Prepared for City of New Braunfels

MARKET AND PRELIMINARY FINANCIAL ANALYSIS FOR PROPOSED MULTI-LEVEL PARKING STRUCTURE

January 24, 2023

WALKER CONSULTANTS

Contents

EXECUTIVE SUMMARY 7
INTRODUCTION 12
Purpose 12
Potential Parking Structure(s) 12
Summary of Previous 2016 Walker Study 14
Scope of Work 14
Project Management 14
Parking Policy Review 14
Parking Needs Analysis 14
Preliminary Market and Financial Analysis 15
Report 15
Report Organization 15
EXISTING CONDITIONS AND PROBLEM ID 18
Summary of Publicly Advertised Parking Assets 19
Management and Time Limits 20
Parking Rates 21
Parking Violations and Enforcement 21
Wayfinding and Signage 21
Communications and Website 22
Parking Adequacy 22
Parking Restrictions 23
Food and Beverage Parking Needs 23
Future Conditions Analysis 25
Summary of Problem 26
FINANCIAL ANALYSIS 28
Garage Development Costs and Proposed Financing 28
Theory of Parking Operation 28
Parking Demand and Operating Revenues 29
Operating Expense Overview 29
Operating Expense Projections 30

Labor Costs 30
Utilities 31
Routine Repairs and Maintenance 31
Insurance and Claims 31
Management Agreement 32
Contractual Services 32
Miscellaneous 32
Supplies 33
Exclusions 33
Capital Maintenance Fund 33
Garage Financial Projections 33
Conclusion 34
FINANCING OPTIONS USED BY OTHER CITIES 36
Federal Funding Options 36
Tax Increment Financing 36
Conventional Debt Financing 37
General Obligation Bonds 38
Revenue Bonds 38
Green Bond/Climate Bonds 39
Business Improvement Districts 39
Parking Tax Districts 40
Payment In Lieu 42
Development and Lease Agreements 42
Creation of an Auxiliary Enterprise Fund 43
Creation of a Parking Authority 44
Public – Private Partnerships 46
Survey of Selected Texas and Other Cities 47
NO BUILD OPTION 56
APPENDIX – SAMPLE SHARED PARKING AGREEMENT 59

List of Figures

Figure 1: Sites Previously Studied for a Parking Structure 13
Figure 2: Study Area 18
Figure 3: City Parking Map 20
Figure 4: City Street Signage 21
Figure 5: Collage of Downtown New Braunfels' Signage Restricting Parking Usage 23
Figure 6: Public Parking Signage Examples 58

List of Tables

Table 1: Food, Beverage, and Entertainment Theoretical Parking Generation - Castell Avenue Walking Shed 24
Table 2: Projected Labor Cost Detail 31
Table 3: Pro Forma Operating Statement and Statement of Net Income 34
Table 4: Survey of Parking Finance Models Used in Selected Cities 48

01 EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The City of New Braunfels (City) engaged Walker Consultants (Walker) to perform a parking market and preliminary financial analysis of a proposed parking structure to be located in downtown New Braunfels. The impetus for this study is continued challenges with regards to an actual or perceived downtown parking inadequacy.

Outside of this engagement, a number of sites have been studied – all existing parking lot sites located on or near Castell Avenue – to determine their fitness for a parking structure. Total capacity of the schemes evaluated range from 101 to 540 with the number of added spaces ranging from 67 to 426. For purposes of this analysis, we are assuming a 400-space garage would be built at $50,000 per space in project costs or $20 million.

Overall, our conclusion about parking adequacy is similar to what we concluded in our 2016 study. Parking demand during peak hours does not exceed the total parking capacity. The challenge is to overcome a strong preference for parking at the front door of a destination and instead, walk a short distance from a parking space to the destination. Since 2016, we did notice that there has been additional development activity and that parking demand levels have increased.

Significant parking space vacancies continue to be observed throughout the downtown area during daytime and evening hours. During our field study on Monday and Tuesday, October 17-18, 2022, we observed that almost all significant parking lots, including those advertised by the City as being available for public parking, were less than half occupied. We suspect that later in the week, say on a Friday or Saturday night, it may be a completely different story with parking space occupancies being much higher. We also observed that signage limiting parking usage to certain user groups is rife throughout the downtown and especially in off-street parking facilities along Castell.

Existing parking policies, practices, and consumer expectations render the existing parking system as insufficient for the following reasons:

- There are more than 3,500 parking spaces in the downtown core. However, about two-thirds of these spaces have usage restrictions and may not be publicly available. Many privately-owned spaces are not used or are occasionally used during evenings and weekends. Restrictive signage limits the availability of these spaces in many cases.
- About 215 of the 750 downtown on-street parking spaces are restricted to two-hour parking. However, these time restrictions are enforceable only on Mondays through Fridays from 8 a.m. to 5 p.m., and do not stimulate parking space turnover during evenings and weekends, times when restaurants, bars, and entertainment venues are busiest. The City's police department and code compliance division share responsibility for parking citations issuance and because of other responsibilities, parking enforcement is often not the highest priority. Enforcement is not consistently performed every hour and every day of that applies to the two-hour parking restriction.
- Employees are competing with patrons for parking spaces. There is no designated employee parking, and the enforcement of time limits does not keep employees from parking in desirable on-street parking spaces during evenings and weekends.

- There is no branding of a public parking system that includes consistent signage advertising public parking at individual facilities.
- There is a perception that downtown public parking is inadequate and that is restricting future development. Developers are leery about building projects without adequate parking capacity. The City is reluctant to approve projects for development without a workable parking plan.

Restaurants, bars, and entertainment venues located along or near the Castell Avenue corridor in the downtown are theoretically generating a need for almost 1,900 spaces during peak hours, which is a Saturday evening. Spaces identified as public parking and located within a five-minute walk shed number about 1,100 and so on a busy Saturday night, the restaurants, bars, and entertainment venues are likely generating public parking demand that exceeds the available public parking supply within a five-minute walk.

The City has two options to address the evening parking shortage. One is to build its way out of the problem by constructing a parking structure. The second option is to unlock the untapped capacity of private parking lots, making these spaces available to the general public through shared parking agreements, along with several other recommendations for amending existing parking policies and practices.

This analysis shows that a 400-space parking structure would not fund itself. Annual operating revenues – which assume a monthly parking rate of $100 and a transient rate of $5 per car – are projected to be $628,000 in the first year of operation. This would exceed the estimated $245,000 annual cost to operate the parking structure, leaving $383,000 in net operating income. However, annual debt service is expected to be $1.3 million – based on 100 percent debt financing of $20 million secured at an interest rate of 5 percent over a 30-year term – which would mean a net loss of $918,000 in the first year.

As demonstrated in this report, New Braunfels has a wide variety of tools available to fund a public parking structure. Other Texas cities similar in size to New Braunfels have successfully used these strategies. These include general obligation bonds, tax-increment financing, sales tax revenues, parking benefits district, Federal Transit Authority formula grant, and a parking authority.

Regardless of what option might be selected to fund a parking structure, if that is the course the City elects, we recommend that the City implement paid on-street parking which will lay the groundwork for a paid parking system and pave the way for a future potential parking enterprise or authority. Free on-street parking is not desirable when a city has a goal to collect user fees to offset the cost of a parking structure. Any free parking will compete with the paid parking and cannibalize revenues.

The financing options that seem to be mostly likely include the following:

- City issue general obligation (GO) bonds to fund a garage. (We do not know if the City has the bonding capacity or if this is a funding priority.) This would spread the cost of this asset across the City's entire tax base; many people would pay for it, including some who would not use it. GO bonds are secured by the full taxing authority of City and backed by the City's tax base. The political will may or may not exist to make this a GO funding priority.
- Use tax-increment financing. This has been used extensively throughout Texas as a mechanism to fund parking facilities.
- Create a taxing district and tax property owners within this district. The benefactors of a new garage would pay for and enjoy the benefits of a garage. This may or may not be palatable to the tax base.

- With approval of voters, introduce a sales tax to create a funding source for the proposed parking structure.

Again, all of the aforementioned options have been successfully used in other cities, both within and outside of Texas.

As an alternative to the City trying to build its way out of the parking challenge, some thoughts were developed that could represent what could be an effective non-build plan. The following are several ideas, that if successfully implemented together, could prove to be an effective solution:

- Amend parking enforcement time limits from M-F 8 a.m. – 5p.m to seven days a week from 10 a.m. – 9 p.m. Enforce with more consistency. This will move employees from the street to parking intended for long-term use and will also turn over on-street parking spaces during evening hours and weekends when the restaurants, bars, and entertainment venues are busiest. We recommend that this policy change be implemented regardless of whether a parking structure is built.
- Identify and establish dedicated employee parking areas that do not have time limits. These could include shared use lots made available through agreements with private property owners.
- Develop agreements with private property owners to make their parking available to the general public. These agreements will cost the City money but be much less expensive than building a parking structure. City would have to manage the liability and reimburse the owner for wear and tear on their property. To make the offer attractive to owners, agreement should stipulate times when the parking would be unavailable for public use and owner would have right to limit public usage during times stipulated in agreement, such as dates and times when their properties are used for special events, funerals, weddings, wedding receptions, etc. Candidates include but are not limited to the following:
    - Saint Peter and Paul Catholic Church and School
    - First United Methodist Church
    - First Protestant Church and School
    - Christian Science Reading Room
    - Miller & Miller Insurance Agency
    - Doeppenschmidt Funeral Home
    - Farmers Mutual Fire Insurance
    - NAPA Auto Parts - Leissner Auto Parts
    - Mill Street Executive Suites
    - Tip Top Cleaners & Tuxedos
    - KFW Engineers and Surveyors
    - Old Republic Title / HMT Engineering and Surveying
- Develop agreement with Comal County to make its parking available to the public during evenings and weekends. We understand that there may be parking spaces that cannot be made available out of risk management concerns for the personal safety of judges. Those spaces can remain unavailable to the general public. Other spaces could be made available.
- City should improve upon and amend its public parking map to include additional locations such as county-owned parking facilities, New Braunfels Utilities Lot, City of New Braunfels, and privately-owned properties for which the City is able to secure shared parking agreements.

- Consistent signage should be erected at the location of public parking, advertising lot as a public parking facility. Restrictions may be noted, as appropriate. Parking signage should communicate the City's public parking brand.
- City should develop video and post online, explaining public parking options. See example used by City of Round Rock at https://downtownroundrocktexas.com/parking-and-maps/.
- City should develop parking page and post to City's website, advertising public parking availability.
- City should perform or hire a third party to perform parking occupancy studies quarterly in the downtown area. Studies should capture space availability during late morning weekdays, late morning weekends, weekday evenings, and weekend evenings. Purpose of studies is to demonstrate that parking spaces are routinely available.
- Allow public parking on the street. Residential parking permit (RPP) programs have their place, but long sections of street parking do not need to be exclusively reserved for residents. Temper the RPP with the public's right to park on street. Add a requirement to the RPP that requires residents to clear a threshold of space utilization. For example, we have seen cities that require that parking along a block face reach 75 percent occupancy before an RPP is granted. In other words, the problem has to exist before it can be addressed through an RPP.
- Consider introducing a City-sponsored valet parking program pilot to gauge local interest in a valet parking program. If successful, expand and award license to a valet parking operator to run this program, offering vehicle pick-up and drop-off at designated areas and valet attendants who will park and return vehicles for a prescribed fee.
- Reconfigure the parking facility identified as Lot C on the City's parking map, to gain additional parking capacity.

The success of this no build option rests heavily on being able to convince private property owners to make their parking available to the general public and the City would have to negotiate agreements with these owners. It will take work. Many other cities, including Arcadia, Sacramento, and San Diego, California; and Cary, North Carolina, have had success with similar agreements.

01 INTRODUCTION

INTRODUCTION

Purpose

Walker was engaged by the City to perform a parking market and preliminary financial analysis of a proposed parking structure to be located in downtown New Braunfels. The impetus for this study is continued challenges with regards to an actual or perceived downtown parking inadequacy. The following are the objectives of this analysis:

- Perform an assessment of the downtown parking market in terms of parking supply and demand, parking rates, and existing and proposed parking demand generators that could create future demand for a multi-level parking structure;
- Perform a preliminary financial analysis that includes a projection of operating revenues, expenses, capital expenditures for reserves and repairs, and debt service associated with a multi-level parking structure;
- Quantify economic feasibility of proposed multi-level parking structure and identify financing gap if net operating income projections fall short of servicing debt and providing for adequate reserves;
- At a high level, review City's parking policies and practices with an eye toward supporting a self-sustaining parking enterprise and recommend changes to support the economic feasibility of a multi-level parking structure;
- Identify most probable financing options for proposed multi-level parking structure; and
- Provide guidance to City in support of helping facilitate the development of a multi-level parking structure.

