WALKER
PARKING CONSULTANTS

565 East Swedesford Road, Suite 300
Wayne, PA 19087

Tel: 610.995.0260
Fax: 610.995.0261
www.walkerparking.com

May 26, 2015

Steve Johnson
City of Frederick Parking Department
2 South Court Street
Frederick, MD 21701

Richard Griffin
City of Frederick Economic Development
101 North Court Street
Frederick, MD 21701

Tim Davis
City of Frederick Planning Department
140 West Patrick Street
Frederick, MD 21701

Mr. Peter Lambis
Jones Lang LaSalle Americas, Inc.
1801 K Street, NW Suite 1000
Washington, DC 20006

Re: City of Frederick, MD Parking and Circulator Analysis (Final Report)
Walker Project Number 14-4000.00/01

Dear Sirs:

We are pleased to submit to you our parking and circulator analysis for the City of Frederick, MD. This analysis focuses on the projected future parking needs downtown; the ability for the existing parking supply to accommodate the demand; a preliminary financial analysis for the construction of Parking Deck Six; and a circulator system for operation downtown.

Sincerely,

WALKER PARKING CONSULTANTS

Andrew J. Vidor

Andrew J. Vidor
Parking Consultant

Parking & Circulator Study

City of Frederick, Maryland

Prepared for:
City of Frederick, MD &
Jones Lang LaSalle Americas

May 2015

WALKER
PARKING CONSULTANTS

TABLE OF CONTENTS

EXECUTIVE SUMMARY

The City of Frederick is nearing a period of new development and wants to be prepared for increased parking demand downtown. Public parking is operating at 85% occupancy during typical peak weekday hours, according to the City's parking department, and on weekends and evenings the parking supply is more than adequate to meet the demand generated around town. Other areas of concern expressed include straining of the systems supply during special events; free parking during Sundays and holidays; alternative overnight parking costs; high vacancies in offices as a result of high parking cost and in some cases the lack of available parking for monthly pass holders.

FUTURE PARKING DEMAND

Planned development in the City is expected to strain the ability to provide adequate parking supply. **A new 207-room hotel and conference center is projected to generate 491 employee, overnight guest and conference attendee vehicles during weekday daytime hours when the hotel and its 24,000 square feet of meeting space are operating at capacity.** Through an on-site parking structure, the proposed hotel is expected to accommodate demand for 100 of the 491 spaces. Other developments in the mid-term (three-to-five years) and longer-term (five-to-ten-year) horizons are projected to generate an additional demand for 173 and 258 vehicles, respectively, bringing the total incremental demand generated by the hotel and other foreseeable developments in the next ten years to 922 spaces.

ACCOMMODATING FUTURE DEMAND

Several solutions to accommodate the future projected parking demand were evaluated, including absorbing the demand into the existing parking supply, achieving a better distribution of the existing public parking demand through a variable rate pricing strategy for monthly parkers, and construction of a sixth parking deck. It was determined that accommodating all the projected new parking demand into the existing parking system is not feasible and additional parking will need to be constructed.

The Carroll Creek and East All Saints Street decks are those public parking facilities that are nearest to the hotel and these facilities can accommodate 138 additional vehicles during the weekday daytime. If the two decks utilized their remaining parking supply for hotel use, a shortage of 253 parking spaces is projected to remain during weekdays. Accommodating some of the parking in these decks during weekdays is reasonable, but additional parking is necessary to accommodate the remaining demand. If the weekday capacity (368) of all five available downtown parking decks was used to accommodate the hotel development demand, a shortage of (23) spaces still would remain. While it is feasible to use all of the parking decks in the City, it is unlikely to actually happen, resulting in a shortage of 253 parking spaces during weekdays. Because the parking system cannot accommodate the projected demand for the hotel, additional parking would need to be constructed.

VARIABLE RATE PRICING

A variable rate-pricing model was evaluated, and charging higher monthly parking rates at the Carroll Creek and East All Saints Street decks (located nearest the hotel) would result in some amount of monthly parking demand relocating to other decks. That would allow transient hotel customers attending meetings to park in the facilities closest to the hotel. The model evaluated 10% and 20% price increases for these two decks while the others remained at the current rate of $97. **The result of this analysis indicates few monthly parkers (between 17 and 65) may relocate with a price increase.** While this number may not be significant, it can slightly reduce the size of additional parking, which will need to be constructed.

A Variable rate pricing strategy is not recommended at this time because its positive impact is limited.

BUILDING ADDITIONAL PARKING

- **Parking Deck 6 will be required if the hotel is constructed.**
- **Parking Deck 6 will be required once additional future development is constructed even if the hotel is not built.**
- **Parking Deck 6 will not be required if the hotel is not constructed and no future development were to occur.**

PRELIMINARY PRO FORMA

We understand the debt coverage of parking deck six would be leveraged against the entire parking system. The principal variability in the pro forma is the parking revenues which are projected based on the past performance of the parking system. The first five years of operation project $3,731,000 in revenues, $1,283,000 in expenses, and $4,370,000 for debt service. The Parking Department will require healthier fund balances to include the sixth parking deck on it operating statement.

FUNDING PARKING DECK 6

We understand the debt service and operation of proposed Parking Deck Six would be paid through the Parking Department. The Parking Departments operating revenues would fund the deck and the debt service not covered by the operating balance would be paid with the departments fund balance. At the end of fiscal year 2014, the parking fund balance was reported by the Financial Department at $3.3 MM. If the 2014 fiscal year net operating income of $327,903.40 was maintained on a yearly basis, $1.92 MM of the parking fund is projected to be required to support Parking Deck Six for the first five years.

CIRCULATOR

The City is considering implementing a circulator system for its downtown to provide a public transit option for circulating parking, businesses, and shops. The circulator is envisioned to be used by visitors, shoppers, tourists, office employees, and retail merchants and employees The circulator also allows the parking system to be better balance; whereas, parking decks which experience higher demand could redistribute vehicles to a deck with less demand. The parker would then utilize the circulator to get to their destination.

An effective circulator needs to operate when demand downtown is most active. During weekdays, this is deemed to be between 7 a.m. and 8 p.m. On weekends, downtown business hours are generally between 9 a.m. and 10 p.m. The proposed circulator vehicles are proposed to operate on a headway (time between buses) of fifteen minutes, but no more than 30 minutes, to provide the best customer service. A proposed fixed route shown below serves the following areas:

- Parking decks
- Shab Row parking lots
- Transit Center
- Proposed Marriott Hotel
- City Hall
- Memorial and Baker Parks
- Hood College
- Frederick Memorial Hospital
- Market Street destinations

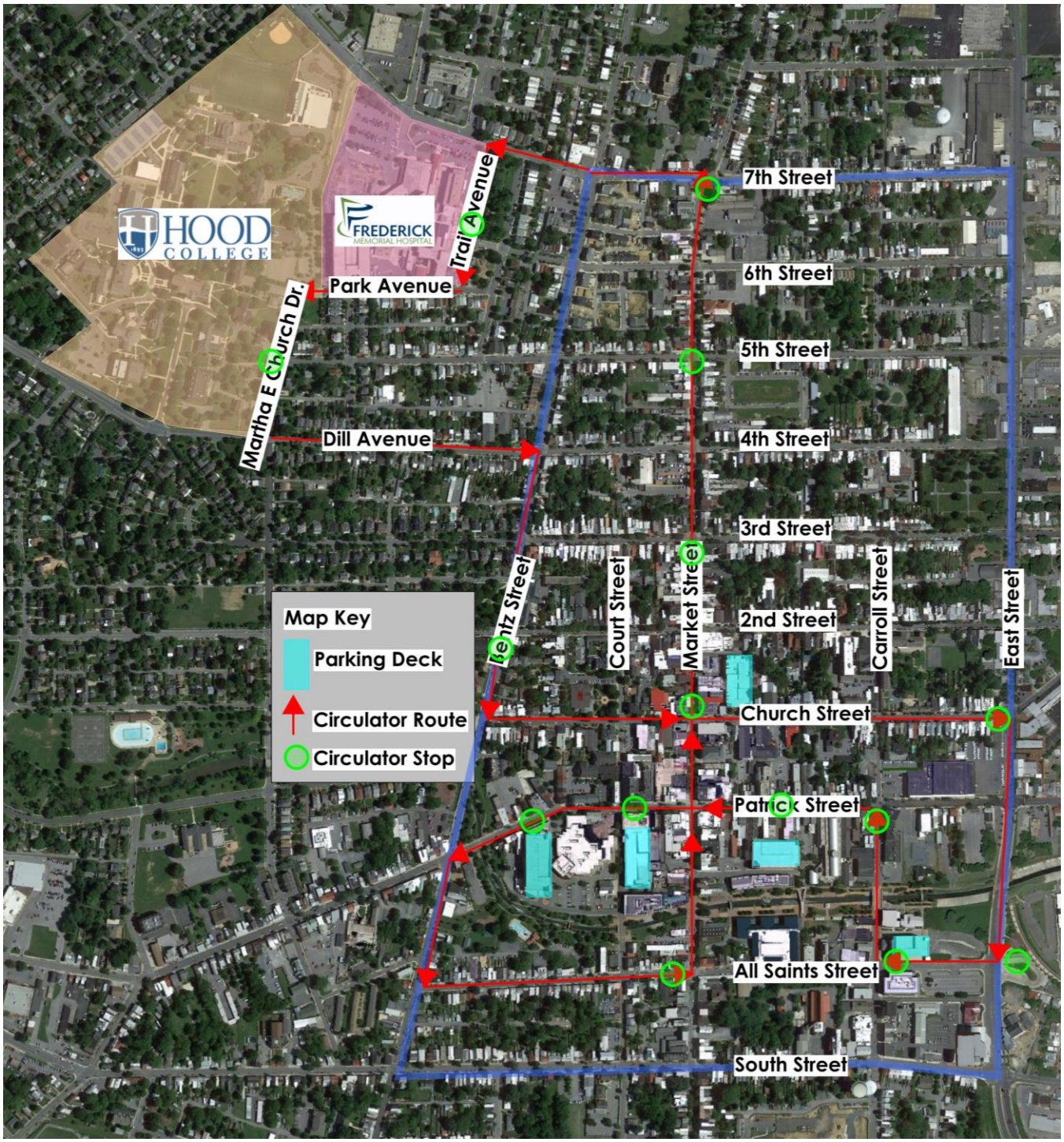
The operating cost for the recommended hours of operation and a fifteen-minute headway using two circulator vehicles totals $13,800 a week and $717,600 a year. This assumes an hourly operating cost[1] of $75 The purchase price[2] of these vehicles ranges from $100,000 for a light-duty trolley to $180,000 to $250,000 for a medium-duty trolley to $700,000 for a low floor hybrid-electric transit grade trolley.

