the entire downtown parking system to cover the cost of the debt and operation of the new parking facility. Such a financing does not rely upon the tax revenues of the Town to guarantee the debt but on the parking system revenues only. As such it has an inherent risk to the bond holders for being repaid who would have certain requirements in the financing to help mitigate this risk including prefunding a reserve amount equal to one year's debt service payment to help cover any shortfalls.

Several alternatives have public benefit amenities that could be developed in conjunction with the parking structure. These include:

- a) the Public Park and possibility of townhomes on the Abbott Lot site
- b) the replacement of the Post Office within the new parking structure and possibility for development of additional commercial space along Collins Avenue on the Post Office site. The potential for additional commercial space would be determined once more definitive design decisions are made for this site.
- c) development of commercial space in conjunction with developing a parking structure on the 94th Street lot site and adjoining properties.

It is being assumed that any of the additional projects would be separately funded from the parking structure financing, either by the Town or by a private developer so that the parking rates are only covering the cost of the parking structure and its operation.

This leads to a second option which could be investigated by the Town and potential developers entering into a Public / Private Partnership to develop the parking and associated amenities. The Town could develop the parking which could provide the necessary spaces for the associated development. IRS regulations would require however that no more than 10 percent of the parking spaces developed within the parking structure are "guaranteed" or restricted for use by the private project in order to maintain tax-exempt financing.

Alternatively, the Town and developer could cooperate to have the developer provide the parking on one of the Town's parking lots in conjunction with their project with a defined number of parking spaces available for "public use". This could mean the Town realizes added parking at little to no cost to the Town. The difficulty is the developer who is now responsible

for the debt associated with the parking structure without the benefit of the support from the remainder of the parking system to cover any shortfalls which could necessitate higher rates.

The analysis of the economics for each of the proposed parking structure alternatives demonstrates the difficulty with several options to finance the improvements within the existing downtown parking rate structure. The analysis has shown that even using a parking revenue bond that relies upon the support from the entire parking system, the available revenues can't necessarily cover the debt and cost of operation for the higher cost alternative facilities evaluated at "market value" parking rates. Even these market value rates may result in a significant parking rate increase that the community might not find acceptable.

Table 24 on **page 4-30** summarizes the calculated surplus or deficit from parking revenues for the first 15 years of operation for each of the parking structure alternatives at the projected downtown system parking rates. Adjacent to each of the parking rates for each period and alternative is the resulting net surplus or deficit that may need to be covered from other reserves, additional sources of financing or structuring the debt in a different manner.

Clearly, the economics play a significant role in the viability of each of the various projects. However the added potential public benefits that may be possible with any of these alternatives must also be weighed by the community that may involve seeking other sources of funding or other alternative arrangements that may help the community realize added parking for the downtown.

Table 24
Summary Surplus/Deficit by Alternative

Site	Alternative	Parking Garage Capacity (spaces)	Summary Parking Rates & Surplus / (Deficits)							
			FY14-15		FY18-19		FY23-24		FY28-29	
			Year 1		Year 5		Year 10		Year 15	
			Projected Parking Rate (per hour)	Surplus / (Deficit)	Projected Parking Rate (per hour)	Surplus / (Deficit)	Projected Parking Rate (per hour)	Surplus / (Deficit)	Projected Parking Rate (per hour)	Surplus / (Deficit)
Abbott Lot	1	448	\$1.50	(\$1,535,462)	\$1.75	(\$1,247,596)	\$2.25	(\$889,901)	\$2.50	(\$741,453)
Abbott Lot	2	414	\$1.50	(\$408,852)	\$1.75	(\$108,107)	\$2.25	\$267,983	\$2.50	\$437,755
Abbott Lot	3	514	\$1.50	\$26,676	\$1.75	\$331,252	\$2.25	\$712,814	\$2.50	\$888,930
Post Office Lot	1	280	\$1.50	\$108,198	\$1.75	\$414,723	\$2.25	\$799,068	\$2.50	\$978,410
94th Street Lot Site	1	370	\$1.50	(\$145,287)	\$1.75	\$154,776	\$2.25	\$529,891	\$2.50	\$698,534
94th Street Lot Site	2	223	\$1.50	\$305,342	\$1.75	\$612,764	\$2.25	\$998,389	\$2.50	\$1,176,216