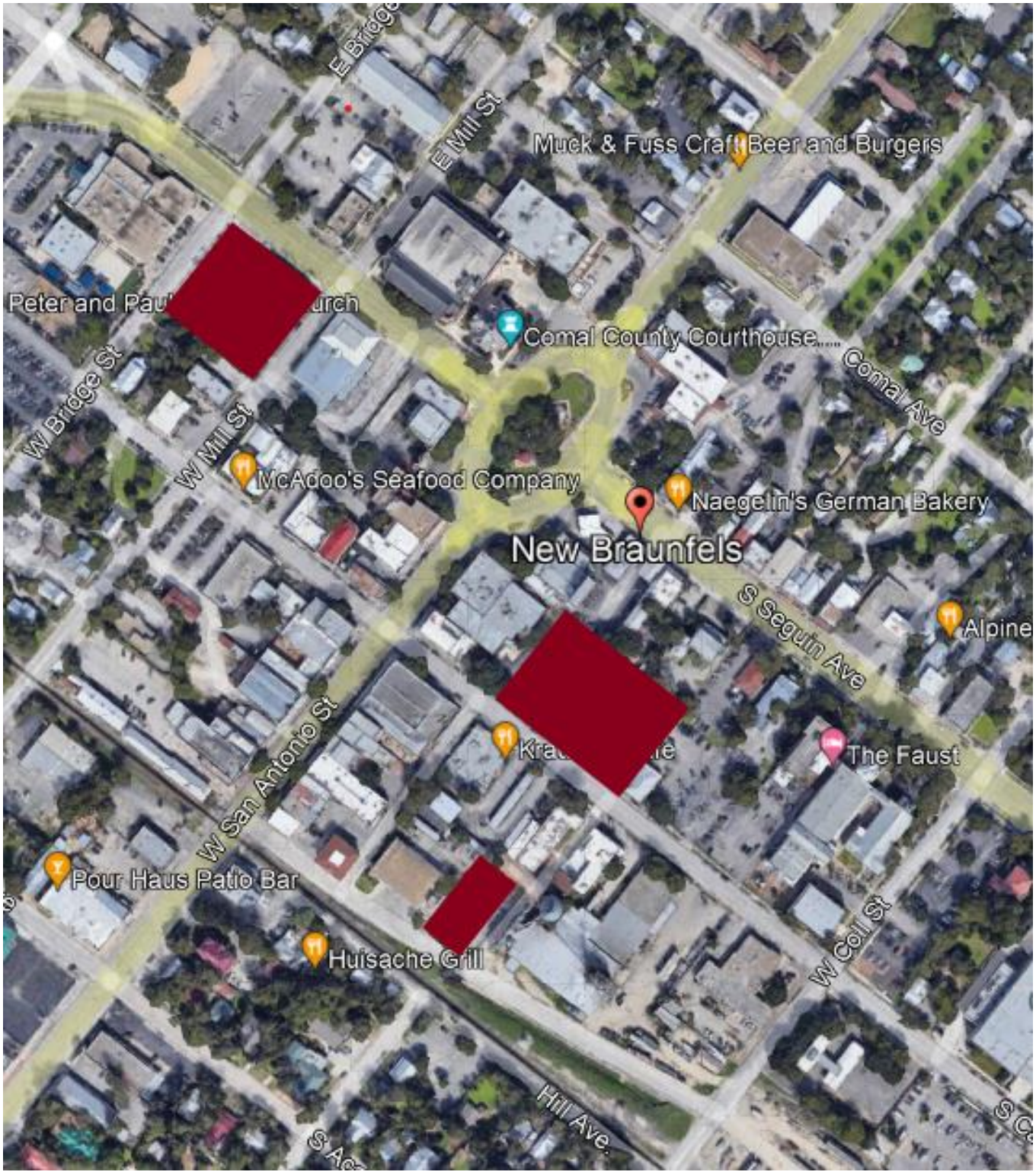
Potential Parking Structure(s)

Walker's understanding is that no decisions have been made with regards to whether the City will build a parking structure or more than one parking structure. This study is intended to help inform that decision.

A number of sites have been studied – all existing parking lot sites – to determine their fitness for a parking structure. These studies have been fairly detailed in that they include an identification of a variety of out-to-out dimensions, number of parking levels, ramping schemes, layouts, circulation patterns, parking capacity, locations of entries and exits, numbers of spaces displaced, numbers of spaces to be gained, and opinions of cost. Total capacity of the schemes evaluated range from 101 to 540 with the number of added spaces ranging from 67 to 426. For purposes of this analysis, we are assuming a 400-space garage would be built at $50,000 per space in project costs or $20 million. (Note actual costs will vary from this cost assumption. Actual costs are volatile in the present environment and cannot be known until the completion of site selection and final design and obtaining a guaranteed maximum price and construction contract from a general contractor.)

As shown in the following figure, all sites studied are within proximity to the restaurants and bars located along Castell Avenue and the goal would be to provide public parking that would be available 24/7, but particularly during evenings and weekends when these food and beverage establishments tend to have larger crowds.

Figure 1: Sites Previously Studied for a Parking Structure



Note: Potential parking structure sites are shown in crimson color for illustrative purposes. May not be to scale.

Summary of Previous 2016 Walker Study

Walker Consultants performed a parking study for the City of New Braunfels that was completed in 2016. This study focused on a 24-block area within the downtown and accounted for 3,600 parking spaces, an estimated 2,100 of which were observed to be vacant during typical busiest hours. An analysis of future conditions suggested a modest increase in parking demand. Several changes to parking management policies and practices were recommended and these included increasing parking enforcement, relying on technology to enforce parking-space time limits, extend enforcement hours to include evenings and weekends to create more on-street space turnover, provide long-term parking for employees, develop and execute shared parking agreements with private property owners to convert privately-owned spaces for public use, amend zoning ordinance to require a parking plan for proposed development projects, revise parking minimums, and improve signage advertising public parking space availability, wayfinding, and marketing of available downtown public parking. Several parking structure options were studied to increase parking capacity, primarily along the Castell Avenue area. Capacities and costs were estimated. The financial analysis component of the study revealed a significant expected shortage of net income available to service debt and therefore identified the options for funding a parking structure as those dependent upon taxes or fees from a business improvement district or the City's general fund.

Scope of Work

Every professional services engagement has a purpose and inclusions and limitations of the scope of services to be provided by the professional. The following is the scope of work agreed upon by the City and the consultant. As is sometimes the case with works of this nature, the scope may vary to best suit the needs of the client and keep the engagement focused on solving the problem at hand. In all cases, Walker has worked to maintain the integrity of the original scope, while at the same time, enhancing this initial scope where we thought it was necessary and beneficial to the City. The intent was not to provide a complete update to the previous 2016 Walker study but limit this study to exploring the economic feasibility of a parking structure as a free-standing facility.

Project Management

1. Meet with representatives of City of New Braunfels (City) to confirm project understanding and objectives, scope of work, schedule, communications protocol, and billing procedures.
2. Keep City contact informed regularly regarding project needs, progress, and deliverables.

Parking Policy Review

1. Review existing City parking policies and practices and that are relevant to the subject project.
2. Identify policies and practices that are recommended in support of garage feasibility.

Parking Needs Analysis

1. Obtain breakdown of proposed future type of and quantity of land uses from City.

2. Perform a shared parking analysis of proposed future developments including developing a model of parking demand for each of the proposed land uses on a weekday and Saturday, for 19 different hours on these days. Determine typical peak hour parking demand based on this analysis.
3. Perform a district-wide parking supply/demand analysis to help inform parking demand. Account for proposed parking supply and demand and provide an estimate of both on- and off-site garage usage and parking volumes.

Preliminary Market and Financial Analysis

1. Define a study or parking market area. Area is typically 2-3 blocks from project site(s).
2. Obtain and review previous parking and land use planning documents associated with proposed area redevelopment.
3. Document existing parking inventory including name of parking facility, location, capacity, user restrictions, and parking rates.
4. Identify and review typical operating revenues and expenses associated with a parking structure.
5. Review parking-space usage in the context of assessing existing and future parking needs and adequacy, as well as parking garage economic feasibility.
6. Based on conversations with City representatives, identify proposed parking demand generators, parking supply additions, and parking supply reductions that could impact area's parking supply/demand balance. Quantify impact of known proposals.
7. Conduct parking rate analysis and determine market parking rates.
8. Project demand for proposed parking facilities including projected number of monthlies, transients, and event parking patrons.
9. Obtain project delivery and stabilized occupancy timeline from City representatives.
10. Develop operating revenue and expense projections for proposed parking structure.
11. In collaboration with the City, develop a reasonable garage debt service cost for planning purposes.
12. Identify and review garage financing options and identify those most likely to benefit the City.
13. Prepare a statement that comments on the economic viability of the proposed garage and if possible and appropriate, identify recommended actions to close a projected financing gap.

Report

1. Prepare and email a draft task report for City's review and comment. Report to include findings regarding parking needs and financial analysis, plus recommended actions for City to take regarding modifying its parking policies and practices and pursuing financing options in support of parking garage feasibility.
2. Finalize report and issue via email, considering City's comments regarding draft report.

Report Organization

This report is organized in chapters, beginning with the preceding Executive Summary, and followed by this section, Introduction. Subsequent chapters include Existing Conditions and Problem Identification, Financial Analysis, Financing Options Used by Other Cities, and No-Build Option. The following diagram illustrates these report chapters. Following is a brief description of what is covered in each section.

01 Executive Summary – Summary narrative of conclusions, key research findings, and recommendations.

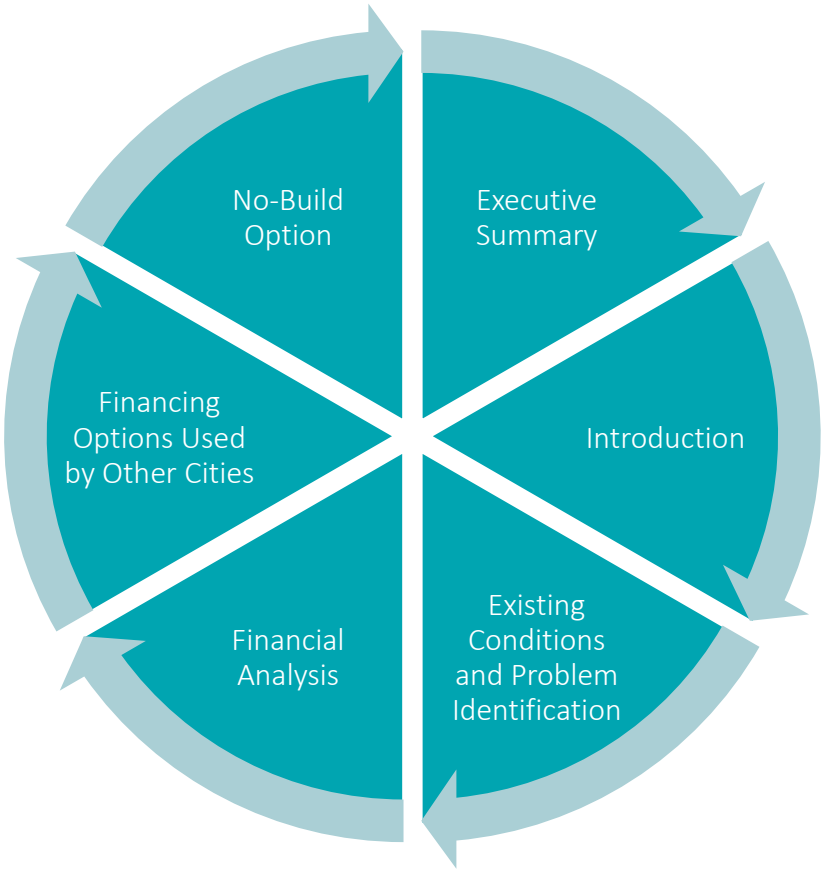
02 Introduction – Explanation of purpose of study, scope of work, and report organization.

03 Existing Conditions and Problem Identification – Statement of observed conditions and identification of problem to be solved.

04 Financial Analysis – Financial projections of proposed parking structure.

05 Financing Options Used by Other Cities – Summary of research regarding how other cities have financed parking

06 No-Build Option – In case the City believes building structured parking is not feasible, an alternate no-build option that may effectively address the parking challenges.



03 EXISTING CONDITIONS/ PROBLEM ID

EXISTING CONDITIONS AND PROBLEM ID

For purposes of this analysis, the Study Area is approximately a five-minute walking shed from Krause's Biergarten and Café, located near Castell Avenue and San Antonio Street, and representing the epicenter of downtown parking demand. The Study Area is illustrated in the figure below and includes about 3,500 total parking spaces including on- and off-street, publicly- and privately-available spaces.

Figure 2: Study Area

Sources: Google Earth and Walker Consultants

Summary of Publicly Advertised Parking Assets

About one-third of the 3,500 parking spaces are publicly available, while the majority two-thirds have limitations on public usage, often disallowing use by a customer, employee, or visitor with no business at that particular land use's parking facility(s). The City has documented publicly available parking spaces and made this information available through maps and its website. These spaces are organized into two categories, those that provide parking for parks and recreational events, especially during "floating season," which runs May 1 through Labor Day, and downtown Study Area public parking spaces. The following is a summary of these spaces.