We understand the operating cost is inclusive of all expenses required to operate the circulator vehicle including fuel, maintenance, management and operator labor and wages. The operating costs do not include amortization for the purchase of new vehicles to operate the circulator system.

Special Limiting Condition: Generally, information, estimates, and opinions provided by the client, or from parties not employed by Walker and presented in this report, are assumed to be reasonably accurate and are relied upon in the following analyses, but Walker cannot guarantee its accuracy. Walker assumes no liability resulting from inaccurate information presented by the client or client's representatives or received from third-party sources deemed reliable by the client.

[1] Operating cost provided by Transit Services of Frederick County (TransIT)
[2] Cost range provided by Cable Car Classics, Inc.

Figure 1: Circulator Route



PARK AND RIDE

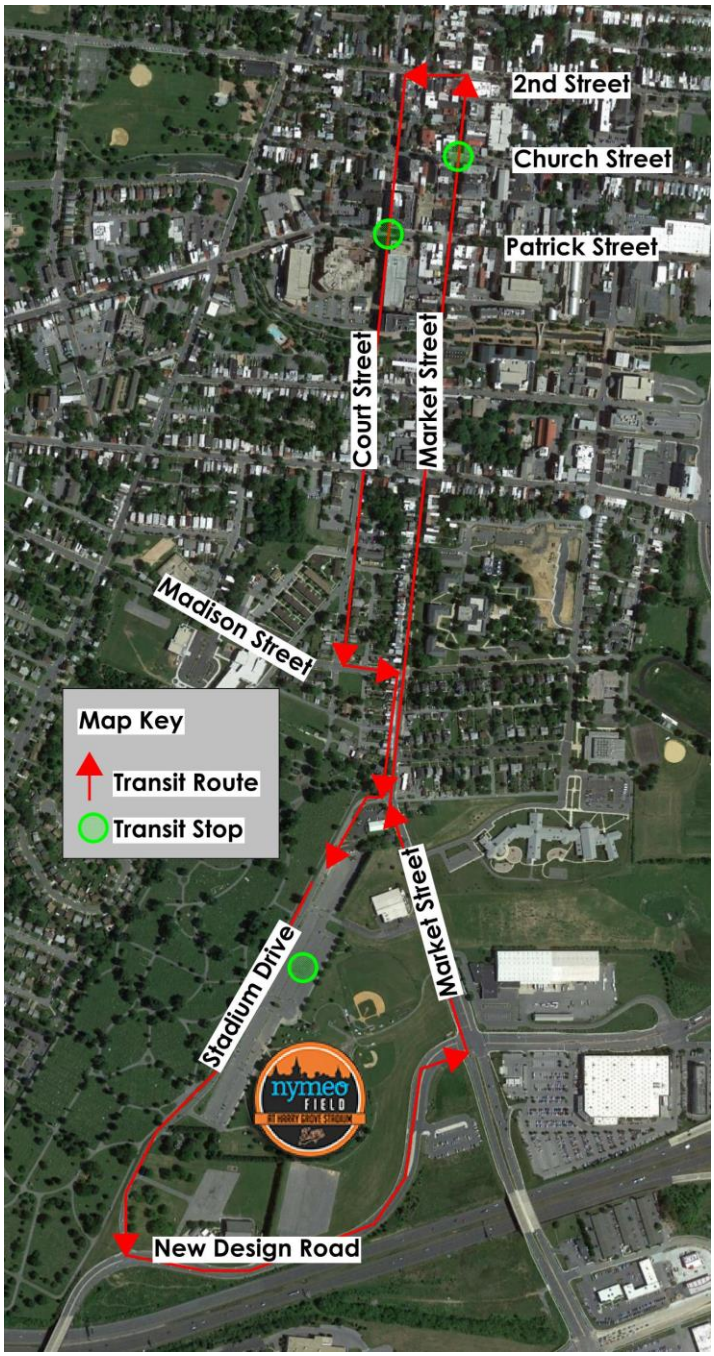
A park and ride route was identified which provides employees a choice to park further from the downtown core and be shuttled into the downtown could utilize. This route would also be beneficial when parking is limited or strained downtown during events. This route would operate with a traditional transit vehicle.

Operating hours would be between 7 a.m. and 7 p.m. during the weekday. The headway would be fifteen minutes between 7 a.m. and 9 a.m. and again from 4 p.m. until 6 p.m. Thirty-minute headways would be provided during all other hours of operation.

The operating cost would total $6,000 a week, or $312,000 a year. This assumes an hourly operating cost[3] of $75 We understand the operating cost is inclusive of all expenses required to operate the transit vehicle including fuel, maintenance, management and operator labor and wages. The operating costs do not include amortization for the purchase of new vehicles to operate the transit route.

[3] Operating cost provided by Transit Services of Frederick County (TransIT)

Figure 2: Park and Ride Route



INTRODUCTION

PARKING STUDY

A Marriott hotel and conference center (hotel) is proposed for development in downtown Frederick, Maryland, and the City is motivated to facilitate the development of this project in a responsible and cost-effective manner. The project includes 207 rooms, 24,000 square feet for meetings, banquets, and conventions, and 100 parking spaces. The project would be delivered by local developer Plamondon Hospitality Partners.

The City, JLL as well as other stakeholders are interested in understanding how the introduction of the conference center hotel, and other planned future development in the City, will affect parking in the downtown area. Specifically, both the City and JLL are interested in knowing if additional structured parking is needed or whether the existing parking supply could satisfy this demand based on the City's implementation of a value-based parking rate schedule. The features of a variable-rate pricing structure depend on location and parking supply/demand characteristics. In this case, a sixth parking deck may not be needed.

Currently, the City is supported by five multilevel parking decks within the downtown area: Church Street, Court Street, Carroll Creek, West Patrick Street, and East All Saints. While the City believes there are vacant spaces in some of the less utilized facilities, there is concern that the walking distance between the decks and key destinations is too great.

CIRCULATOR STUDY

The City is considering implementing a downtown circulator to provide fixed-route transit service for visitors, shoppers, merchants, and employees in the downtown area. While many details of this proposed service are unknown at this time, the circulator is proposed to be operated by the Transit Services of Frederick County (TransIT).

Potential funding sources include the City's Parking Department; the City's General Fund; state, county, and federal grants; or advertising or other private partnerships that are serviced by the circulator.

The impacts from a circulator are expected to include reduced traffic generated by vehicle trips between downtown destinations that some may deem as too far apart to walk. These vehicle trips could be eliminated if passengers rode the circulator between destinations, once parked downtown, in lieu of re-parking their vehicle. For example, the circulator would provide downtown employees with a means to travel to and from parking decks further away from their places of employment, if a variable rate monthly parking permit strategy was implemented. In addition to the transit benefits, the circulator will add a sense of nostalgia to the historic downtown and a marketable asset to the City. The focus of this portion of the study is to identify a preferred route for the circulator, recommend an operating schedule for the circulator, and identify the cost implications of operating the system.

PARKING STUDY OBJECTIVES

The City and JLL have requested that a parking study be performed to provide answers to the following questions:

- What is hotel employee and guest parking demand projected to be?
- What is the meeting space parking demand projected to be?
- What is the parking demand associated with other approved and proposed development projects in the downtown area projected to be?
- What is the parking space availability in selected nearby parking decks to accommodate hotel events and overflow parking?
- Is additional parking needed to support future downtown development and/or conference center hotel demand?
- Can demand pricing be implemented at the City's five structured parking facilities?
- What are the financial impacts of implementing a value-based parking rate program?
- Can a circulator help avoid building Deck 6?
- Can building more parking on the site of the hotel curb the demand?

STUDY AREA

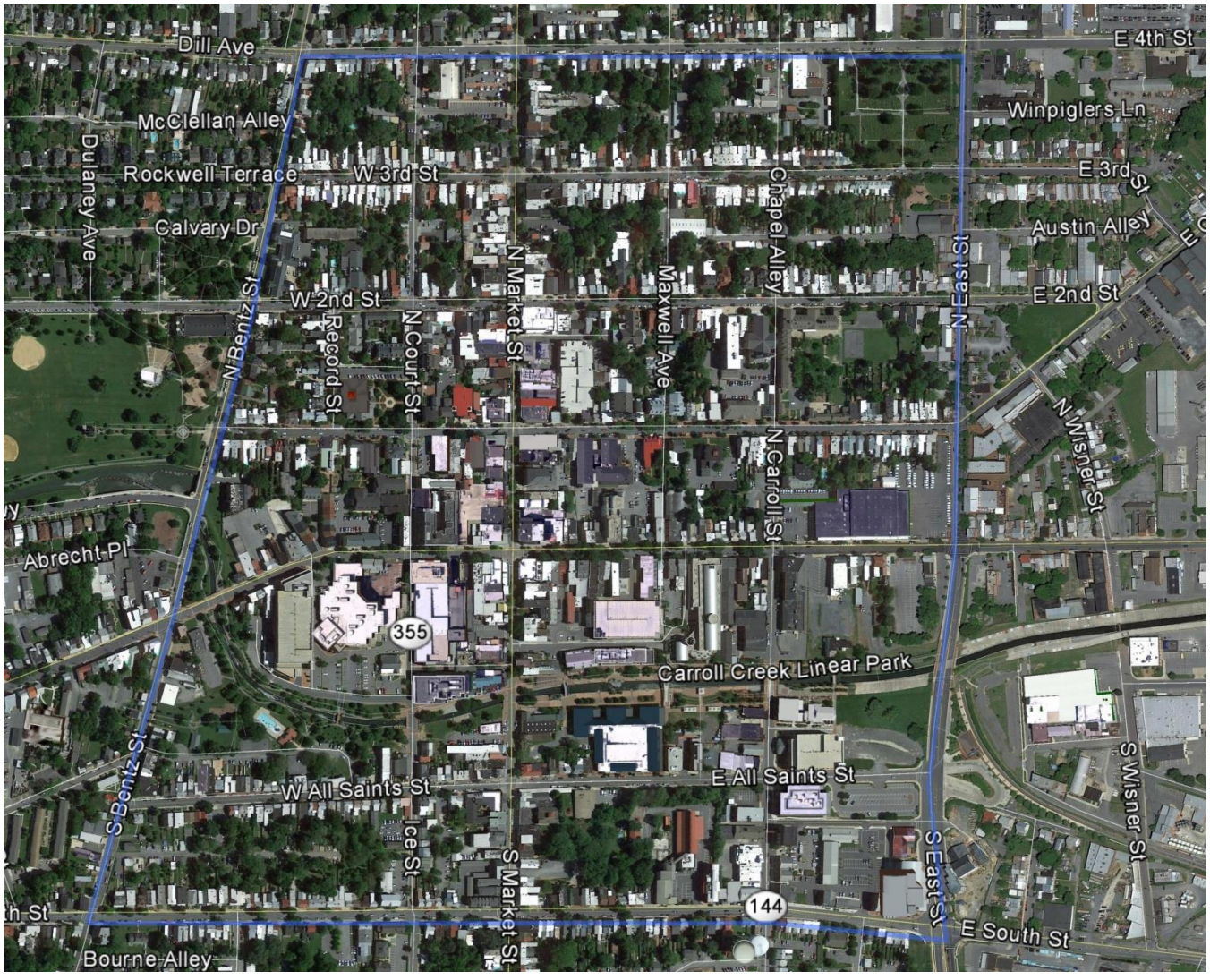
Two study areas have been defined; 1) for the parking demand analysis and another for the circulator.