Parks and Recreation Lots (Excluded from 3,500 CBD spaces and this report's parking adequacy calculations):

- Prince Solms Lot – Located at 100 Liebscher Drive, this is a 176-space parking lot that requires a flat rate of $20 from May 1 through Labor Day. Otherwise, parking is available at no charge to the user. This lot is coded as Zone 3501 for users making payment through the ParkMobile cellular phone application.
- Elizabeth Lot - Located at 115 Elizabeth Avenue, this is a 168-space surface parking lot that requires a flat rate of $10 on weekends and holidays only from May 1 through Labor Day. Otherwise, parking is available at no charge to the user. This lot is coded as Zone 3502 for users making payment through the ParkMobile cellular phone application.
- Hinman Island Lots – Located in Hinman Island Drive are three small surface parking lots that provide parking for 33 cars. This is identified as Zone 3503 on the ParkMobile cellular phone application. The parking rate is a $30 flat rate from May 1 through Labor Day. Otherwise, there is no charge.
- San Antonio Lot – Identified as ParkMobile Zone 3504, this lot is located on E. San Antonio Street. Seven spaces are available at a flat rate of $20 from May 1 through Labor Day. Otherwise, there is no charge.
- East Mill Lot – Located on E. Mill Street, this 14-space lot requires a $20 flat rate from May 1 through Labor Day. It is identified as Zone 3505 on the ParkMobile cellular phone application.

The City of New Braunfels's Parks and Recreation Department manages and collects parking revenues from these spaces. Revenues are used to offset the cost of operations which includes public safety, environmental clean-up, and maintenance. Parking revenues, the department's largest source of revenue to fund river operations, vary by year and are approaching half a million dollars annually. Note that these parks and recreations lots are located outside of the downtown Study Area and have been excluded from the parking capacity available to serve the downtown central business district.

Since Walker's 2016 study, the City has done a nice job of assembling a map illustrating public parking locations within the downtown area. The map is available in two forms – as an arts production in a PDF file[1] and also on the City's Geographic Information System (GIS)[2]. A description of the publicly available spaces and accompanying map is as follows:

- On-Street Parking: On-street parking is available on most downtown streets. There are approximately 750 on-street parking spaces in the downtown. Additionally, there are 23 unrestricted, angled on-street spaces on Hill Avenue between San Antonio and Coll Streets.

[1] https://www.nbtexas.org/3331/Downtown
[2] https://newbraunfels.maps.arcgis.com/apps/webappviewer/index.html?id=04770f2207bd42f8b10ebc4213c63082

- Lot A – Located at the corner of N. Seguin Ave. and E. Bridge Street, this is an unrestricted 99-space public lot owned by Comal County and that requires no user fees.
- Lot B – Located catty-corner from Lot A and at the corner of N. Seguin Avenue and W. Bridge Street, this is a shared lot. Some of the spaces in this lot are reserved for specific users and in those cases, the wheel stops are marked as reserved. No user fees are charged for public parking in this lot owned by Comal County. A reported 23 spaces are available at all times to the general public.
- Lot C – Located at S. Castell Avenue and W. Coll Street, this is an unrestricted lot that is owned by the New Braunfels Industrial Development Corporation and that provides public parking to users without charge. A separate parcel is located to the south of the NBIDC lot and is owned by the City. Combined, these two lots account for an estimated 160 spaces, 60 in the NBIDC parcel and about 100 in the City-owned parcel.
- Lot D – This is a 16-space shared lot owned by the City of New Braunfels. No user fees are charged.
- Lot E – This is a 49-space paid lot privately owned by the Brauntex Performing Arts Theatre Association, located behind the theatre, and that offers public parking for a $5 flat fee from 6 a.m. through 2 a.m. Monday through Sunday. Overnight parking is prohibited.

Figure 3: City Parking Map

The parking shown on the City's downtown parking map represents about 1,100 spaces.

Management and Time Limits

The City of New Braunfels self operates parking that it owns. To Walker's knowledge, there are no commercial parking operators under contract to manage any downtown New Braunfels parking. Instead, all parking is self-operated by property owners.

There are about 214 on-street spaces with two-hour time limits located on Castell Avenue, Seguin Avenue, San Antonio Street, and Main Plaza. The two-hour time limits are in effect Monday-Friday from 8 a.m. to 5 p.m. There are faded green pavement markings on some time-limited spaces, while other spaces are signed. Most on-street spaces are designated as formal spaces with line striping.

Parking Rates

At present, City-controlled, on-street parking is provided at no charge to users. Five of the six parking lots identified as available to the general public on the City's parking map are available without charge to users.

County-owned facilities are signed "no public parking" and do not advertise parking rates if there are charges.

There are two paid parking lots. One, included on the City's parking map, is located behind the Brauntex Performing Arts Theatre, and requires a $5 flat rate payable to a kiosk. The second lot is located on Castell Avenue, across the street from Krause's Café and Biergarten. This second lot is available for public parking on Mondays through Fridays from 5 p.m. to 2 a.m. and on Saturdays and Sundays from 6 a.m. to 2 a.m. Otherwise, this lot is for private use only. During periods of time in which the lot is available for public use, a $5 flat rate is required. While this lot is conveniently located to many of the food and beverage establishments along Castell and other nearby downtown areas, its usage is stunted by the parking charge.

Parking Violations and Enforcement

Time limits on the on-street spaces are enforced by the City's police department and code compliance division. Note however that these two groups have other responsibilities that compete for time spent performing parking enforcement duties and therefore, significant numbers of vehicles may be parked in excess of the two-hour limit.

The City of New Braunfels Parks and Recreation Department also enforces parking, but this is limited to the parking spaces that are located outside of the downtown historic district and that primarily serve recreational facilities and provide parking for the Comal River Float during late spring and summer months.

Wayfinding and Signage

The City does not have a complete set of parking wayfinding and signage. Time limits signs were installed to designate street parking spaces as limited to two hours of dwelling time within the downtown historic district and public parking lot street directional signs were installed. Absent are standard monument signs consistently placed at public parking facilities.

Communicating the location of parking areas as well as the hours of enforcement and rates, where applied, is important information for downtown users. Locating public parking can often be the most challenging task for motorists, especially for short-term users and visitors, and this task can be simplified with abundant and high-quality signage.

By creating and installing uniform signage and a parking logo that is easily identifiable, intuitively understood, and properly located, the City can help direct users to public parking areas and distribute demand across the downtown.

Figure 4: City Street Signage

Communications and Website

The City does maintain downtown parking information online and has a webpage on the City's website. Providing parking information, including enforcement hours by location and public availability of parking, via a downloadable parking map, does help users plan their trips downtown and provide a customer service enhancement.

Walker observed an absence of actions that could improve downtown parking conditions, both real and perceived. Public relations opportunities that were not observed including the following:

- Engaging in regular outreach efforts to the local business community;
- Issuing regular parking availability reports;
- Using all media tools and political channels to communicate broadly and generate positive downtown parking media coverage;
- Branding the public parking system; and
- Involving the local community in solving the problem and remind them of what they agreed to and tell them what has been achieved.

Parking Adequacy

Walker completed its field work in New Braunfels on Monday and Tuesday, October 17-18, 2022. This consisted of spending several hours on foot, walking up and down the streets of the historic and downtown districts and observing land use patterns, the presence of parking spaces, user restrictions, parking rates, and parking usage, for purposes of updating our views formed during our 2016 study.

Overall, our conclusion about parking adequacy is similar to what we concluded in 2016. The supply of spaces exceeds estimated parking demand, but during Friday and Saturday evening peak demand periods, publicly-available parking may be short in supply or require a several-minute walk. The challenge is to overcome a strong preference for parking at the front door of a destination and instead, walk a short distance from a parking space to the destination. Since 2016, we did notice that there has been additional development activity and that parking demand levels have increased.

Significant parking space vacancies continue to be observed throughout the downtown area during daytime and evening hours. We suspect that later in the week, it may be a completely different story with parking space occupancies being much higher during evening hours. During our field study, we observed that almost all significant parking lots, including those advertised by the City as being available for public parking, were less than half occupied. We also observed that signage limiting parking usage to certain user groups is rife throughout the downtown and especially in off-street parking facilities along Castell.

We do acknowledge the parking challenge in downtown New Braunfels. We believe that any parking space shortage that may exist, most often occurs during evening hours, especially on Friday and Saturday nights, and is limited to a preference of people wanting to walk only a short distance. The proliferation of restrictive parking signage serves as evidence of such.

Parking Restrictions

About two-thirds of the downtown parking supply has restricted use. In many cases, use is limited to customers, employees, or tenants of various businesses or properties. Signage limiting general public use is rampant. The following photographs provide some examples of parking-space usage restrictions.

Figure 5: Collage of Downtown New Braunfels' Signage Restricting Parking Usage

Food and Beverage Parking Needs

The downtown parking challenge or perception of inadequate parking capacity is primarily driven by downtown food and beverage establishments. Over the years, the numbers of restaurants and bars have increased coincident with local and national trends that supporting more dining out and higher expenditures on food and beverages consumed out of the household.

Many of the downtown food and beverage establishments are occupying space that formerly housed land uses that generated less demand for parking on a square footage basis. For example, while an office building or service-based business might generate demand for three to four spaces per occupied thousand square feet, restaurants and bars can create parking demand that is four to five times greater for the same square footage.

There are a significant number of food, beverage, and entertainment establishments, and this number has grown since our 2016 study. These businesses drive much of the downtown parking demand, particularly during evenings and weekends. Many of these are concentrated along Castell Avenue. Below is a list:

Table 1: Food, Beverage, and Entertainment Theoretical Parking Generation - Castell Avenue Walking Shed

Name of Business	Address	Square Footage or Seats[3]	Parking Generation Rate (Per *Shared Pkg.*, 3rd Ed.)		Theoretical Parking Generation	
			Customer	Employee	Customer	Employee
New Braunfels Brewing Company	180 W Mill St #100	4,172	15.25/ksf	2.50/ksf	64	10
McAdoo's Seafood Company	196 N Castell Ave	8,000	15.25/ksf	2.50/ksf	122	20
Myron's Steakhouse	136 N Castell	8,232	15.25/ksf	2.50/ksf	126	21
2Tarts Bakery	139 N Castell	2,300	15.25/ksf	2.50/ksf	35	6
Huisache Grill	303 W San Antonio St	4,722	15.25/ksf	2.50/ksf	72	12
Krause's Cafe	148 S Castell Ave	9,915	15.25/ksf	2.50/ksf	151	25
The DownTowner	208 S Castell Ave	3,723	15.25/ksf	2.50/ksf	57	9
Cody's Restaurant	188 S Castell Ave	9,131	15.25/ksf	2.50/ksf	139	23
Civic/Conv. Center	375 S. Castell Ave	56,000	2.00/ksf	0.50/ksf	112	28
Phoenix Saloon	193 W San Antonio St	4,514	17.50/ksf	1.50/ksf	79	7
Callahan's Pub & Pizza	194 W San Antonio St	1,742	15.25/ksf	2.50/ksf	27	4
Moonshine & Ale	236 W San Antonio St	3,438	17.50/ksf	1.50/ksf	60	5
Lone Star Lounge	283 W San Antonio St	2,130	17.50/ksf	1.50/ksf	37	3
Brauntex Performing Arts Theatre	290 W San Antonio St	584	0.33/seat	0.07/seat	193	41
Pour Haus Patio Bar	343 W San Antonio St	4,908	17.50/ksf	1.50/ksf	86	7
Downtown Social	386 W San Antonio St	13,541	10.00/ksf	1.20/ksf	135	16
Black Whale Pub	367 Main Plaza	2,300	17.50/ksf	1.50/ksf	40	3
El Tapatio Mexican	220 S Seguin Ave	3,059	15.25/ksf	2.50/ksf	47	8
Scores Sports Bar & Grill	223 W San Antonio St	5,635	15.25/ksf	2.50/ksf	86	14
Totals					1,668	262

[3] Derived from news articles, estimates based on building out-to-out dimensions via Google Maps and building records available through city's GIS. Adjustments made by consultant to filter out daytime off-peak uses such as office uses.

As shown in the table above restaurants, bars, and entertainment venues are theoretically generating a need for more than 1,900 spaces during peak hours, which is a Saturday evening.

Future Conditions Analysis

There are a number of future development sites that have been identified and that could create additional parking demand along the Castell Avenue corridor. These include the following:

- Producer's CO-OP – This is a 2.5-acre site located southeast of the Main Plaza at 210 S. Castell. There have been multiple suggestions or proposals for this site including the following:
    - A January 2010 Downtown Implementation Plan (2010 Plan) prepared by Torti Gallas/BWM Group/Capitol Market Research/TND Engineering suggests that this site include the future addition of a select service hotel, to encourage retail growth along South Castell, broaden downtown retail development in general, and support the civic center.
    - Another more recent plan dated October 2022 features a much different development, one that includes a 13,000 square foot destination marketplace that blends retail and food start-ups whose founders are promoting new businesses with the aim to attract talent and grow and relocate to a larger space elsewhere in the community. Outdoor features of the site redevelopment include open space containing lighting, a lawn, sitting benches, trees, restrooms, a splashpad, and an events stage. Parking for two food trucks is also contemplated. The goal would be to relocate the Farmers Market to this site. This site would also connect with the local trails network and promote pedestrian access to/from and within the downtown. A traffic impact analysis prepared in association with this project features one or more high-turnover, sit-down restaurants in a 36,750 square foot building.
- Faust Hotel Parking Lot – The 61-room Faust Hotel is located at 240 S. Seguin Avenue. However, its rear parking lot fronts Castell Avenue and this parking lot is a redevelopment site. The 2010 Plan suggests that this parking lot allow for a possible expansion of the hotel and an adjacent parking structure.
- City Hall Redevelopment Site – The City relocated its operations to outside of downtown and largely vacated the New Braunfels Municipal Building located at 424 S. Castell Avenue. The 2010 Plan suggests that a hotel be built on this site.

If all three sites are occupied by future hotels, based on an assumed 60 rooms per hotel, we could expect 180 additional hotel rooms. At a ratio of 1.1 parking spaces per guest room, parking demand could be expected at 198 spaces.

Alternately, if the CO-OP Marketplace is built featuring retail and food startups, a 13,000 square foot building could generate demand for 130 spaces, assuming a blended parking generation rate of 10 spaces per thousand square feet. Two hotels, each with 60 guest rooms, would then generate demand for an estimated 132 spaces. In total, the CO-OP and two hotels could generate a need for 262 spaces.

Finally, 204 W. San Antonio Street, the site of a former hair salon, is proposed to be redeveloped into Cowboys and Cadillacs, a 9,400 square foot development consisting of a large bar and small retail space. This development could generate demand for an additional 180 spaces.

In total, these future developments could increase Saturday night parking demand by up to 442 spaces.

Summary of Problem

Overall, there is adequate parking capacity within the downtown to meet existing needs. However, existing parking policies, practices, and consumer expectations render the existing parking system as insufficient for the following reasons:

- There are more than 3,500 parking spaces in the downtown. However, almost two-thirds of these spaces have usage restrictions. Many privately-owned spaces are not used or are occasionally used during evenings and weekends. Restrictive signage limits the availability of these spaces in many cases.
- About 215 of the 750 downtown on-street parking spaces are restricted to two-hour parking. However, these time restrictions are enforceable only on Mondays through Fridays from 8 a.m. to 5 p.m., and do not stimulate parking space turnover during evenings and weekends, times when restaurants, bars, and entertainment venues are busiest. The City's police department and code compliance division share responsibility for parking citations issuance. Enforcement is not performed every day and because of other responsibilities, parking enforcement is often not the highest priority.
- Employees are competing with patrons for parking spaces. There is no designated employee parking, and the enforcement of time limits does not keep employees from parking in desirable on-street parking spaces during evenings and weekends.
- There is no branding of a public parking system that includes consistent signage advertising public parking at individual facilities.
- There is a perception that downtown public parking is inadequate and that is restricting future development. Developers are leery about building projects without adequate parking capacity. The City is reluctant to approve projects for development without a workable parking plan.

04 FINANCIAL ANALYSIS

FINANCIAL ANALYSIS

This section includes a recap of the assumed cost to develop a parking structure, a discussion of the potential financing terms, an order of magnitude annual debt service, and projected operating revenues and expenses of a parking structure. A five-year pro forma statement of net operating income and net income, along with conclusions and recommendations, conclude this section.

Garage Development Costs and Proposed Financing

This analysis assumes that a parking structure will cost $50,000 per space or $20 million based on a notional 400-space parking structure. Note this is being provided without a decision on an actual site and an actual design. Again, actual costs will vary based on design and construction and cannot be known until contractor bids and a guaranteed maximum price are obtained. This figure is being provided for project planning purposes.

For ease of calculations, this assumes design and construction over the next thirteen months and a January 1, 2024, opening date. Schedule slippage beyond this timeframe is likely to cause this cost to escalate as a result of inflationary costs.

This analysis assumes a tax-exempt 5 percent annual interest rate or cost of capital over a 30-year term and that 100 percent of the principal will be financed.

Theory of Parking Operation

Based on review of the proposed parking structure and the New Braunfels market, the following operational recommendations and assumptions are offered:

- On-site parking fees of $100 for monthly patrons and $5 flat rate for transient patrons are assumed to be collected by an automated system.
- Analysis assumes that a parking structure consisting of 400 spaces will be built.
- The proposed parking structure is assumed to be open 24/7.
- Analysis assumes that the City will begin charging for on-street parking so that the on-street spaces do not cannibalize the parking structure spaces.
- Parking spaces and levels should include signage indicating permitted parking and parking regulations. The use of color, symbols, or other markings on the levels and on corresponding exterior signage is recommended to promote uniformity and clarity.
- Personnel should be on-site daily to inspect the facility and perform routine daily maintenance.
- Operational recommendations stated herein are subject to change pending further planning and design.

Parking Demand and Operating Revenues

The five-year demand and revenue projections for the proposed parking structure are simple, straightforward, and limited. Based on the findings of the parking needs analysis and parking rate analysis previously presented within this report, the following demand and revenue assumptions are included in the financial projections:

- Monthly demand is shown to be 50 spaces and these patrons would pay $100 per month, which breaks down to about $5 per weekday.
- Daily transient usage is shown to average 50 spaces per day over the course of one year and these patrons would pay a flat rate of $5.
- Evening transient usage is expected to vary and be driven primarily by the downtown restaurants, bars, and entertainment venues. This analysis assumes $5 per car. Fridays and Saturdays are assumed to be the busiest days and so this analysis assumes the garage would fill to capacity on these evenings. Wednesdays, Thursdays, and Sundays are expected to generate less activity than weekend evenings and therefore this analysis assumes an average of 250 cars per night for these nights. Mondays and Tuesdays are expected to be the slowest evenings as some restaurants are closed on Mondays. Mondays and Tuesday evenings are assumed to average 100 cars per night.
- Parking rates are assumed to be adjusted on January 1 each year consistent with the latest twelve-month increase in the Consumer Price Index (CPI). In the rare event that deflation occurs, there would be no rate increase. Future inflation is unknown, and this study assumes it will average 4.0 percent per annum.

Operating Expense Overview

Operating and routine maintenance costs of structured parking can vary widely based upon location and management strategy, among other variables. For illustrative purposes, the following are examples:

- Snow removal is an example of an expense that can vary depending on the weather and we would not expect to incur this expense in New Braunfels.
- Larger facilities enjoy economies of scale that smaller facilities cannot realize.
- Mechanical versus open-air ventilation can mean additional electrical costs.
- Labor costs for a 24/7 operation are likely to be higher than labor costs for a facility with reduced hours.
- Attended facilities with exit cashiering typically cost more to operate than unattended facilities.

There are other variables. Again, these are just a few examples. Walker usually estimates operating expenses on a per-space basis, and typically includes the following operating expense items for parking structures:

- Contractual Services
- Insurance and Claims
- Labor Costs
- Miscellaneous
- Routine Repairs and Maintenance
- Supplies
- Utilities

Walker maintains a database of properties for purposes of monitoring typical revenues and expenses associated with parking assets; this database includes records from more than 350 multi-story parking structures.

Operating Expense Projections

This analysis builds operating expenses based on a zero-budgeting approach, from the "ground up." The following is a more detailed description of each type of expense and the estimates developed for the proposed parking structure. Expenses are listed in order of anticipated cost with the highest cost expenses appearing first and then ending with the smallest anticipated expenses. Operating expenses exclude property taxes as the City is exempt from paying property taxes, debt service, and capital-related expenses (CAPEX) required for the long-term structural maintenance and upkeep of the parking structure.

Labor Costs

Based on the theory of parking operation presented earlier within this report, this analysis assumes that there will be no on-site parking fees or revenue collection. Therefore, there will be no exit cashiering, no on-site management of cashiering staff, no parking enforcement, and limited bookkeeping work.

The assumed staffing for the proposed parking structure is as follows:

- On-Site Manager – Position is assumed to be split amongst other parking properties and so this is an allocation. Manager would constitute 0.50 FTEs at an hourly wage of $36 and be responsible for overall operation, ensuring that commercial parking operator agreement terms are satisfactorily fulfilled. The manager is responsible for staffing, reconciling daily activities, supervising, and acting as a liaison for the site with ownership.
- Maintenance engineer – Position is 0.20 FTEs at an hourly wage of $36. Position maintains, services, and conducts minor repairs on buildings and equipment and performs a variety of semiskilled duties in the areas of plumbing, carpentry, electrical, painting, or plastering.
- Maintenance worker – The maintenance worker operates under the direction of the maintenance engineer or on-site manager and performs duties such cleaning, floor wash downs, painting, waste removal, lightbulb replacement, and miscellaneous repairs that require limited experience, technical knowledge, and without licensure. Position works four hours a day, five days a week and therefore requires 0.5 FTE at an hourly wage of $22.
- Bookkeeper – Position requires 0.50 FTEs and is responsible for accounts payable. Parking revenues are expected to be included as part of the landlord's rent roll, buried within floor area rents associated with other uses and so there is limited revenue responsibility. Hourly rate is assumed to be $26.
- Security – No active security presence is assumed for this facility.

Benefits are figured on the basis of 40 percent of wages and include state and federal unemployment taxes, social security and Medicare taxes, health insurance, life insurance, dental and vision insurance, temporary and long-term disability insurance, retirement plan, and paid holidays and sick leave.

Table 2: Projected Labor Cost Detail

Position	FTEs	Hourly Rate	Subtotal	Benefits at 40%	Subtotal
On-site manager	0.50	$36	$37,400	15,000	$52,400
Maintenance engineer	0.20	36	15,000	6,000	21,000
Maintenance worker	0.50	22	22,900	9,200	32,100
Bookkeeper	0.50	26	27,000	10,800	37,800
Security Guard	0.0	0	0	0	0
		Totals	$102,300	$41,000	$143,300

Source: Walker Consultants

Total labor costs, including benefits, are projected at $143,300 annually in 2023 dollars. **This equates to $358 per space annually (rounded to nearest whole dollar).**

Utilities

Utilities include electricity to power lighting, parking access control equipment, electric vehicle charging stations, emergency call boxes, office equipment, and electrical outlets located in the facility; telecommunications including a hardwired telephone line, internet service, and cellular phone service; water; and sewer.

Analysis assumes that electric-vehicle charges would be metered, and that the consumer would pay for electric charges. Analysis also assumes that the proposed parking structure would undergo a lighting upgrade featuring an entire replacement of light fixtures with state-of-the-art, more energy-efficient lighting. **Annual costs for this expense are projected at $80 per space annually.**

Routine Repairs and Maintenance

Maintenance includes sweeping and washing surfaces, light painting, replacing light bulbs, cleaning offices and public areas, repainting line stripes, and maintaining hardscape and landscaped areas. **Annual costs for this expense are projected at $50 per space annually.**

Insurance and Claims

The types of insurance required for the proposed parking structure include the following:

- **Commercial Property** – Protects against damage from natural- and man-made disasters including fire, wind, earthquakes, ongoing vibration of structure created by moving vehicles, etc.
- **Commercial General Liability** – There are many people coming and going in a parking structure and the number one cause of complaints is related to injuries sustained during trip or slip and falls. General liability pays for medical and legal expenses associated with these types of claims that are common with parking facilities. To minimize these claims, it is important that the parking structure have level, smooth, and unobstructed surfaces. Parking spaces, traffic flow, and exits should be well signed and well lit. Snow and ice should be promptly removed. Criminal activity resulting in theft or bodily harm within the parking

structure is another exposure faced by the owner and that is covered by Commercial General Liability insurance.

- Workers Compensation – Provides coverage if garage workers get hurt on the job.
- Garagekeepers Liability – Protects against damage to parked vehicles resulting from owner negligence. Damage can be caused during garage maintenance and repairs, concrete leaching and spalling, and structural failures.
- Business Automobile – Although valet parking is not envisioned for this property and vehicle accident exposure is limited, it is envisioned that garage maintenance staff will be driving a floor sweeper in the garage periodically.
- Umbrella – Umbrella policies provide blanket cover in excess of other coverage policy limits and are used as a backstop to provide additional coverage or guaranty.

Auto damage claims are typically paid as an operating expense because these often fall within the deductible limit of an insurance policy. Some of the typical non-valet driver-related damage claims include vehicle paint damage from a malfunctioning gate arm striking a vehicle, damage from water seeping and dripping onto a parked vehicle, and damage caused from small pieces of concreate falling on a parked vehicle. Parking managers often maintain a supply of rubbing compound and car wax to use when needed for minor repairs. **Annual costs for this expense are projected at $30 per space.**

Management Agreement

This analysis assumes that a commercial parking operator company would be contracted to manage the proposed parking structure. Competitive proposals are recommended through a public RFP process. The chosen operator would provide or coordinate to provide all services related to the operation of the proposed parking structure in exchange for a monthly management fee and operating expense reimbursement.

In exchange for a monthly management fee, the owner would receive the operator's experience and knowledge and systems management. Agreements often have a three-year term with a rolling option to renew for another year or 30 days. The monthly management fee is estimated at $1,000 and includes no incentive clauses. **This equates to $30 per space annually (rounded to nearest whole dollar).**

Contractual Services

Agreements with third-party service providers are assumed for elevator maintenance, parking access control equipment maintenance, and snow removal. **Annual costs for this expense are projected at $20 per space annually.**

Miscellaneous

This is a "catch all" category that includes items not covered elsewhere. **Annual costs for this expense are projected at $15 per space annually.**

Supplies

Supplies expense includes items such as cleaning supplies, office supplies, uniforms, printing, and the purchase of credentials that may be issued to enable access to the proposed parking structure. Supplies are projected at $10 per space annually.