PARKING DEMAND ANALYSIS STUDY AREA

The study area for the parking demand analysis is shown in the figure below and includes the following:

- West 4th Street to the north
- East Street to the east
- South Street to the south
- Bentz Street to the west

Figure 3: Parking Demand Analysis Study Area



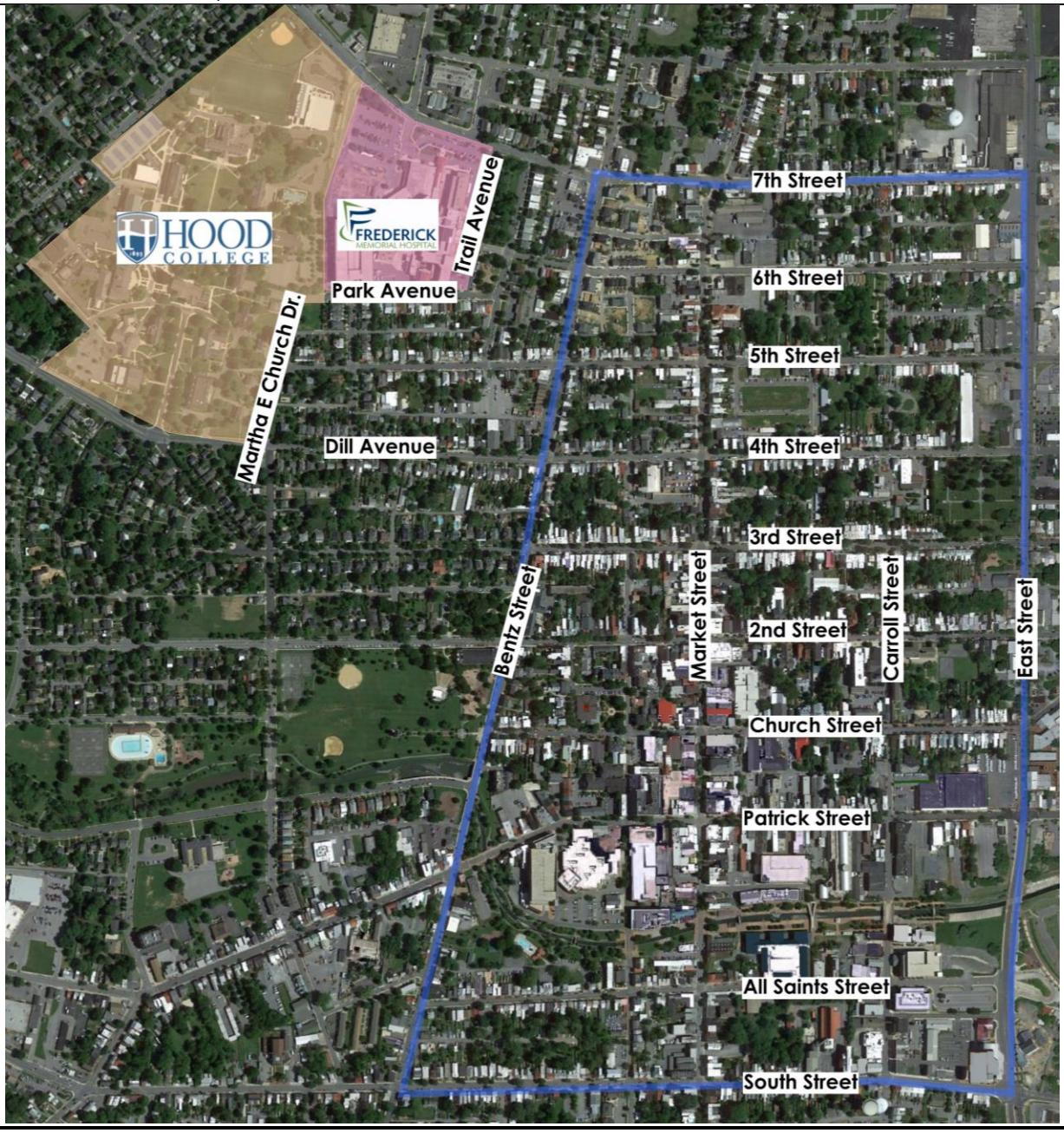
Source: Google Earth

CIRCULATOR STUDY AREA

City Planning, Parking and TransIT services of Frederick County identified the opportunity to provide service between Hood College, Frederick Memorial Hospital, and downtown. Hood College and Frederick Memorial Hospital are also shown in the figure below.

- West 7th Street to the north
- South East Street to the east
- West South Street to the south
- South Bentz Street to the west

Figure 4: Circulator Study Area

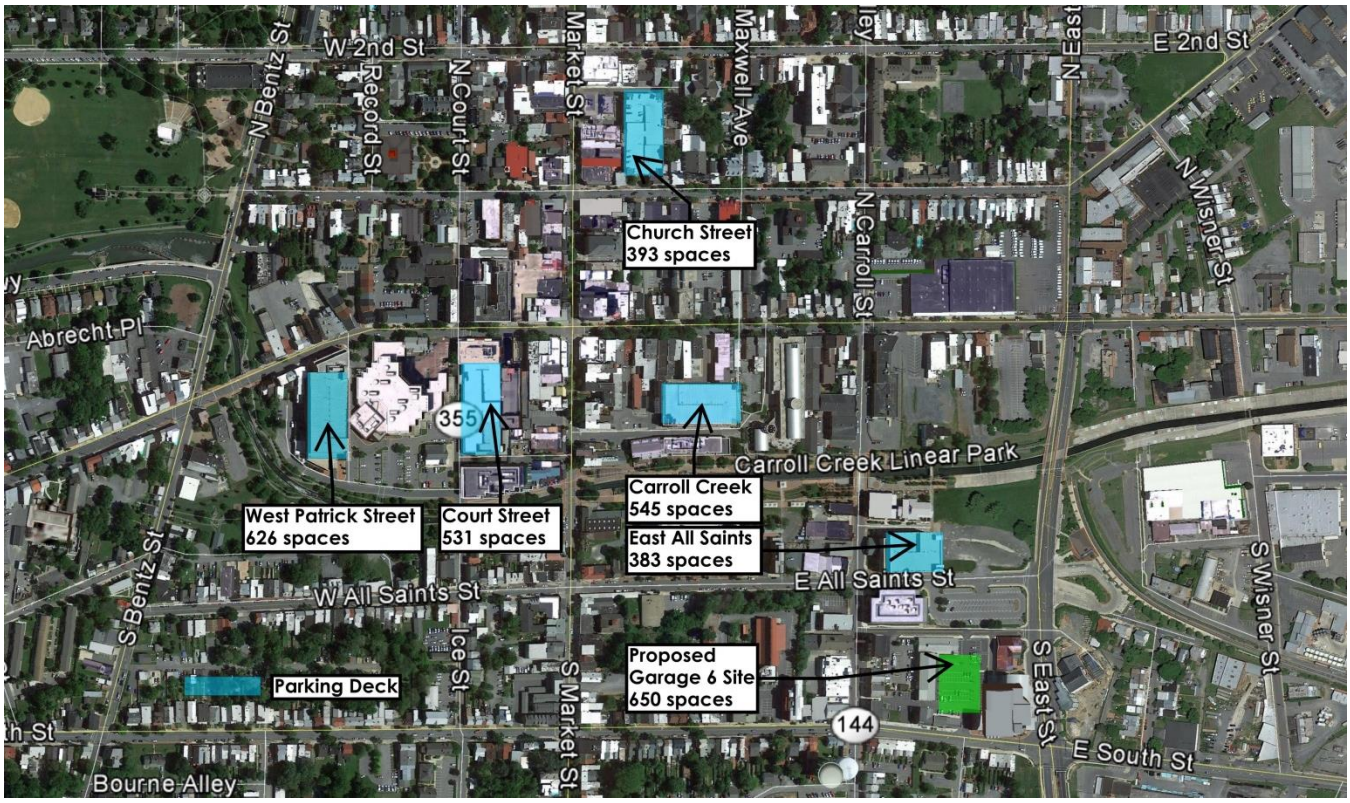


Source: Google Earth

CITY PARKING SYSTEM

The public parking supply is managed by the City Parking Department and includes 2,478 structured parking spaces in five parking decks shown in the figure below. The Parking Department reports the on-street parking supply consists of 856 metered spaces and another 907 non metered spaces.

Figure 5: City Operated Parking Garages



Source: Parking Supply - City of Frederick, Photo – Google Earth

Monthly parking permits are sold for $97 and transient pricing is $1 per hour until 5 p.m. with a maximum daily rate of $11; parking after 5 p.m. is a flat rate of $2. The City has a number of long-term contracts with the County for use of 100 spaces in the Church Street deck and 198 spaces in the West Patrick Street deck. The County pays 25% and 30% respectively of the decks' operating costs. Other monthly permits are sold to business or individuals and are distributed amongst the parking decks.