Exclusions

Sales, property, parking, or some other types of taxes are not included. Depreciation is not included, as this is not a cash operating expense; however, a reserve for structural maintenance or replacements is recommended and included in the CAPEX section of this report. Debt service is not included as it is not considered an operating expense. Expenses have been inflated by five percent annually and rounded to the nearest one thousand dollars.

Capital Maintenance Fund

Capital maintenance repairs and replacements may not be needed on an annual basis, but Walker recommends keeping a sinking fund, set aside on an annual basis, to manage such repairs. Even the best designed and constructed parking structures require maintenance and repairs throughout the life of the structure. Different structure types require different levels of maintenance throughout the life of the structure. For example, precast structures require significantly more sealant repair/replacement over the expected service life of the structure compared to a similarly maintained cast-in-place structure. Expansion joints and sealants have limited life spans and need to be replaced periodically to prevent moisture intrusion within the structure.

The lack of maintenance and timely repair can significantly impact the service life and maintenance cost of the structure. Poorly maintained structures result in costly repairs as compared to a well-maintained structure. Many property owners tend to grossly underestimate the structural maintenance cost and do not budget for or implement corrective actions in a timely manner to cost-effectively extend the service life of the structure. The cost of regularly scheduled maintenance is small considering the comparatively high expenditures associated with the failure to perform proper maintenance on a timely basis.

To maximize the life of a parking structure and to minimize total life-cycle costs, Walker highly recommends that sufficient funds be set-aside on a regular basis to cover structural maintenance and repairs. For this analysis, we are carrying 1.0% of per space parking structure project costs. This cost is adjusted annually to cover inflation. This equates to $500 per space annually ($50,000 per space in project costs X 1.0%) and adjusted annually at the rate of inflation. The annual set aside monies are envisioned to build up over time in a sinking fund and be spent in accordance with needs. Once a sinking fund is established, contributions to this fund can accumulate over time, and be made available to cover maintenance and structural repairs, as required.

Garage Financial Projections

The following table includes a pro forma operating statement and statement of net income for a 400-space parking structure. Net operating income projections are based on the assumptions detailed in previous sections. Revenues are anticipated to range between $628,000 to 735,000 in 2024 and 2028, respectively and are based exclusively on parking income. Operating expenses are shown as ranging from $245,000 to $289,000 for 2024

and 2028, respectively. Net operating income is projected to range from $383,000 to $446,000 in 2024 and 2028, respectively.

Debt service is calculated based on a total project cost of $50,000 per space or $20 million for a 400-space facility, at a five percent annual interest rate.

A reserve fund for future structural repairs and replacements is carried at one percent of initial project costs, plus an adjustment for annual inflation.

Table 3: Pro Forma Operating Statement and Statement of Net Income

Pro Forma Statement of Net Operating Income										
				Yr - Jan 1 - Dec 31 >>	2024	2025	2026	2027	2028
Annual Inflation	4.0%			Inflation Factor >>	1.040	1.082	1.125	1.170	1.217
Operating Revenues		#/Yr.		Rate	(Figures Stated in $000s)				
Monthly		50	$	100.00	$ 62	$ 65	$ 67	$ 70	$ 73
Daily Transient		17,850	$	5.00	93	96	100	104	108
Eve. Transient - Fri. and Sat.		41,600	$	5.00	216	225	234	243	253
Eve. Transient - Wed., Thu., Sun.		39,000	$	5.00	203	211	219	228	237
Eve. Transient - Mon. and Tue.		10,400	$	5.00	54	56	58	61	63
Subtotal - Op. Rev.					$ 628	$ 653	$ 679	$ 707	$ 735
Operating Expenses (assumes cashierless operation and city ownership)									
Labor			$	358.00 /sp.	$ (149)	$ (155)	$ (161)	$ (168)	$ (174)
Utilities			$	80.00 /sp.	(33)	(35)	(36)	(37)	(39)
Routine Repairs & Maint.			$	50.00 /sp.	(21)	(22)	(22)	(23)	(24)
Insurance & Claims			$	30.00 /sp.	(12)	(13)	(13)	(14)	(15)
Management Fee			$	30.00 /sp.	(12)	(13)	(13)	(14)	(15)
Contractual Svcs.			$	20.00 /sp.	(8)	(9)	(9)	(9)	(10)
Miscellaneous			$	15.00 /sp.	(6)	(6)	(7)	(7)	(7)
Supplies			$	10.00 /sp.	(4)	(4)	(4)	(5)	(5)
Subtotal - OPEX					$ (245)	$ (257)	$ (265)	$ (277)	$ (289)
Net Operating Income					383	396	414	430	446

Pro Forma Statement of Net Income									
Net Operating Income					$ 383	$ 396	$ 414	$ 430	$ 446
Debt Service									
Project Cost	400 sp.	$	50,000 /sp.	20,000	(1,301)	(1,301)	(1,301)	(1,301)	(1,301)
Interest	5% per yr.		- Downpmt =	-					
Term	30 years		Principal =	20,000					
Net Income					$ (918)	$ (905)	$ (887)	$ (871)	$ (855)
CAPEX	1% of project costs/annum				(208)	(216)	(225)	(234)	(243)
Net Income After CAPEX					$ (1,126)	$ (1,121)	$ (1,112)	$ (1,105)	$ (1,098)

Conclusion

As shown in the previous financial analysis, a 400-space parking structure is not projected to fund itself. The most critical variables impacting this feasibility are actual project costs equal to or lower than $50,000 a space for a 400-space parking structure and the City charging for parking on street and in the proposed parking structure.

05 FINANCING OPTIONS USED BY OTHER CITIES

FINANCING OPTIONS USED BY OTHER CITIES

Most structured parking facilities are not self–supporting. By this, we mean that operating revenues are often insufficient to cover operating expenses, debt service, and ongoing capital expenses required for repairs and maintenance. Because of this reality, it is often not possible for an owner to obtain 100 percent financing on their parking project without subsidies or a backstop of some kind. There are a number of proven strategies that have been successfully used to fund parking facility capital projects. These strategies have included federal and/or state grants, tax–increment financing, taxes from business improvement districts or parking tax districts, and net revenues from other facilities or parking assets, including meters and/or parking citations income.

In this section of the report, a general discussion is provided for each parking facility financing option that has been used in other U.S. cities. Additionally, a more focused study of seventeen cities, most of which are in Texas, is provided to assist New Braunfels in identifying an option that would best suit its needs.

Federal Funding Options

Location, intended use of the facility, and availability of grant money are the variables that typically govern whether a project receives federal grant money. In summary, without a multi–modal transportation element, such as a bus transfer station, a rail or commuter rail station, etc., federal funds are difficult to obtain for purposes of funding either a portion or an entire parking facility project.

The following is a list of several federal funding options, again all of which are not realistic without a significant multi-modal transportation element and then to obtain the funds, a grant application would have to be filed and garner support, often from a U.S. congressional representative and other political support.

- FTA Capital Investment Grants (New Starts), USDOT
- FTA Formula Grants, USDOT
- Surface Transportation Program, USDOT
- Tiger Grants, USDOT
- USDA Programs

A Federal Transit Formula Grant used to pay for a portion of the Brazos Transit District's (BTD) 800-space Roy-Kelly Intermodal Terminal and Parking Garage located in Bryan, Texas.

Tax Increment Financing

New Braunfels could utilize Tax Increment Financing to pay for the development of a new parking structure and other downtown public developments by creating a Tax Increment Financing (TIF) district to take out bonds leveraged by the growth in property tax revenue within the district that occurs after improvements, such as the mixed–use parking structure, are in place.

TIF districts are a common financing mechanism employed by municipalities that use tax revenue growth produced by an increase in the tax base of a specified area to repay the costs of investing in the area. While many

cities rely on general tax revenue to fund improvements, tax increment financing is an increasingly viable solution to funding the development of needed infrastructure, including structured parking. TIF legislation enables a local government to finance redevelopment projects through an anticipated increase in the area's property tax revenues. TIF districts do not generate tax revenues by increasing tax rates. Rather, the TIF district generates revenues by permitting the municipality to temporarily capture the tax revenues generated by the enhanced valuation of properties resulting from the various redevelopment projects and use this captured revenue to service districtwide infrastructure debt, in lieu of these tax dollars flowing to the municipality's general fund. In a TIF–funded project, the local government permits the developer to use a portion of these new taxes to support financing for the proposed parking project. Since a portion of the financing is repaid solely from the dedicated taxes, TIF effectively functions like a grant from the standpoint of the developer.

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

Under the Tax Increment Financing Act of July 11, 1990 (53 P.S. § 6930.1 et seq.) (the TIF Act), authorities, being an industrial or commercial development authority or a redevelopment authority, and municipalities, being a county, city, borough, incorporated town, township, or home rule municipality, have the authority to form TIF districts and to issue bonds to finance redevelopment projects that eliminate or prevent the spread of urban blight, discourage the loss of commerce or employment, and/or increase employment.

All proposed TIF districts must have a public hearing for affected residents and property owners to voice their opinions on the matter. TIF districts are implemented by a local ordinance that not only defines the boundaries of the district, but also establishes a fund for the deposits of TIF revenue and payment of project costs. The city or county must also develop and approve a project plan for the district, which includes economic feasibility studies, descriptions of cost, bond details, and certified details from the county tax assessor on property values within the district. The project plan must be approved by a separate ordinance.

Texas cities that have used TIF to finance parking structures include, but are not limited to, Amarillo, Carrollton, Fort Worth, Frisco, McKinney, and Temple.

Conventional Debt Financing

When an established public or private entity needs capital to fund a parking project, a bank or conventional loan may first come to mind. Conventional loans are loans that are not insured or guaranteed by a government agency. This method of obtaining funds for a capital improvement project involves a lending process that is often rigorous and may result in higher financing costs incurred by the borrower.

Banks want to lend to parties that have a clear record of profitable operations, which generate a cash flow sufficient to repay the loan, and that have enough collateral or assets to secure the loan. Conventional financing requirements include a clean credit record and no bankruptcies or foreclosures.

Conventional debt financing is a poor option for New Braunfels as it represents borrowing at a high interest rate, relative to the City's access to tax–exempt financing. Additionally, because of the limited or no parking revenue stream, a lender would not underwrite a loan for a parking structure in New Braunfels without the backing of the City's general taxing authority or some other significant collateral.

General Obligation Bonds

General obligation bonds will obtain the lowest possible interest rate or cost of borrowing for any given municipality. Because the full faith and credit of the municipality is pledged to such bonds, the rate of interest will reflect the best that the community has to offer. The primary way for a municipality to improve on its own full faith and credit pledge to a bond issue is to purchase municipal bond insurance.

The following definition of general obligation bonds is offered by www.emuni.comƒ glossary:

> "General Obligation Bond. (G.O.) A bond secured by a pledge of the issuer's taxing powers (limited or unlimited). More commonly the general obligation bonds of local governments are paid from ad valorem property taxes and other general revenues. Considered the most secure of all municipal debt. Limited in California by Proposition 13 to debt authorized by a vote of two thirds of voters in the case of local governments or a simple majority for state issuance." (http:ƒƒwww.emuni.comƒ glossary.php)

Care must be taken when issuing general obligation bonds to finance parking facilities. The public purpose provisions of the tax law must be observed to preserve the tax–exemption of the bond issue. Moreover, the issuance of general obligation bonds results in at least one significant implication. Most states have laws that restrict the amount of general obligation debt that can be issued by municipalities. General obligation bonds count towards the outstanding statutory debt of the municipality. Therefore, prior to issuing general obligation bonds for a parking project, the municipality must determine whether the available bonding capacity is sufficient to fund the parking project and also to support any outstanding bonding requirements which the community may be facing. Other competing priorities may dictate that the municipality's management must seek parking project funding other than general obligation bonds.

An example of a Texas city that has used GO bonds to fund parking includes Round Rock.

Revenue Bonds

When revenue bonds are issued to finance a parking project, the bond issuer pledges to the bond holders the revenue generated by the parking project. Revenue bonds are payable only from specifically identified sources of revenue, including pledged revenues derived from the operation of the financed parking facility, grants, and excise or other taxes. Parking revenue bonds secured solely by the revenues from a single, stand–alone, municipality–owned parking facility are acceptable at a reasonable tax–exempt rate only when irrefutable evidence is presented to indicate the existence of a stable demand generator that is anticipated to produce suitable debt service coverage from net revenues. Municipalities and other public organizations often benefit from issuing parking revenue bonds since the full faith and credit of the issuer is not pledged. However, revenue bonds traditionally carry a higher interest rate than general obligation bonds. Revenue bonds also differ from general obligation bonds in that general obligation bonds are backed by a city's ability to levy taxes. In

comparison, user fees back revenue bonds. Special authorities are frequently created for the purpose of issuing parking revenue bonds.

This is not an option for New Braunfels today because as stated previously, there is a limited or no paid parking market in New Braunfels. Parking revenues are not significant enough to allow for a financial services firm to underwrite parking revenue bonds. It will take time to build a paid parking market in New Braunfels that would make revenue bonds a feasible option.

Green Bond/Climate Bonds

Climate Bonds, or Green Bonds, issued by the Climate Bonds Initiative, are used to help fund projects that are expected to have positive environmental and/or climatic benefits. An example of a parking garage that was funded using money from a Green Bond is the Salem State University Parking Garage. The 2014 Green Bonds Market reached an overall total of $36.59 billion, and the target for the 2015 market is $100 billion.