PARKING DECK SIX

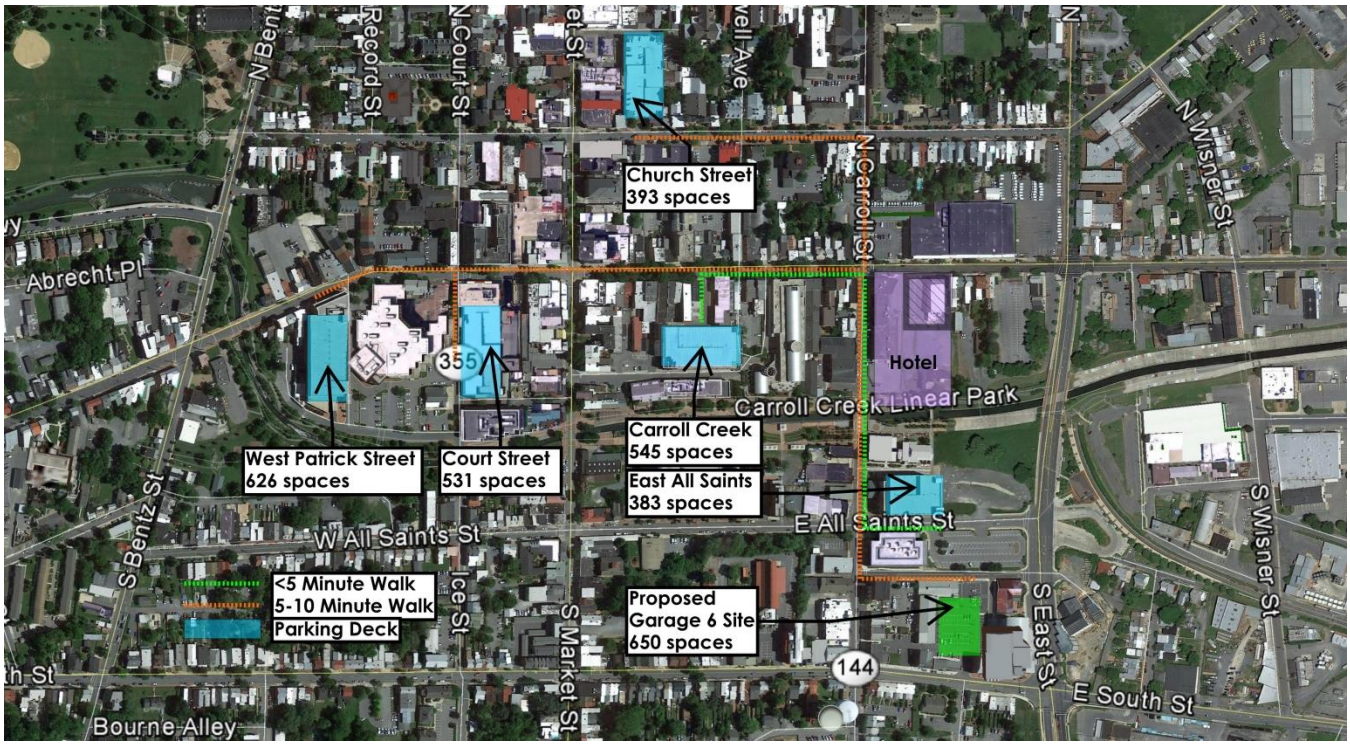
The City has identified a site for a potential sixth parking deck. The site is located on the current surface parking lot of the Board of Education building, south of Commerce Street. The Parking Department indicates proposed Deck Six's capacity to be ~650 parking spaces, and

upon completion it would be immediately occupied by 350 Board of Education employee vehicles, 100 of which would be relocated from the East All Saints Street Deck. Other sites identified by the City include the hotel site/Eagles property and the Carmack Jays site/North Market.

DOWNTOWN HOTEL & CONFERENCE CENTER SITE

The site for the proposed hotel is located on an existing L-shaped parcel at the southeast corner of East Patrick Street and South Carroll Street. The former Frederick News Post Property located at 200 E. Patrick Street is under contract to purchase with the developer. The southern edge of the property is located on the Carroll Creek, and the east edge of the site is located against another developed property. The site of the property is shown (in purple) in the figure below. The hotel property is located within a five-minute walk of the Carroll Creek and East All Satins parking decks, which contain a combined total of 928 parking spaces.

Figure 6: Proposed Hotel Site



The developer has considered purchasing the area shown hatched in purple at the hotel site (see figure 3 above). The purpose for this additional land purchase would be to increase the footprint of the property. This would allow for more flexibility in the design of the facility and more on-site parking. This would allow the main entrance of the hotel to be along Patrick Street, which is preferred. The current main entrance of the hotel is proposed on Carroll Street. The developer indicates that expanding the footprint of the property would increase the total parking to ~160 spaces (net increase of 60 spaces).

PEER CITY PARKING RATES

A previous 2003 parking study compared parking rates of six locations including Montgomery County, Baltimore, Annapolis, and Hagerstown, Maryland; and Lancaster and York, Pennsylvania. At that time, the study reported the monthly parking rate for Fredrick was 37% less than these other locations. A current comparison indicates the monthly parking rate for Frederick remains 22% less than the peer cities. The average monthly parking rates obtained from the peer Cities parking websites are listed in the table below.

Table 1: Peer City Average Monthly Parking Rates

City	Rate
Montgomery Co., MD	$189
Baltimore, MD	$148
Annapolis, MD	$202
Hagerstown, MD	$ 62
Lancaster, PA	$ 60
York, PA	$ 50
Frederick, MD	$ 97

Source: Parking Department Websites

PARKING DEMAND ANALYSIS

CURRENT PARKING DEMAND

The Parking Department indicated its monthly permit sales are approximately 85% (2,110 permits) of the structured parking supply (2,478 spaces). The remaining 15% of the parking supply (373 spaces) is intended to be used by transient parkers.

Based on the data available, we will assume the public off-street parking system as a whole is currently at 85% occupancy during weekday daytime hours and has ample supply available for use on evenings and most weekends.

The Church Street deck is reported to be full on weekends. Special events and evening activities are growing and puts strain on the parking supply during those periods.

A 2003 study indicated the off-street public parking supply to be 77% utilized. At that time, the off-street parking supply included only the Court Street, Carroll Creek, and Church Street parking decks. The parking system has since increased its supply by constructing the East All Saints and West Patrick Street decks. The Parking department indicates the occupancy also has increased following the 2007-2009 financial crisis.

HOTEL PARKING DEMAND

The hotel development is projected to generate a parking demand of 491 vehicles during the weekday and 538 vehicles on the weekend. *This assumes that all areas of the hotel are fully utilized.*

ACCOMMODATING HOTEL & CONFERENCE CENTER PARKING DEMAND

The hotel development is projected to generate more demand than the on-site parking supply (100 parking spaces). During the weekday, the demand is in excess of the parking supply by 391 spaces and weekend demand exceeds the parking supply by 438 parking spaces.

The Carroll Creek and East All Saints Street parking decks are less than a five-minute walk from the hotel development and on the same street, making it a direct walk to/from the hotel. These two decks could be utilized to accommodate some of the excess parking demand.

Assuming the Carroll Creek and East All Saints Street decks operate at 85% occupancy during weekdays, 138 parking spaces are available for use by hotel and meeting guests, leaving a shortage of 253 parking spaces those days. Accommodating some of the parking in these decks during weekdays is reasonable, but additional parking is necessary to accommodate remaining demand. If the weekday capacity (368) of all five available downtown parking decks was used to accommodate the hotel development demand, a shortage of (23) spaces still would remain. While it is feasible to use all of the parking decks in the City, it is unlikely to actually happen, resulting in a shortage of 253 parking spaces during weekdays.

On weekend and weekday evenings, the Carroll Creek and East All Saints Street parking decks can absorb hotel demand because there are fewer other activities around the city than during weekday daytime hours when business activity is higher. The exception to this is Alive @ 5 events, first Saturday's and other festivals (Arts fest, In the Streets).

HOTEL PARKING DEMAND CONCLUSIONS

Additional parking supply is recommended to be built on-site to accommodate overnight hotel guests. Providing all of the required parking on-site for the hotel guests is important for a market like Frederick. It is unlikely that hotel guests will be pleased about walking with their luggage a few blocks if they are required to park in the City facilities. Increasing the parking supply on the property via the Eagles site also frees up additional public parking to be used for meeting guests not staying at the hotel.

If additional parking is not constructed as part of the hotel development, the parking shortage is 253 spaces. This parking is recommended to be constructed close to the hotel which makes the site for Parking Deck Six a viable choice.

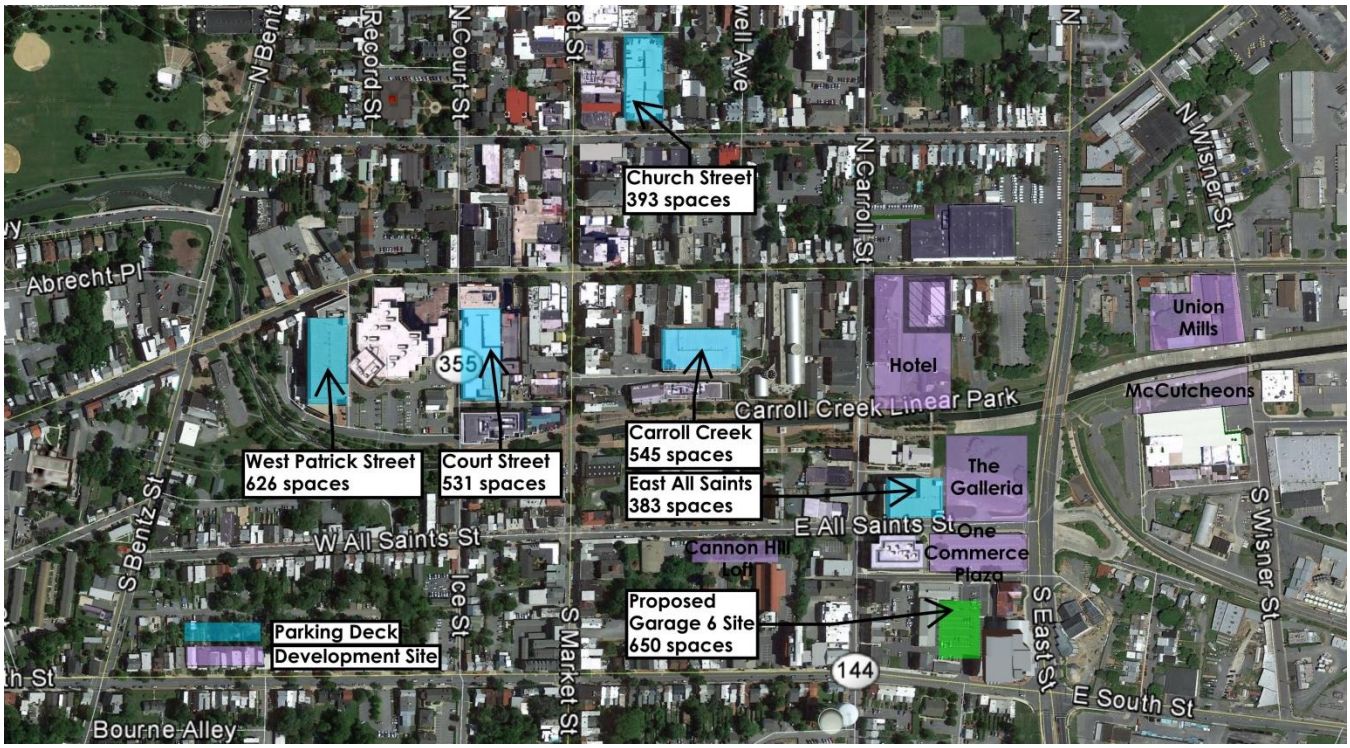
FUTURE DEVELOPMENT DEMAND

Future developments identified by the City of Frederick in addition to the hotel are shown in the following figure. The parking demand calculations are shown in the appendices.

The parking demand generated from the other developments, with the exception of The Galleria and One Commerce Plaza projects, is expected to be accommodated with existing private parking supply and without the support of the City's parking decks.

Additional parking supply is required in the next three to five years (2018-2020), at which time 173 additional parking spaces will be required for The Galleria development. After that, additional parking supply is not forecasted until the next five to ten years (2020-2025) when the One Commerce Plaza project is projected to require 258 parking spaces. The total parking supply required by the developments listed above in the next ten years is 431 parking spaces. The future projected demand is near the site of Deck Six.

Figure 7: Future Development Locations



Source: City of Frederick

FUTURE PARKING DEMAND CONCLUSIONS

The hotel/conference center is projected to generate a need for 391 parking spaces off-property during weekday daytime hours when the hotel is fully occupied and the entire 24,000

square feet of meeting space is densely occupied. The Carroll Creek and East All Saints Street parking decks can support 138 vehicles, requiring parking for an additional 253 vehicles. If the developer purchases additional property and increases the parking capacity on-site to ~160 spaces, all of the hotel guests could park at the hotel, which is preferred. In this scenario, the remaining parking demand to be accommodated is 331 vehicles. If 138 are accommodated at the Carroll Creek and East All Saints Street parking decks, a shortage of 193 parking spaces is recommend to be built.

It would be recommended to construct 253 additional parking spaces to support the hotel development project.

In addition to the hotel parking (253 spaces), an additional 173 parking spaces may be required in the next three to five years and 258 spaces in the next five to ten years for other future developments.

The total parking that may be required in the next ten years totals 684 spaces and includes the hotel and other identified future developments near the site of Parking Deck Six.

DEVELOPMENT SITES

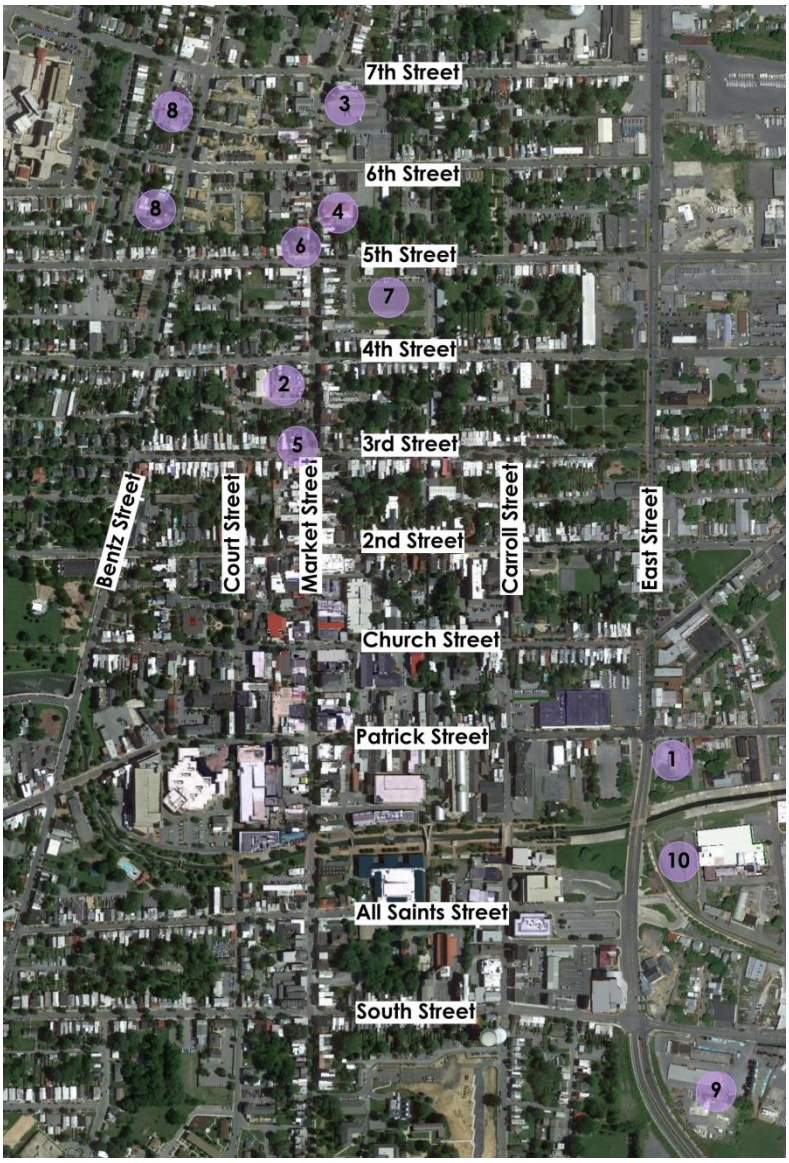
Future development sites identified by the City are listed in the table and figure below.

Table 2: Development Sites

Site ID	Name	Location	Development
1	McHenry		Retail
2	Carmack Jays	331 N. Market	Office & Retail
3	Renn-Kirby	622-626 N. Market	
4	Former County Bldg.	520 N. Market	Residential
5		301 N. Market	Residential & Retail
6		501 N. Market	
7	Maxwell Square		30 Townhouses
8	North Point Community		Residential
9	Fredrick Brick Works		Office, Residential & Retail
10	MARC Train Lot		

Source: City of Fredrick

Figure 8: Future Development Sites



VARIABLE RATE PARKING PRICING

This section of the report focuses on the impact of charging varying monthly parking rates within the parking system in an effort to relocate parking demand to facilities which experience less parking demand. While there are a number scenarios to achieve this, our analysis focuses on increasing the monthly parking rate at certain decks where demand is identified to be too high while the rates at the other decks remain the same.

PRICE ELASTICITY

Price elasticity is the change in a behavior or action as a result of a change in the price of a good or item. In the case of parking, it's the change in parkers' behaviors as a result of a parking rate increase. Furthermore, for this analysis, it is the change in the number of parking permits sold because of an increase in the monthly parking rate at a particular facility.

There are a number of factors which result in a monthly parker's decision to change parking location habits, including their decision to relocate from their current parking deck as a result of a rate increase. Those factors generally include the following:

- Ability to afford the rate increase
- Desire to park at current location
- Need to park at current location
- Proximity to other parking locations
- Ability to forgo parking completely and choose an alternative method of transportation such as public bus service

The Parking Department indicates past price increases for monthly permits across the system resulted in little loss of monthly permit sales, likely because raising rates the same amount at all facilities created little opportunity for monthly parkers to choose an alternative parking location and the rate increases were not likely significant enough to motivate parkers to migrate to other non-automobile modes of transportation. Currently, there are few alternatives for monthly parkers aside from public transit. Based on feedback from monthly parkers, the Parking Department indicates the current permit price of $97 has reached the market's saturation point. The saturation point in this context means if the monthly parking rate were increased, a percentage of parkers would no longer purchase a permit at the current price. Because historical rate increases have not significantly affected permits sales, a variable rate pricing system may be an opportunity to relocate demand from one facility to another.

OFF-STREET PARKING

Previous data, studies and experience suggest a price increase for off-street parking will change the parking demand for monthly parkers by -2% to -8%. The variability in this demand change is a result of the factors identified above. **Based on our understanding of the parking system and experience, we project that a 10% price increase will result in a 2% relocation of monthly parkers and a 20% price increase may relocate as many as 8% of parkers. This results**

in the potential relocation of between 17 and 65 vehicles. A Variable rate pricing strategy is not recommended at this time because its positive impact is limited.

ON-STREET PARKING

When on-street parking prices are considered low, as they are in Frederick, variable rate pricing has a lower yield on demand change when the price is increased. **The range for on-street relocation as a result of a 10% price increase results in a demand decrease of around 0.5%; a 20% price increase for on-street parking may drive demand down by only 2%.** The majority of the demand moves from on-street to off-street. The remaining demand moves to other close on-street spaces which have a lower rate. The intended result of increasing on-street parking rates is to relocate longer term parkers to off-street facilities leaving the on-street spaces for greater turn over.

RELOCATION OF MONTHLY PARKERS

The purpose of exploring the variable rate pricing in Frederick is to potentially eliminate, delay, or reduce the size of Parking Deck Six. The hotel parking demand projections indicate there is an additional parking supply need of 253 parking spaces. Freeing up parking for transient hotel guests at the Carroll Creek and East All Saints decks makes a variable rate parking pricing strategy viable for implementation. In this scenario, the monthly parking rates at the Carroll Creek and East All Saints parking decks would be raised while the parking rates at the other decks would remain the same. This could result in the relocation of between 17 and 65 monthly parkers depending on the rate increase. The potential relocation of those parkers results in the need to build less parking near the hotel. While the number of parkers who will be relocated may not be significant, the size of Deck Six could be slightly reduced, saving on the construction cost. Another factor which must be considered with a variable rate pricing policy is the system's ability to accommodate the relocated parkers. If one parking deck was significantly emptier than the others, a variable rate pricing structure may be more effective. In the case of Frederick, the garages are deemed by the City Parking Department to be generally at the same occupancy, with the exception of the West Patrick Street deck that has a slightly lower occupancy than the others.

PARKING SYSTEM REVENUE

If demand based pricing is implemented the relocated monthly parkers would pay lees to the parking system; however, the parkers who are added to the system would be paying parking fees that otherwise would not have been paid to the system. This results is an increased overall parking revenue to the system; however, the overall impact is little because we anticipate little change to parkers who will relocate because of the higher parking rates.