This project was viewed as controversial, given the fact that a parking garage acts as an enabler for people to drive, emitting more greenhouse gases in the atmosphere. In order to justify this use of their Green Bond, the Massachusetts State College Building Authority exclaimed that the garage would reduce congestion on and around the campus and that it meets several qualifications of a 'green building.'

Climate Bonds/Green Bonds may not be the most feasible option for financing a parking garage due to the heavy skepticism of qualifying factors that make a parking garage a green structure and the discouragement to do so from the Climate Bonds Initiative.

Additional information on the Salem State University parking garage can be found here:

http:ƒƒwww.rtcc.orgƒ2015ƒ01ƒ13ƒgreen–bond–to–fund–multi–storey–car–parkƒ

Business Improvement Districts

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

BIDs number over 1,000 in the U.S. and are much more common than parking tax districts. BIDs, which are most often formed at the request of their member businesses, typically address a wide variety of issues not all related to parking.

Common issues addressed include marketing, transit, beautification, signage, lighting, parking, street and public space maintenance, unarmed security patrols, "customer service representatives" or "ambassadors" to provide information and assistance to tourists and shoppers, etc. The collection of assessments tends to be applied uniformly on a square foot, gross receipts, or assessed value basis because all property owners universally

recognize benefits. Typically, no exemptions or tax credits are provided to property owners who provide all or a portion of their required parking.

The Bayside District, located in Santa Monica, California, is an example of a BID. This BID was established in 2008 and provides funds for enhanced maintenance, an ambassador program, marketing, and special projects, beyond those provided by the City of Santa Monica.

The Santa Monica BID has three zones, each with its own tax rate for varying land uses.

Parking Tax Districts

A parking tax district typically addresses a narrow selection of issues related to parking. In cases where the municipality is the sole provider of parking, the collection of parking taxes tends to be applied in a uniform manner on an assessed value basis or as a fee per space based on zoning parking standards or requirements, and typically with a partial exemption for parking spaces provided above a threshold percentage. Typically, no commercial property is 100 percent exempt unless its owner provides 100 percent of the parking requirements mandated through the zoning ordinance within the district. Single–family residential property is usually exempt, but multi–family apartments usually are not exempt.

There are several precedents for a parking tax district in the United States. Existing parking tax districts are located in the states of California, Maryland, Nebraska, and Oregon, with the majority of parking tax districts concentrated in California. The State of California has passed enabling legislation, including the Parking District Law of 1951, Mello–Roos Community Facilities Act of 1982, and the Parking and Business Improvement Area Law of 1989.

Following is a summary highlighting several parking tax districts in the U.S.:

- Montgomery County, Maryland – Parking District Services of Montgomery County manages parking districts in Bethesda, Montgomery Hills, Silver Spring, and Wheaton. Some of the tasks performed by Parking District Services are the management of off– and on–street parking facilities within its districts. Parking District Services is responsible for revenue collection and control, maintenance, safety and security, the funding of parking facility capital improvements, and ongoing operating and maintenance expenses. To generate the funding necessary for ongoing parking operations, each parking district collects taxes based on the assessed value of land and improvements.

  A similar tax for unimproved non–residential properties is taxed at 50 percent of the improved rate. Several exemptions or percentage reductions from the tax are provided by the ordinance. For example, public off–street parking lots and facilities are exempt from the tax, provided that this parking is made available for general public use, or for the use of the customers of the establishment for which the exemption is claimed. Any property owner or lessee who provides the entire zoning requirements for parking is exempt. Property owners providing a portion of their parking are exempt from a portion of the tax bill in accordance with a formula that varies depending on the land use. For example, if a “retail establishment” provides between 60% and 99.9% of the general retail zoning parking requirement, the credit is 60%. At less than 60%, the credit is zero. At 100% or more, the property is exempt.

- Tualatin, Oregon – Our research reveals that the City of Tualatin, OR has a Special Core Area Parking District Tax and Impact Fee. The required number of parking spaces varies depending on the land use and the parking requirements as specified in the city's zoning ordinance. A formula is used to determine whether an owner qualifies for a tax credit. This tax credit for providing on–site parking spaces is calculated by defining "A" as the number of spaces provided by an owner, divided by the number of spaces required by the zoning ordinance. If "A" is greater than or equal to 1.0, the credit is 50 percent. If A is less than 1.0, the credit is equal to 50 percent of "A" ("A" x 50%). Thus, everyone pays at least 50 percent of the parking district tax. A developer within the Tualatin parking district may buy down up to 25 percent of the required number of parking spaces by paying an impact fee. The impact fee (payment in lieu) is determined by the number of zoning-required spaces not supplied, multiplied by a specified fee per space. This fee supports only surface parking development, as this amount is insufficient to support the cost of structured parking.
- Norfolk, Nebraska – This city manages a Vehicle Parking Tax District. The municipality provides most parking. The tax is billed on the assessed value of the property, regardless of any parking on–site.
- Covina, California has a Vehicle Parking District Tax. This tax is assessed only on the difference between the number of spaces provided and the number required by the zoning ordinance. There are no exceptions to this tax for owners who provide parking.
- Alhambra, California includes parking within a Business Assessment District Tax. This tax is assessed uniformly on all commercial property based on the gross receipts of the business. Because this tax supports functions other than parking, such as beautification, cleaning, signage, etc., there are no exceptions for parking provided.
- In San Bernardino, California developers are allowed to make a payment in lieu, which is determined by the number of spaces required by zoning but not supplied by the replacement cost of a structured parking space, which is reappraised annually. The vehicle parking district tax is assessed as an ad valorem property tax, but a prorated credit is allowed based on the difference between the number of spaces provided and the number required by the zoning ordinance. Spaces paid in lieu are counted as though constructed.
- Fullerton, California owns almost all of the off–street parking within the city, and all businesses within the parking district were assessed a parking district tax to retire bonds for the construction of parking. No exemptions were offered as almost no properties supplied their own parking needs. Because the bond debt was retired several years ago, the parking tax district was also retired.
- Long Beach, California maintains the Belmont Shore Parking Commission, which exists as an approved city commission and enterprise fund. The commission receives parking revenue from existing facilities and tax revenue from the Parking and Business Improvement District (PBID) for the purpose of parking. This PBID has the power to impose a self–assessment of property owners and businesses, subject to a 50 percent protest vote that can terminate it at any time. The annual special tax rate may be set at any amount within a specified range. Because the PBID pertains to more than parking, the tax rate is applied across the board, with no exemptions for owners who provide their own parking.

- The Vehicle Parking District of Pomona, California, provides public parking for the entire downtown district. Businesses are not required to pay for parking credits or apply for parking variances. There is no room for new parking. Parking is currently self–sustaining, as parking revenue from existing lots is sufficient to fund current obligations. As there are no ongoing parking structure development obligations, there is no additional parking district tax.

Payment In Lieu

In cases where a developer is allowed to pay a fee in lieu of construction of parking spaces, the number of spaces that can be deferred is limited, and the amount of the fee in lieu is based on the actual average cost of development of structured parking spaces within the district. However, spaces paid–in–lieu are counted as though constructed in determining the number of parking spaces provided by a developer.

Development and Lease Agreements

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

Faced with parking issues, many industry leaders are recognizing the advantages of eliminating parking from their balance sheets and focusing on their core business.

This is accomplished through a development leaseback agreement that provides an alternative method of ownership, investment, financing, and risk allocation to organizations that need parking, but face financial limitations. It is a financial tool that can allow a business or agency to expand parking operations, reduce long–term risk, and redirect capital funds from parking to core operations.

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

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

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

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

Creation of an Auxiliary Enterprise Fund

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

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

- Monthly leases and/or permit sales
- Parking meter revenues
- Parking violations' citations revenues
- Transient Revenues
- Transportation Fees
- Reserved Parking Spaces

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

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

The lifespan of a parking structure can often range from 40–50 years or more. However, because the development costs for such a structure are capitalized over a 20–30–year period, there is significant useful life remaining after all debt is retired. This remaining life means that revenues may still be generated by this

debt–free facility and that these revenues may be available to offset any new debt service payments that are required to fund new parking projects.

There are many parking system auxiliary enterprise funds in operation throughout the U.S. In no particular order, following are some of these funds:

- City of Greenville, South Carolina
- City of Cedar Rapids, Iowa
- City of Lincoln, Nebraska
- City of Detroit, Michigan
- City of Tampa, Florida
- City of Denver, Colorado
- Florida State University
- University of South Florida
- Penn State University
- University of Oklahoma
- University of New Mexico

New Braunfels could create an auxiliary enterprise similar to one that exists in the City of Greenville, South Carolina, and charge this entity with running parking for the City. This could be a long- term solution for the City, however, in the short–term, this approach would not effectively work as a mechanism for funding a new parking structure.

Creation of a Parking Authority

Parking authorities offer similar advantages gained through the creation of an auxiliary enterprise funds. One similarity is that parking authorities are self– supporting, meaning they generate operating revenues sufficient to cover both operating expenses and the debt service associated with any capital improvements.

Parking authorities have many of the same responsibilities similar to a municipal or a university parking and transportation department. Following are some of the responsibilities of a parking authority:

- To hire and compensate staff and manage authority–owned facilities;
- To set parking rates and collect revenues from authority–owned facilities;
- To establish and manage a budget;
- To acquire property through negotiations and if necessary, through eminent domain;
- To acquire existing parking facilities;
- To contract with third parties for services and the sale of real property;
- To sue and be sued;
- To fund parking facility capital improvements;
- To design, construct, and renovate parking facilities;
- To demolish and rebuild parking facilities;
- To develop and implement master plans for municipal parking;

- To define and implement parking management strategies aimed at improving traffic flow and parking conditions; and
- To issue and retire debt.

Many states have enabling legislation that provides for the creation of a parking authority. Some states have legalized the formation of a parking authority in any city, regardless of size. Other states permit the establishment of a parking authority only in specific classes of cities. Following are some states that have parking authorities: Alabama, Alaska, California, Connecticut, Delaware, Florida, Maine, Maryland, Massachusetts, New Jersey, New York, Oklahoma, Pennsylvania, Tennessee, Virginia, Washington, and West Virginia. New York and Pennsylvania are the states with the greatest number of parking authorities.

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

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

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

The following are some significant advantages and disadvantages of a parking authority:

Advantages:

- Can issue own debt and not count against bonding capacity of city
- Provides a structure with a sole focus on parking–related issues
- Significantly reduces political pressures compared to city parking department
- Is self–sustaining

Disadvantages:

- Redundant costs of management and administration
- Higher rates of borrowing than a city issuing general obligation bonds
- Authority has power that is beyond the immediate control of the citizens not subject to annual budget considerations of city government or politics

Creating a parking authority is one form of creating a parking auxiliary enterprise. Therefore, as stated previously, this solution is unlikely to help New Braunfels fund a parking structure in the short-term. Longer-term, with the establishment of paid parking, the City could move in this direction.

Public – Private Partnerships

Public/private partnerships (P3s) are sometimes used as mechanisms for municipalities and developers to partner on the development of a parking facility.

P3s can take on a variety of structures, including the following:

- Predevelopment agreements leading to other implementation agreements;
- Design–Build agreements;
- Design–Build–Maintain agreements;
- Design–Build–Finance–Operate agreements;
- Design–Build–Operate–Maintain agreements;
- Design–Build–Finance–Operate–Maintain agreements; and
- A concession providing for the private partner to design, operate, maintain, manage, or lease a facility.

The U.S. Department of Transportation has developed the following definition of a P3:

> "A public–private partnership is a contractual agreement formed between public and private sector partners, which allow more private sector participation than is traditional. The agreements usually involve a government agency contracting with a private company to construct, operate, maintain, or manage a facility or system. While the public sector usually retains ownership in the facility or system, the private party will be given additional decision rights in determining how the project or task will be completed. The term public–private partnership defines an expansive set of relationships from simple contracts, e.g., A+B contracting, to development agreements that can be overly complicated and technical, e.g. design–build–finance–operate–maintain."

P3s are not new, have been around for decades, and have a longstanding history in various European countries, Australia, and the U.S. In the 1950's and 1960's, P3s were used in the U.S. to stimulate urban and community development. More than half of the 50 U.S. states now have legislation that serves as a framework for the P3 process. P3s have been used successfully to fund a variety of project types, including but not limited to gas and electric services, hospitals, power plants, schools, transportation projects, and water projects.

State and local governments are considering P3s more these days because of decreases in tax revenues and ensuing budgetary deficits. Simply put, folks are looking for alternative financing procurement methods because the old methods are either not possible or less attractive. P3s seem to be this new buzzword, offering significant promise or headache, depending on one's point of view, when in fact these arrangements have a longstanding history.

Walker has seen excitement from many interested parties curious about how to fund a project through a public/private partnership. Sometimes this excitement is without the recognition that no such arrangement can successfully result in project financing without a parking revenue stream. And, that revenue stream must be sufficient to cover operational, upfront capital, and monies needed for ongoing maintenance and reserves.

Noblesville, Indiana and McKinney, Texas have structured public/private partnerships in support of public parking financing.

Survey of Selected Texas and Other Cities

The previous subsection of this report provided a general discussion of financing options used by U.S. cities to fund parking structures. Recognizing that some of these may not be as applicable to New Braunfels, a more specific and focused study was performed to identify mechanisms used by cities in Texas and cities outside of Texas that may have some characteristics similar to New Braunfels or to which New Braunfels might aspire. The survey determined specifically how these cities administer their parking programs, including mechanisms used to fund parking structures.

The cities were selected for study on the basis of similar-sized cities (to New Braunfels) in terms of the resident populations served, population density, presence of a town square, presence of county government because of location of county seat, and abundance of food and beverage establishments. Some, but not all of these considerations applied to all cities. Some cities selected for study are more similar to New Braunfels than others. The survey is intended to provide additional context and ideas for securing parking structure financing.

The following table provides a summary of seventeen selected cities surveyed for purposes of identifying parking structure financing methods. Three of these cities are located outside of Texas and include Greenville, South Carolina; Franklin, Tennessee; and Noblesville, Indiana. The remaining fourteen cities are located in Texas and in no particular order include Fort Worth, Tyler, Temple, San Angelo, Amarillo, McKinney, Frisco, Bryan, Carrollton, Galveston, Round Rock, San Marcos, Georgetown, and Denton.

The takeaway from this survey is that there are multiple paths to successfully funding a parking structure. Some of these require paid parking. Others do not.

Table 4: Survey of Parking Finance Models Used in Selected Cities

City/State	2021 Population	County Seat	Population Density (Persons/ Sq. Mi.)	Downtown Square	Description of Downtown Food & Beverage, Convention, and Entertainment	Parking Model(s)	Parking Rates
1. Greenville, SC	72,095	Yes, for Greenville County.	2,382	No.	Downtown Greenville has more than 110 restaurants, a 340,000 SF convention center, 14-acre zoo, Upcountry History Museum, well-developed parks system including Falls Park on the Reedy, 16,000-seat arena, 2,100-seat PAC, and a 6,700-seat A-baseball stadium. https://www.visitgreenvillesc.com/food-drink/	Parking Enterprise Fund. City's Parking Division owns and operates 14 parking facilities, totaling 8,000 spaces, including 12 garages.	City garages are free for first hour, then $2 for second hour, and $1 per hour thereafter up to a $7 daily maximum. $10 event rate. $72 regular monthly rate. 800 free on-street parking spaces.
2. Franklin, TN	85,469	Yes, for Williamson County.	1,952	Public Square is part of a one-acre land plot donated by Abram Maury in 1799, Franklin's founding year.	Downtown Franklin is an example of historic preservation. The downtown features brick sidewalks amongst a collection of Victorian architecture in a 16-block National Register of Historic Places District--with more than 70 shops and restaurants, including antique and art galleries, gift, bookstores, and boutiques. Franklin's local artists are featured during festivals held on the first Friday of each month. https://downtownfranklintn.com/vendor-type/eat-drink/	General Fund Model. City owns two parking garages with approximately 300 spaces each.	Parking is provided at no charge in city-owned facilities. On-street parking in the downtown core, is time restricted, and is enforced M-F 8 a.m.-5 p.m. Time restricted parking is not enforced on Saturdays, Sundays, and City Holidays.

3. Noblesville, IN	70,926	Yes, for Hamilton County.	2,027	Yes. The Historic Noblesville Square is located in downtown and contains the 1879 Hamilton County Court-house.	Downtown Noblesville is a hub for dining, shopping, socializing, business, festivals, social gatherings, government, and professional services. The courthouse square houses a number of late 1800s commercial buildings. Seventy-one restaurants are listed on website; many are located downtown. https://www.visithamiltoncounty.com/restaurants/noblesville/ Denison Parking handles ordinance enforcement related to street and surface lot parking, control of parking in the Levinson garage, and assumes permit parking registration and tracking, garage maintenance, and fee collection. https://www.cityofnoblesville.org/department/division.php?structureid=294	Public/Private Partnership used to fund 337-space Levinson Garage that includes 237 public spaces. City used an economic development bond to fund $16 million including $13.2 million for the garage. TIF to generate $185,000 annually for 25 years by $8.8 million in new assessed value for the project, in addition to revenue from parking permits and hourly fees.	Downtown parking is separated into three locations: • Paid parking lots and parking garage spaces • Free on-street spaces • Two consecutive hours of free parking per day in the Yellow Zone around the Downtown Square Parking enforcement in lots is 8 a.m. to 5 p.m. and parking enforcement for on-street parking is 9 a.m. to 5 p.m.
4. Fort Worth, TX	935,508	Yes, for Tarrant County.	2,646	No.	Sixty-five restaurants are listed on Visit Fort Worth website. https://www.fortworth.com/restaurants/restaurants-downtown/ Downtown offers shopping, restaurants, art galleries, entertainment, professional offices, residential living, outdoor gathering, murals, water fountains, courtyards, one-of-a-kind local shops, food, live music/theater productions, the Sid Richardson Western Art Museum, the Bass Performance Hall, Fort Worth Water Gardens, and the Fort Worth Convention Center.	Downtown TIF Revenues Fund Public Parking and pay for leases at several garages that provide public parking for Bass Hall, City Center, City Place, Chase Bank, Tarrant County Family Law Center, The Tower, and garage insurance and marketing. City owns 8,000 parking spaces in four downtown garages and at the Will Rogers Memorial Center. SP+ manages the parking.	All parking meters are free after 6 p.m. on weekdays, and all day on weekends. 1 and 2-hour meters are $1.50/hour. Resident Lot - $1.50/hour M-F 8 a.m.- 6 p.m. Houston St. Garage - $3 up to 20 mins., $9 for first hour, $22 daily max. $18 event rate. Much of the public parking is provided at no charge through the TIF.

5. Tyler, TX	107,192	Yes, for Smith County.	1,845	The T.B. Butler Fountain Plaza, also known as "the square," is open to the public and can be reserved on a first come, first serve basis at no cost.	Tyler's downtown planning district is walkable as it is ½ mile from the edge of downtown to the Smith County Courthouse. City, county, and federal property make up a significant part of downtown, as do nonprofit private organizations such as churches and charities. Office use clusters around the downtown core. According to Burns and Noble, there were 17 office buildings with 824,000 square feet in 2006. Cultural resources in downtown include a cluster of small museums, the Tyler Public Library, Caldwell Auditorium, the Smith County Historical Museum located in a former Carnegie library, and the Goodman Museum within a spacious garden. The Downtown Tyler website lists 26 restaurants. https://www.downtowntyler.org/dining	Half-Cent Sales Tax Model. The City of Tyler collects Half Cent Sales Tax revenues to fund capital improvement projects, such as the Fair Plaza Parking Garage. There are 5,000+ downtown spaces, including 600 in two garages and 600 on street in metered or unmetered spaces. Parking is often dedicated to individual uses, meaning that some lots are empty on some days and during particular parts of the day. The 384-space, 4-level Fair Plaza Parking Garage is city-owned and located in central downtown.	Fair Plaza Parking Garage - Floor one is reserved parking that guarantees space availability between 7 a.m. – 5:30 p.m. M-F and requires a monthly fee of $60 for premium reserved parking and $30 for regular reserved parking. Parking levels 2-4 are available to the public at no charge. Parking meters are $1 an hour with a limit of 2 hours Monday through Friday from 8 a.m. to 5 p.m. Meters accept credit and debit cards. Park Smarter app available.
6. Temple, TX	85,416	No.	1,153	No.	Historical downtown district that includes historic and educational museums, retail shops including antiques stores, murals, and art trains hidden around downtown. On every First Friday of each month visitors can find food and drink specials, block parties, and live music and entertainment, including comedy nights, karaoke, concerts, cooking classes, and festivals. Redevelopment projects include the Hawn Hotel and Arcadia Theatre. Two garages are under development by city and will add 600+ spaces in 2023. One is to be located at 4th Street near the Hawn Hotel site. The second parking garage will be located at South 1st Street and Avenue A.	TIRZ Model. Two city-owned parking structures are under development and being funded through the following TIRZ vehicles: • 2019 TIRZ Revenue Bonds, Taxable $5,150,000 • 2018 TIRZ Revenue Bonds $23,565,000 • 2013 Certificates of Obligation $25,260,000	2 Hour Parking" signs indicate zones where enforcement will occur. No observed on-street parking meters or posted parking rates in the downtown. No parking rates found online. https://us105fm.com/downtown-temple-texas-parking-garage-construction/?utm_source=tsmclip&utm_medium=referral

7. San Angelo, TX	99,667	Yes, for Tom Green County.	1,673	No.	Downtown attractions include restaurants, bars, retail shops, events, lodging, art galleries, parks, Fort Concho, a railway museum, and a performing arts center that hosts a symphony orchestra, civic ballet, concerts, and other productions. Chadbourne Street in downtown San Angelo, from the Concho River to north of Beauregard Avenue, is being redesigned and includes a new streetscape intended to enhance tourism and encourage walking. https://www.downtownsanangelo.com/dining	No parking strategy or parking finance strategy was identified for this city.	No parking meters or paid parking found in the downtown.
8. Amarillo, TX	201,234	Yes, for Potter County.	1,959	No.	Downtown Amarillo is home to many historical buildings, churches, and public art pieces. Points of Interest include: the Bivin's Home, built by one of the first families to settle in Amarillo, Amarillo City Hall, the Amarillo Civic Center Complex, Amarillo Downtown Public Library, Federal Courthouse, Santa Fe Building, the Madame Queen, a rare locomotive built in the 1930s, the Herring Hotel, Potter County Courthouse and Library, and the Amarillo Building.	TIRZ used to fund 600 S. Buchanan St. Garage, a 600-space facility, which provides parking for the public and Xcel Energy's SW Public HQ. City donated land formerly housing surface parking. Xcel must keep 110 garage spaces available to the public. City helps pay for garage operating expenses.	On-street parking is $1/hour M-F between 8 a.m. to 5 p.m., and payable through ParkMobile. There are no meters or kiosks. The 600 S. Buchanan parking garage is publicly available 24/7 for $2/hour or $7 daily. Facility is unstaffed and only payable via credit card.
9. McKinney, TX	202,690	Yes, for Collin County.	2,917	Yes.	McKinney has one of the oldest historic downtowns in Texas. The downtown commercial district offers two dozen restaurants and more than 120 shops, including art galleries, furniture stores, antique, gift and home décor shops and apparel boutiques.	TIRZ. $3,500,000 in TIRZ #1 funds were used for the East Louisiana Parking Project including land acquisition, relocation expenses, parking lot design and construction. Chestnut Commons Garage - A P3 funded garage development. Developer donated land. City leasing garage for five years with revenue from General Fund and TIRZ and then taking ownership.	Off-Street Parking: Free all-day parking. Two covered parking garages (Davis Street and Chestnut Street); 13 uncovered public parking lots. On-Street Parking: Free 3-hour parking from 8 a.m. - 5 p.m. weekdays; Free all-day parking evenings and weekends.

10. Frisco, TX	210,719	No.	2,921	No.	Centrally located in the U.S., Frisco is 25 minutes north of downtown Dallas, and a 25-minute drive from both Dallas-Fort Worth International Airport and Dallas Love Field Airport. Attractions include minor league Rough Riders baseball, NAHL Texas Tornado, Frisco Thunder indoor football team, FC Dallas Major League Soccer team, the Superdrome velodrome, and Heritage Museum. Frisco has grown rapidly over recent years and its downtown, also known as the "Rail District," is undergoing redevelopment to bring people together through live-work-play developments.	Parking Authority Model. Parking authority generates revenues sufficient to cover operating expenses, CAPEX, and debt service. TIRZ No. 1 - The city funded a 1,250-space parking garage at Stonebriar Centre as part of an $18 million incentive and part of a mall. Garage debt will be paid out over ten years and supported by TIRZ revenue.	The Frisco Municipal Parking Garage, the Frisco Transit Center Parking Garage, surface lots, and on-street parking area available for $1/hour. The Frisco Parking Authority offers a number of parking options, including monthly and daily passes, as well as electric vehicle charging stations.
11. Bryan, TX	86,866	Yes, for Brazos County.	1,551	No.	Bryan is located northwest of the center of Brazos County. It is bordered to the southeast by the City of College Station and to the northwest by the unincorporated community of Lake Bryan. The Brazos River flows past approximately nine miles to the southwest. Historic Downtown Bryan features arts, restaurants, events, boutiques, and antique shops.	Federal Transit Formula Grant used to pay for a portion of the intermodal terminal and parking garage.	The BTD's 800-space Roy-Kelly Intermodal Terminal and Parking Garage rates are $1/hour daily, $70/month for weekday daytime parking and $90/month for 24/7 monthly parking. Event rate is $10. First 60 mins. are free.
12. Carrollton, TX	133,251	No.	3,640	Yes, Carrollton Square was formed in 1900. First gazebo was built on square in 1921 and became focal point.	Part of suburban Dallas, historic downtown Carrollton offers retail shops and restaurants and special events. Founded in 1913, downtown Carrollton includes two parks and a DART transit station. Over the past decade, the City has improved its downtown by reconstructing South Main Street and Pioneer Park; constructing additional parking lots and a parking garage; executing the City's first Public Private Partnership called the Union at Carrollton Square - a mixed-use development featuring 179 for-lease apartments and the Twisted Root Burger Company and rehabilitated the Square.	TIRZ Model. Schedule 3 on page 17 of the 2013 Project Plan and Financing Plan for TIRZ No. 1, Carrollton, TX includes $15,575,000 for a "parking structure(s) design and construction for Downtown Carrollton and Trinity Mills station area(s) and temporary surface parking lots (design and construction)."	Free on-street parking. Surface parking lots and a parking garage are advertised as providing public parking at no charge. There is a DART Station that includes a park-and-ride parking lot available to DART customers at no charge.