MARKET RATE AND RESERVED SPACE PRICING

In order to maximize the parking revenues, market rate pricing should be charged for both monthly and transit parkers. As rates are raised, all existing contracts should be raised so a fair

market rate is charged for all parkers. Doing so will maximize the parking revenue realized from monthly parkers. In addition, reserved parking spaces should be charged a premium above market rate because they cannot collect revenue from transient parkers.

PRELIMINARY PARKING DECK FINANCIAL ANALYSIS

HISTORICAL PARKING DEPARTMENT OPERATING STATEMENTS

Fiscal year 2010-2014 Net Operating Income for the Parking Department is shown below. The detailed operating statements are shown in the appendices. Operating balances have run between -$332,714.79 and $327,903.40 the last four fiscal years. The parking fund reportedly has a balance of $3.3 MM at the end of 2014 fiscal year.

Table 3: Historical Parking Department Net Operating Income

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues Over/(Under) Expenditures	$ (332,714.79)	$ (84,711.20)	$ 45,242.76	$ 3,328.92	$ 327,903.40

Source: City of Frederick

PARKING DECK SIX PRO FORMA

A preliminary financial analysis of Parking Deck Six was completed for the purposes of projecting the operating expenses, debt service, and parking revenue. The pro forma is not intended to be used for the purposes of bond financing, or to precisely project the anticipated future revenue or expenses. A more comprehensive analysis of garage six would be required if the pro forma was to be used for those purposes.

PRO FORMA ASSUMPTIONS

The following assumptions were used to calculate the preliminary Parking Deck Six pro forma:

- 650 structured parking spaces constructed for $13,000,000
- 20-year municipal bond financing at a rate of 3%.
- 3% yearly inflation on expense line items.
- 80% stabilized revenue in year 1, 85% in year 2, 90% year 3, 100% year 4.
- Four-year average historical parking deck system financial statement line items calculated on a per- parking-space basis was used to project yearly expenses. The tables of the past performance are provided in the appendix.
- Parking revenues were calculated using the average "Deck Proceeds" revenue-per-space line item. This excludes the 'County Grant" parking revenues from the 289 County-leased parking spaces. Parking revenue forecasts using future developments was not achievable because not enough information was known as the time of the analysis. The tables of the past performance are provided in the appendix.
- The projected operating statement for Parking Deck Six is indicative of the City's past four-year average financial performance of the existing five parking decks.
- Parking Deck Six will be operated and maintained in the same manner as the current parking decks.

PRELIMINARY PRO FORMA

The principal variability in the pro forma is the parking revenues. The revenues presented are based on the past performance of the parking system. Stabilized revenue in year four is projected at $820,000. Year one expenses are projected at $242,000 and the yearly debt service was calculated at $874,000. The pro forma for parking deck indicates a positive net operating income; however, when the debt service is added a net loss occurs.

FUNDING PARKING DECK 6

We understand the debt service and operation of proposed Parking Deck Six would be paid through the Parking Department. The Parking Departments operating revenues would fund the deck and the debt service not covered by the operating balance would be paid with the departments fund balance. At the end of fiscal year 2014, the parking fund balance was reported by the Financial Department at $3.3 MM. If the 2014 fiscal year net operating income of $327,903.40 was maintained on a yearly basis, $1.92 MM of the Parking Enterprise Fund is projected to be required to support Parking Deck Six for the first five years.

DOWNTOWN CIRCULATOR ANALYSIS

CIRCULATOR VEHICLE

The City has expressed interest in purchasing a transit vehicle which suits the needs of transporting passengers and provides an element of atmosphere for the system. The Cable Car Classics company (www.cablecarclassics.com) manufactures a variety of transit vehicles that suit both of the City's needs. The San Francisco Trolley shown in the photo below, is an example of the style the City identified. These transit vehicles can be configured to seat varying passenger capacities (14-42 persons) as well as be constructed with and without climate-controlled or weather-protected spaces.

Cable Car Classics reports "The San Francisco trolley by Cable Car Classics Inc. is targeted for the operator requiring an open-air trolley for maximum passenger rider appeal and sightseeing enjoyment. The Cable Car Classics commitment to driver comfort and operator flexibility, combined with our attractive, period-style vehicle incorporating a heavy-duty, rear engine transit chassis, rugged steel box tube frame and forward passenger entry, make the San Francisco ideal for transit fixed-route operation. The clean diesel power plant of the San Francisco diesel model meets all state and federal clean-air standards. As an option, the San Francisco can be built with a John Deere 8.1L CNG engine, or GM Vortec if desired. Built to withstand the rigor of public transit, with attention to detail and craftsmanship unmatched in the industry, Cable Car Classics Inc. trolleys are the answer for operators seeking beautiful, fun, and reliable theme vehicles." The purchase price[4] of these vehicles ranges from $100,000 for a light-duty trolley, $180,000 to $250,000 for a medium-duty trolley, and $700,000 for a low floor hybrid-electric transit grade trolley.

Figure 9: Example Circulator Vehicle

Source: Cable Car Classics

[4] Cost range provided by Cable Car Classics, Inc.

TRANSIT VEHICLE

An alternative transit vehicle to consider, if the capital cost of purchasing a new trolley type vehicle is not judged to be affordable for the circulator route, would be to use an existing TransIT bus, which Frederick County may have available in its fleet. Using an existing vehicle already in the fleet reduces the initial capital cost and may be more economical to operate. City Planning reports that TransIT does not have any extra vehicles available in their fleet.

Using the TransIT bus fleet allows the flexibility to choose from other vehicle types, as the demand for the circular changes. A smaller bus could be used during periods of lower demand, and larger buses during higher ridership. Periods of higher demand include the busier summer season, weekends, and weekday mornings and afternoons when office employee demand is higher.

The vehicle for use between the Nymeo Field at Harry Grove Stadium and downtown should be a traditional transit vehicle similar to that TransIT operates. A traditional transit bus is preferred for this route because it would be traveling at higher speeds than in the downtown core. The size of the bus should be matched to the ridership demand levels.

Figure 10: Frederick County Bus

ROUTE & STOP LOCATIONS

CIRCULATOR

One element of a successful circulator is a route that services ridership generators and other areas of interest for its potential passengers. Discussions with the Parking Department, Economic Development, Planning Department, and Frederick County TransIT were conducted to identify the following primary areas downtown that the circulator would be intended to service:

- Parking decks
- Shab Row parking lots
- Transit Center
- Proposed Marriott Hotel
- City Hall
- Memorial and Baker Parks
- Hood College
- Frederick Memorial Hospital
- Market Street destinations

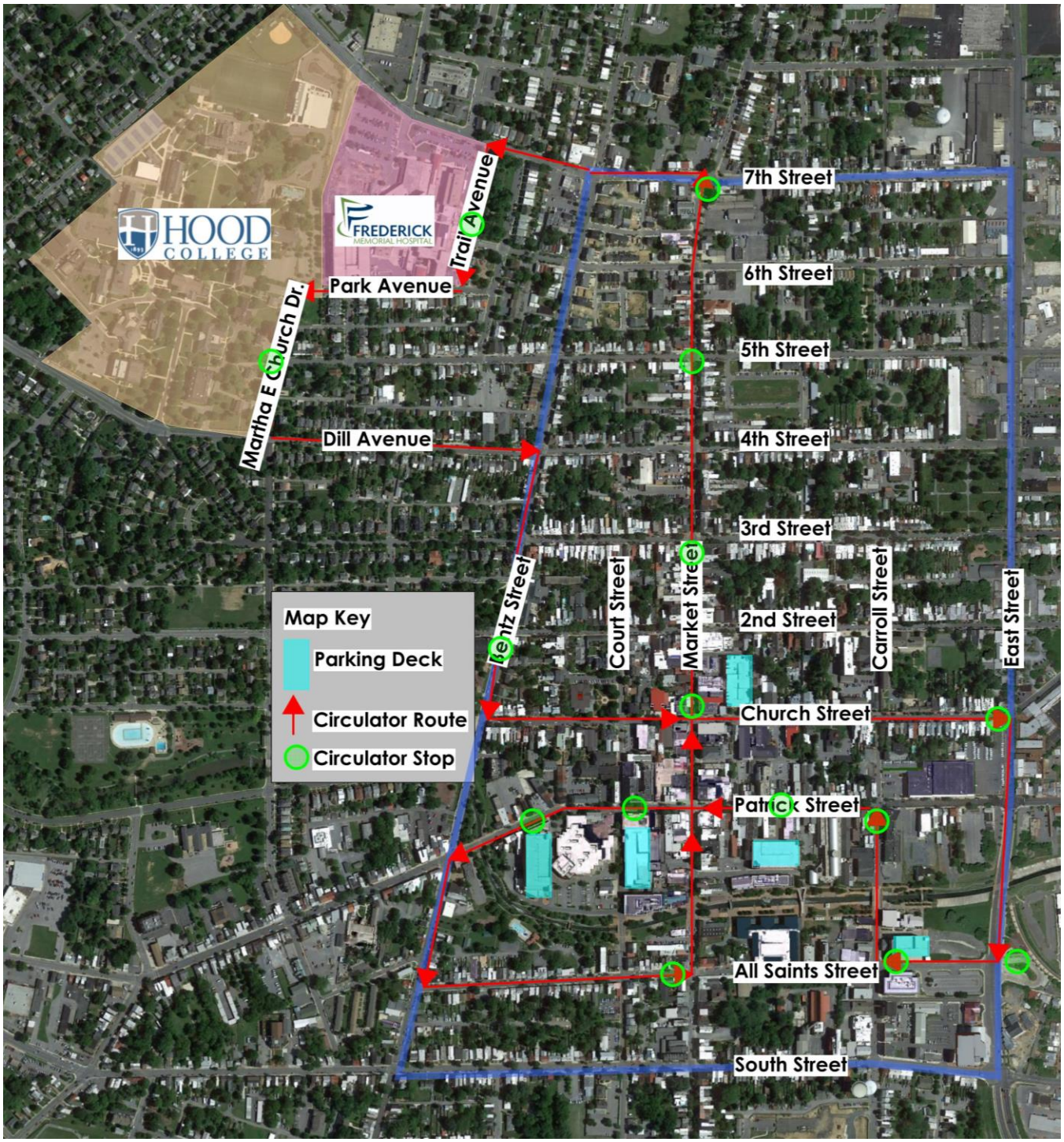
Various routes were considered to service these destinations. The route considered factors such as the following:

- one-way streets
- preference for right turns
- minimizing mid-block stops
- total route distance
- distance between stops
- operational constraints such as turning radii
- distance to the destinations that need to be served

After several iterations and discussion with the City and TransIT, a proposed route and stop locations were developed as shown in the image below. Stop locations are identified as circles nearest intersections for the destinations the circulator needs to service. A primary stop location was identified for each of the six parking decks. The stop locations shown are preliminary and should be analyzed in greater detail if the circulator is put into operation as they were not analyzed for operational constraints, such as sight distances, curb cuts, on-street parking, turning radius, etc.

The route shown below covers a distance of 3.8 miles and can be driven in approximately twenty minutes in most conditions. With stops, the cycle time for one loop of the circulation route is estimated at thirty minutes. Alternative routing may be required when downtown events create heavy traffic or block streets. Alternative routing should be determined based on the impacts of each event.

Figure 11: Circulator Route



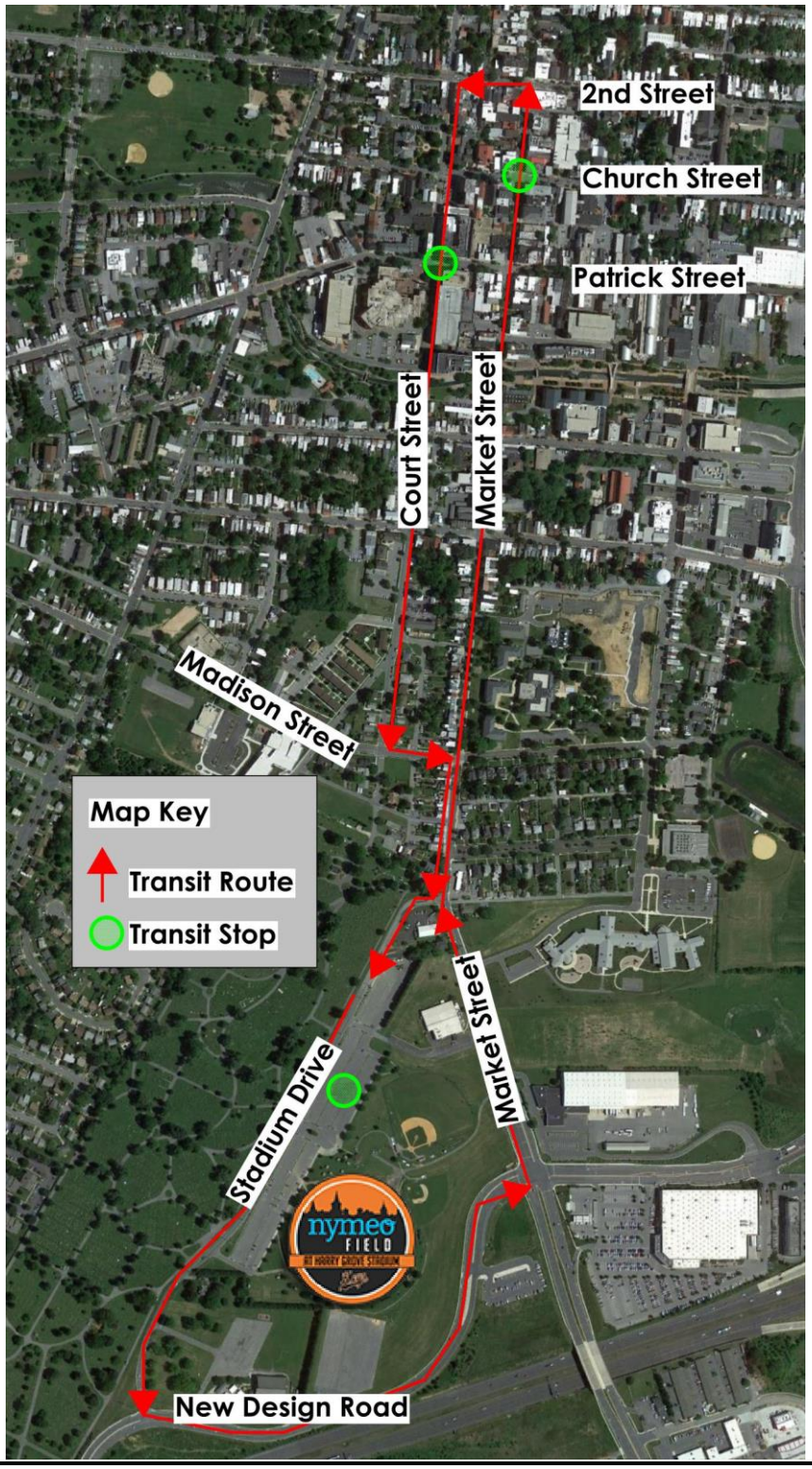
PARK AND RIDE

Through discussion with the Parking Department, City Planning and TransIT, the route (shown on the following page)was identified to originate at the Nymeo Field at Harry Grove Stadium. This route is similar to the previous Downtown Express, which operated in 2004, 2005 and 2006.

Using information obtained by the City, the Downtown Express was utilized as a park and ride between the Nymeo Field at Harry Grove Stadium and downtown during the construction of the East All Saints Parking Garage. The program included a guaranteed ride back to the stadium during the hours of 6:30 a.m. and 10:00 p.m.. This guaranteed ride back program could be used four times in a twelve month period. Passenger boarding's averaged 1,000 a month in 2004 and finished with nearly 2,400 boarding's a month. This resulted in around sixty riders.

The park and ride route is three miles long and includes stops at Church Street/Market Street and Patrick Street/Court Street (Courthouse). These locations are also stops for the proposed circulator. This is a benefit to the transit riders because they could transfer at the circulator at those locations to circulator downtown.

Figure 12: Park and Ride Route



OPERATING SCHEDULE

CIRCULATOR

A successful circulator system can be impacted by a number of factors, including yearly passenger trips, passenger level-of-service, headway between transit vehicles, price to ride the system, passenger comfort on the transit vehicle, cleanliness of the vehicle, and operating hours. This section focuses on the recommended operating hours of the proposed circulator system.

The City has identified that it ideally would operate the circulator for a number of users, including office employees, downtown retail merchants/employees, and visitors/shoppers/ tourists. Each of these potential riders would use the trolley during different times.

Utilizing our database for these various users, we have estimated hourly demand for potential user groups throughout the day as shown in the figures below. While the data points below show variation through the day, the upward and downward trends are used to estimate the periods when the circulator should begin and end its service each day. Spikes in the data indicate periods when peak ridership may occur for the various user groups. An example of a peak is demonstrated by office employees who typically arrive between the hours of 7:00 a.m. and 9:00 a.m. and depart between 4:00 p.m. and 6:00 p.m. During these periods, the demand for this ridership group will be more intense than during other periods of the day. As seen in the following figures, the ridership demand also varies between weekdays and weekends.

Figure 13: Potential Weekday Passenger Demand Periods

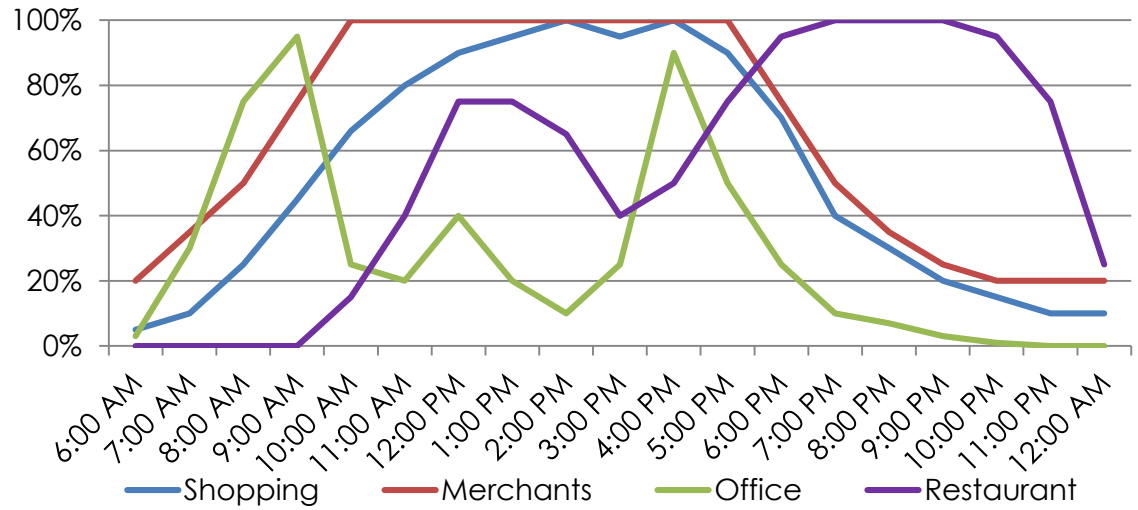
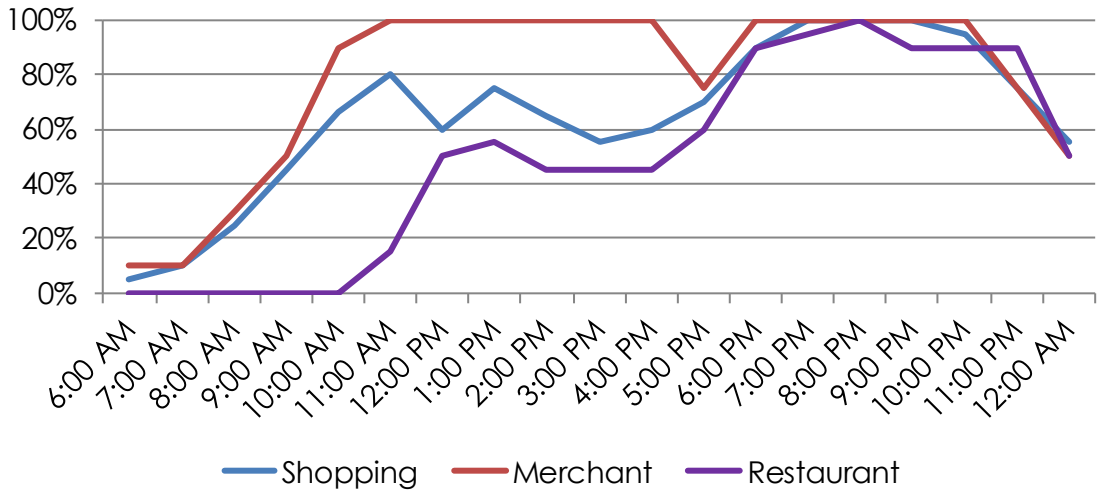


Figure 14: Potential Weekend Passenger Demand Periods



Operating Hours

During a typical weekday, we recommend operating the circulator between the primary hours of 7:00 a.m. and 8:00 p.m. when the demands are the highest. On the weekends, the operating hours may begin a couple of hours later at around 9:00 a.m. when the demand begins to pick up and last later into the evening, until the restaurant and shopping demand begins to drop off around 10:00 p.m. Operating outside these hours is certainly feasible, but it may not generate ridership levels that support the cost to operate.