13. Galveston, TX	53,219	Yes, for Galveston County.	1,308	No.	Downtown Galveston was known as the Wall Street of the South in the late 1880s. The Galveston Strand was a street of opulent Victorian buildings, including five banks, wholesale houses, grocers, liquor and cigar dealers, cotton factors, commission merchants, insurance companies, printers and eight newspapers, dry goods companies, steam and sail ship agencies, auction houses, saloons, and sailor boarding houses. Today, downtown contains historic architecture, family attractions, locally owned restaurants, boutiques, art galleries, and performance venues.	No strategy identified. Ownership of public parking is not apparent except for on street.	On-street time limits are 9 a.m. - 6 p.m., Mon. - Sun. Rates are $2.25/hour. Payment is per license plate. In addition, 16 parking kiosks are available and accept cash or a credit/debit card; payment through PayByPhone. Privately-owned parking at the 2327 Postoffice St. lot is available for $10/day or $80/month.
14. Round Rock, TX	123,876	No.	3,174	Round-about.	Located in suburban Austin, downtown Round Rock offers restaurants, bars, retail shops, and special events. https://downtownroundrocktexas.com/	General Fund Strategy. Downtown parking garage with estimated completion date of January 2023 shown in 2022-23 city budget workbook; estimated project cost is $13.4M. Also, the one-half sales tax has been used to fund parking. https://roundrockchamber.org/the-district/	Three surface parking lots, three garages (one more under construction), plus on-street parking. Public parking available at no charge. https://downtownroundrocktexas.com/parking-and-maps/
15. San Marcos, TX	68,580	Yes, for Hays County.	1,898	Yes.	Local tourism website says, “bistros and nightspots adorn every corner of historic downtown San Marcos, fueling America’s favorite vacation pastimes – shopping and eating!”	Parking Benefits District Model. This is proposed. Paid on-street parking would be introduced. A percentage, say 30 percent, of net meter revenue would return to the area in which it was generated in the form of sidewalk and streetscape improvements, beautification, and transportation or parking investments.	Two-hour free street parking. There are five paid lots

16. Georgetown, TX	75,420	Yes, for Williamson County.	1,172	Yes.	Georgetown is a city in central Texas. Buildings in its Downtown Historic District include the Victorian-era Old Williamson County Jail and the 1911 Courthouse. The Williamson Museum explores local history. Downtown attractions include art galleries, breweries, wineries, parks, public art, restaurants, retail shops, and special events.	Strategy under formulation. Considering building first city-owned parking structure.	On-street parking – those spaces directly in front of businesses and the courthouse – is limited to three hours on weekdays between 9 a.m. and 5 p.m. Downtown Georgetown has several free public lots and a garage with no time limit.
17. Denton, TX	148,146	Yes, for Denton County.	1,452	Yes.	Denton is a city in Texas within the Dallas-Fort Worth metro area. In its center is the Denton County Courthouse-on-the-Square Museum which is housed in the 1896 courthouse structure. Nearby is the Bayless-Selby House Museum, a grand Queen Anne–style home with Victorian interiors. Downtown houses antique shops, coffee houses, bars, clubs, restaurants, and music venues	No apparent strategy. No parking structures.	1,600 public parking spaces downtown. All but two lots are free to users. Two-hour on-street spaces in center of downtown.

As demonstrated within this section of the report, New Braunfels has a wide variety of tools available to fund a public parking structure. Other Texas cities similar in size to New Braunfels have successfully used these strategies. These include general obligation bonds, tax-increment financing, sales tax revenues, parking benefits district, Federal Transit Authority formula grant, and parking authority.

Regardless of what option might be selected to fund a parking structure, if that is the course the City elects, we recommend that the City implement paid on-street parking which will lay the groundwork for a paid parking system and pave the way for a future potential parking enterprise or authority. Free on-street parking is not desirable when a city has a goal to collect user fees to offset the cost of a parking structure. Any free parking will compete with the paid parking and cannibalize revenues.

The financing options that seem to be mostly likely include the following:

- City issue general obligation bonds to fund a garage. (We do not know if the City has the bonding capacity or if this is a funding priority.) Would spread the cost of this asset across the City's entire tax base; many people would pay for it, but not use it. Secured by full taxing authority of City and backed by City's tax base. Do not know if the political will exists to make this a GO funding priority.
- Use tax-increment financing.
- Create a taxing district and tax property owners within this district. The benefactors of a new garage would pay for and enjoy the benefits of a garage. May not be palatable to the tax base.
- With approval of voters, introduce a sales tax to create a funding source for the proposed parking structure.

Again, all of the aforementioned options have been successfully used in other cities, both within and outside of Texas.

06 NO BUILD OPTION

NO BUILD OPTION

Instead of trying to build its way out of the parking challenge, the City could instead implement a series of parking management actions that if successfully implemented, could effectively address the parking problem previously identified within this report. Better use of existing surface parking lots is the goal of such an approach. Either buy privately-owned lots and/or enter into shared parking agreements that would make spaces available to the public. Promote the availability of parking and advertise on the City's website and other sources. This would be the lowest cost option and the most feasible. This final portion of this report's section provides specific action parking policy changes and practices that the City could implement in lieu of building a parking structure or in addition to building a parking structure.

The three sites evaluated for potential future parking structures are proximate to the restaurant and bar activity that is concentrated along Castell Avenue and so it is understandable why these sites were studied. However, none of the three sites evaluated are geometrically friendly for a parking structure and few options identified contributed more than 250 additional spaces to the downtown. A minimum width and length are desired to allow for a ramping layout that allows for parking on the ramp, optimizing the efficiency of the layout and controlling the constructable square footage of floor area per parking space. At approximately $50,000 per space for structured parking, all of the build parking structure options are expensive, and so it is not realistic to expect that an individual parking structure has the potential to pay for itself. Moreover, it is not reasonable to expect that the City could pay for a parking structure through a parking enterprise any time soon, given the history of mostly free parking in the downtown.

And, as discussed, there is available parking capacity. The challenge then becomes how to unlock the available parking capacity from the tangled web of private ownership and tendency to restrict public access.

As an alternative to the City trying to build its way out of the parking challenge, some thoughts were developed that could represent what could be an effective non-build plan. The following are several ideas, that if successfully implemented together, could prove to be an effective solution:

- Amend parking enforcement time limits from M-F 8 a.m. – 5p.m to seven days a week 10 a.m. – 9 p.m. Enforce with more consistency. This will move employees from the street to parking intended for long-term use. We recommend that this policy change be implemented regardless of whether a parking structure is built.
- Identify and establish dedicated employee parking areas that do not have time limits. These could include shared use lots made available through agreements with private property owners.
- Develop agreements with private property owners to make their parking available to the general public. These agreements will cost the City money but be much less expensive than building a parking structure. City will have to manage the liability and reimburse the owner for wear and tear on their property. To make the offer attractive to owners, agreement should stipulate times when the parking would be unavailable for public use and owner would have right to limit public usage during times stipulated in agreement, such as dates and times when their properties are used for special events, funerals, weddings, wedding receptions, etc. Candidates include but are not limited to the following:
    - Saint Peter and Paul Catholic Church and School
    - First United Methodist Church

  - First Protestant Church and School
  - Christian Science Reading Room
  - Miller & Miller Insurance Agency
  - Doeppenschmidt Funeral Home
  - Farmers Mutual Fire Insurance
  - NAPA Auto Parts - Leissner Auto Parts
  - Mill Street Executive Suites
  - Tip Top Cleaners & Tuxedos
  - KFW Engineers and Surveyors
  - Old Republic Title / HMT Engineering and Surveying
- City should improve upon and amend its public parking map to include additional locations such as county-owned parking facilities, New Braunfels Utilities Lot, City of New Braunfels, and privately-owned properties for which the City is able to secure shared parking agreements.
- Consistent signage should be erected at the location of public parking, advertising a parking lot as a public parking facility. Restrictions may be noted, as appropriate. Parking signage should communicate the City's public parking brand. Examples are shown in the following figure:

Figure 6: Public Parking Signage Examples

- City should develop video and post online, explaining public parking options. See example used by City of Round Rock at https://downtownroundrocktexas.com/parking-and-maps/.
- City should develop parking page and post to City's website, advertising public parking availability.
- City should perform or hire a third party to perform parking occupancy studies quarterly in the downtown area. Studies should capture space availability during late morning weekdays, late morning weekends, weekday evenings, and weekend evenings. Purpose of studies is to demonstrate that parking spaces are routinely available.
- Allow public parking on the street. Residential parking permit (RPP) programs have their place, but long sections of street parking do not need to be exclusively reserved for residents. Temper the RPP with the public's right to park on street.
- Consider introducing a City-sponsored valet parking program pilot to gauge local interest in a valet parking program. If successful, expand and award license to valet parking operator to run this program, offering vehicle pick-up and drop-off at designated areas and valet attendants who will park and return vehicles for a prescribed fee.
- Reconfigure the parking facility identified as Lot C on the City's parking map, to gain additional capacity.

The success of this no build option rests heavily on being able to convince private property owners to make their parking available to the general public and the City would have to negotiate agreements with these owners. This has been accomplished by many other cities including Arcadia, Sacramento, and San Diego, California; and Cary, North Carolina.

APPENDIX – SHARED PARKING AGREEMENT

THE CITY OF SAN DIEGO

RECORDING REQUESTED BY:
THE CITY OF SAN DIEGO
AND WHEN RECORDED MAIL TO:

(THIS SPACE IS FOR RECORDER'S USE ONLY)

SHARED PARKING AGREEMENT

This SHARED PARKING AGREEMENT ("Agreement") is entered into and effective _____, 20____, by and between _____, _____and the City of San Diego.

RECITALS

WHEREAS, pursuant to sections 142.0535 and 142.0545 of the Land Development Code, the City of San Diego specifies criteria which must be met in order to utilize off-site shared parking agreements to satisfy on-site parking requirements.

NOW, THEREFORE, in consideration of the recitals and mutual obligations of the parties as herein expressed, _____, _____ and the City of San Diego agree as follows:

1. _____ the owner of the property located at _____, agrees to provide _____ the owner of the property located at _____ with the right to the use of (____) parking spaces _____ from _____ as shown on Exhibit A to this Agreement on property located at _____.

   1.1 Applicant: _____ Co-Applicant: _____
   Assessor Parcel No: _____ Assessor Parcel No: _____
   Legal Description: _____ Legal Description: _____
   _____ _____

2. The parking spaces referred to in this Agreement have been determined to conform to current City of San Diego standards for parking spaces, and the parties agree to maintain the parking spaces to meet those standards.

3. The Parties understand and agree that if for any reason the off-site parking spaces are no longer available for use by _____, _____ will be in violation of the City of San Diego Land Development Code requirements. If the off-site parking spaces are no longer available, Applicant will be required to reduce or cease operation and use of the property at Applicant's address to an intensity approved by the City in order to bring the property into conformance with the Land Development Code requirements for required change for required parking. Applicant agrees to waive any right to contest enforcement of the City's Land Development Code in this manner should this circumstance arise.

   Although the Applicant may have recourse against the Party supplying off-site parking spaces for breach of this Agreement, in no circumstance shall the City be obligated by this agreement to remedy such breach. The Parties acknowledge that the sole recourse for the City if this Agreement is breached is against the Applicant in a manner as specified in this paragraph, and the City may invoke any remedy provided for in the Land Development Code to enforce such violation against the Applicant.

Continued on Page 2

Reset Button Page 1

4. The provisions and conditions of this Agreement shall run with the land for those properties referenced in paragraph 1 of this document and be enforceable against successors in interest and assigns of the signing parties.

5. Title to and the right to use the lots upon which the parking is to be provided will be subservient to the title to the property where the primary use it serves is situated.

6. The property or portion thereof on which the parking spaces are located will not be made subject to any other covenant or contract for use which interferes with the parking use, without prior written consent of the City.

7. This Agreement is in perpetuity and can only be terminated if replacement parking has been approved by the City's Director of the Development Services Department and written notice of termination of this agreement has been provided to the other party at least sixty (60) days prior to the termination date.

8. This Agreement shall be kept on file in the Development Services Department of the City of San Diego in Project Tracking System (PTS) Project Number: _____ and shall be recorded on the titles of those properties referenced in paragraph 1 of this document.

In Witness whereof, the undersigned have executed this Agreement.

_____
Applicant

Date: _____

_____
Party/Parties Supplying Spaces

Date: _____

_____
Deputy Director

Business and Process Management, Development Services

Date: _____

NOTE: ALL SIGNATURES MUST INCLUDE NOTARY ACKNOWLEDGMENTS PER CIVIL CODE SEC. 1180 ET.SEQ.

Reset Button Page 2

WALKER
CONSULTANTS