The hours of operation should be balanced primarily between ridership, cost of operating the circulator and desired service for passengers. The operating hours by day of week are shown in the table on the following page.

Headway

Headway, or time between vehicles, is determined either by the cycle time of the route or the number of vehicles operating on the route. The cycle time of the 3.8-mile route is projected at approximately twenty minutes, but we recommend operating on a thirty-minute schedule to allow for traffic, delays, loading, and alighting. A thirty-minute schedule also is easier to communicate to customers. Two circulator vehicles are recommended to operate the route resulting in fifteen-minute headways. A desirable headway for most diners and shoppers is around fifteen minutes during the busiest periods, but a thirty-minute headway is likely the maximum headway accepted by most users.

During weekday mornings and afternoons when office users are riding the circulator, a fifteen-minute headway likely is the longest time that potential riders will be willing to wait since they could walk to most of their destinations in Frederick in the same amount of time.

A headway of less than fifteen minutes is recommended (less than ten minutes is preferred) for office employees. However, this would require more than two vehicles operating during those periods. The tables on the following page demonstrate the number of buses proposed to operate during any given hour of service, as well as the headways during that time.

PARK AND RIDE

Operating Hours

We recommend operating the park and ride route on the weekday between 7:00 a.m. and 7:00 p.m.. These hours are intended to serve the traditional daytime employees. Operation beyond these hours or during the weekend should be as needed and when special events occur downtown that cannot accommodate the parking demand in the core of the City. Operating outside these hours is certainly feasible, but it may not generate ridership levels that support the cost of operation.

The hours of operation should be balanced primarily between ridership, cost of operating the park and ride and desired service for passengers.

Headway

Headway, or time between vehicles, is determined either by the cycle time of the route or the number of vehicles operating on the route. We recommend operating on a fifteen-minute headway during peak periods (7 a.m. – 9 a.m. and 4 p.m. – 6 p.m.) and a thirty-minute headway during not peaks periods. Two circulator vehicles are recommended to operate the route during the fifteen-minute headways. Once bus can be operated during the thirty minute headways.

OPERATING COST

CIRCULATOR

The operating cost of the circulator system is most dependent on the operating schedule, and the schedule discussed above is the basis for the operating cost analysis. The operating cost analysis assumes the following criteria:

- hours of operation per day
- number of trolleys operated by hour, per day, per week, per year
- trolley hours operated by hour, per day, per year
- hourly rate to operate one bus

An hourly operating rate was used to calculate the operating rate for the circulator, and a rate of $75 per hour was used for this analysis. The operating rate was provided by TransIT based on their operating costs. This operating rate includes the cost of driver labor and benefits, as well as fuel and maintenance for the vehicles. Assuming the daily operating schedule is consistent throughout the year, the operating cost per day, week, and year is shown in the following table. The capital cost of any new fleet vehicles was not included in this analysis at this time because the City is unsure what specific features would be included in the vehicles.

Table 4: Circulator Operating Cost

Day	Yearly Cost	Daily Cost
Monday	$ 105,300	$ 2,025
Tuesday	$ 105,300	$ 2,025
Wednesday	$ 105,300	$ 2,025
Thursday	$ 105,300	$ 2,025
Friday	$ 124,800	$ 2,400
Saturday	$ 101,400	$ 1,950
Sunday	$ 70,200	$ 1,350
Total	$ 717,600	$ 13,800

PARK AND RIDE

The operating cost of the park and ride system is most dependent on the operating schedule, and the schedule discussed above is the basis for the operating cost analysis. The operating cost analysis assumes the following criteria:

- hours of operation per day
- number of buses operated by hour, per day, per week, per year
- bus hours operated by hour, per day, per year
- hourly rate to operate one bus

An hourly operating rate was used to calculate the operating rate for the circulator, and a rate of $75 per hour was used for this analysis. The operating rate was provided by TransIT based on their operating cost. This operating rate includes the cost of driver labor and benefits, as well as fuel and maintenance for the vehicles. Assuming the daily operating schedule is consistent throughout the year, the operating cost per day, week, and year is shown in the following table. The capital cost of any new fleet vehicles was not included in this analysis at this time because the City is unsure what specific features would be included in the vehicles.

Table 5: Park and Ride Operating Cost

Day	Yearly Cycles	Daily Cost
Monday	$ 62,400	$ 1,200
Tuesday	$ 62,400	$ 1,200
Wednesday	$ 62,400	$ 1,200
Thursday	$ 62,400	$ 1,200
Friday	$ 62,400	$ 1,200
Saturday	$ -	$ -
Sunday	$ -	$ -
Total	$ 312,000	$ 6,000

APPENDICES

WALKER
PARKING CONSULTANTS

PARKING DEMAND ANALYSIS

HOTEL PARKING DEMAND

The hotel parking demand was projected in order to determine its impact on the City's parking supply.

PARKING DEMAND RATIOS

Industry recognized parking demand ratios were selected for each of the development's land uses and are shown in the table below.

Table 6: Hotel Parking Demand Ratios

	Weekday		Weekend	
Land Use	Visitor	Employee	Visitor	Employee
Hotel-Business	1.00	0.25	0.90	0.18
Meeting	30.00		30.00	

Demand is per 1,000 sf

BASE PARKING DEMAND

The parking demand ratios are applied to the development land use sizes in order to determine the base parking demand for the development. The base parking demand does not consider the interplay between the land uses.

Table 7: Base Hotel Parking Demand

			Base Parking Demand	
Land Use Type	Quantity	Units	Weekday	Weekend
Hotel keys	207	Keys	207	186
Meeting space	24,000	Square Feet	720	720
Employees			52	37
Subtotal Guest Spaces			927	906
Subtotal Employee Spaces			52	37
Total Parking Spaces			979	943

SHARED USE PARKING DEMAND

The projected hotel parking demand also was projected using a shared use parking demand analysis. Shared parking is defined as parking spaces that can be used to serve two or more individual land uses without conflict or encroachment. The ability to share parking spaces is the result of two conditions:

- Variations in the accumulation of vehicles by hour, by day, or by season at the individual land uses.
- Relationships among the land uses that result in visiting multiple land uses on the same auto trip.

For this project, the meeting space in the hotel is used can result in different peak parking demands depending on its configuration. During the evening and the weekend, the meeting space will be primarily weddings. During the weekday daytime, the meeting space will be primarily for business use. The interplay of land uses in a mixed-use environment also produces a reduction in overall parking demand. For example, a percentage of hotel guests will use the meeting space in the hotel. This is referred to as the "effects of the captive market." These patrons already are parking and contribute only once to the number of peak-hour parkers. In other words, the parking demand for individual land uses should be factored downward in proportion to the captive market support received from neighboring land uses.

Although the interplay of land uses can reduce the overall demand, it should be noted that there are limits imposed by the proximity of land uses to each other and to parking facilities. While "shared parking" by definition is capitalizing on the different demand period for a combination of land uses, it is not logical to assume that a hotel (with peak demand in the evening) can share with an office building (with peak demand during the day) if the two land uses are too far apart. Human behavior restricts shared parking opportunities by limiting the distance users are willing to walk from a parking facility to their final destinations.

The shared parking model is designed to project the parking needs of a mixed-use development from 6 a.m. to 12 a.m. on a typical weekday and a Saturday for every month of the year.

Base parking demand ratios have been developed by land use category for both a typical weekday and a Saturday. These ratios are adjusted as appropriate for the proposed hotel development by factors including modal split and non captive factor. Modal split (or driving ratio) reduces the overall parking demand for patrons arriving via mass transit, walking, or riding a bike. Because of the proximity of the proposed hotel development to transit we have included very little reduction for this factor.

Certain developments achieve much greater interaction between uses than others do. When such synergy exists, a highly successful project may have lower parking demands and trip generation rates than if the uses were built separately and achieved more typical patronage levels when standing alone.

SHARED PARKING RATIOS

The ratios which affect the shared parking model are summarized in the table below.

Table 8: Hotel Shared Parking Ratios

	Driving Ratio				Non Captive Ratio			
	Weekday		Weekend		Weekday		Weekend	
Land Use	Daytime	Evening	Daytime	Evening	Daytime	Evening	Daytime	Evening
Hotel-Business	90%	90%	90%	90%	100%	100%	100%	100%
Meeting	75%	75%	75%	75%	60%	60%	70%	70%
Employee	88%	88%	88%	88%	100%	100%	100%	100%

The ratios assume the following:

Driving Ratio

- 90% of hotel guests drive to the property, and the remaining 10% of hotel rooms sold share a ride with other hotel guests.
- 75% of meeting space attendees drive to the property, and 25% of the attendees walk from somewhere else in the City.
- 88% of hotel employees drive to work, and the remaining 12% use public transportation[5].

Non-Captive Ratio

- During the weekday, 60% of the meeting attendees are assumed to be hotel guests and do not generate additional parking demand. On the weekend the ratio increases to 70%.

[5] U.S. Census Bureau, American Community Survey (2006-2010) Five Year Estimates, Means of Transportation.

SHARED PARKING DEMAND

These ratios, once applied to the base parking demand determines the shared parking demand as shown in the table below. The shared parking methodology results in a lower parking demand than if the parking demand were determined for each individual land use of the hotel.

The hotel development is projected to generate a parking demand of 491 vehicles during the weekday and 538 vehicles on the weekend. *This assumes that all areas of the hotel are fully utilized.*

Table 9: Hotel Shared Parking Demand

	Shared Parking Demand	
Land Use Type	Weekday	Weekend
Hotel keys	158	142
Meeting space	324	378
Employees	9	18
Subtotal Guest Spaces	482	520
Subtotal Employee Spaces	9	18
Total Parking Spaces	491	538
Shared Parking Reduction	50%	43%

FUTURE DEVELOPMENT DEMAND

Future developments identified by the City of Frederick in addition to the hotel, are listed in the table below, along with their projected parking demands. The development sites for each potential project are shown in the figure following the table below.

Table 10: Future Developments

1-3 Years						
Name	Development Type		Parking Provided	Parking Ratio	Parking Demand	Net Parking Required
Union Mills	41,500	SF Office	104	3.8 /1,000 SF	158	209
	25,750	SF Retail		6 /1,000 SF	155	
Cannon Hill Lofts	12	Condos	12	1.15 /Unit	14	2

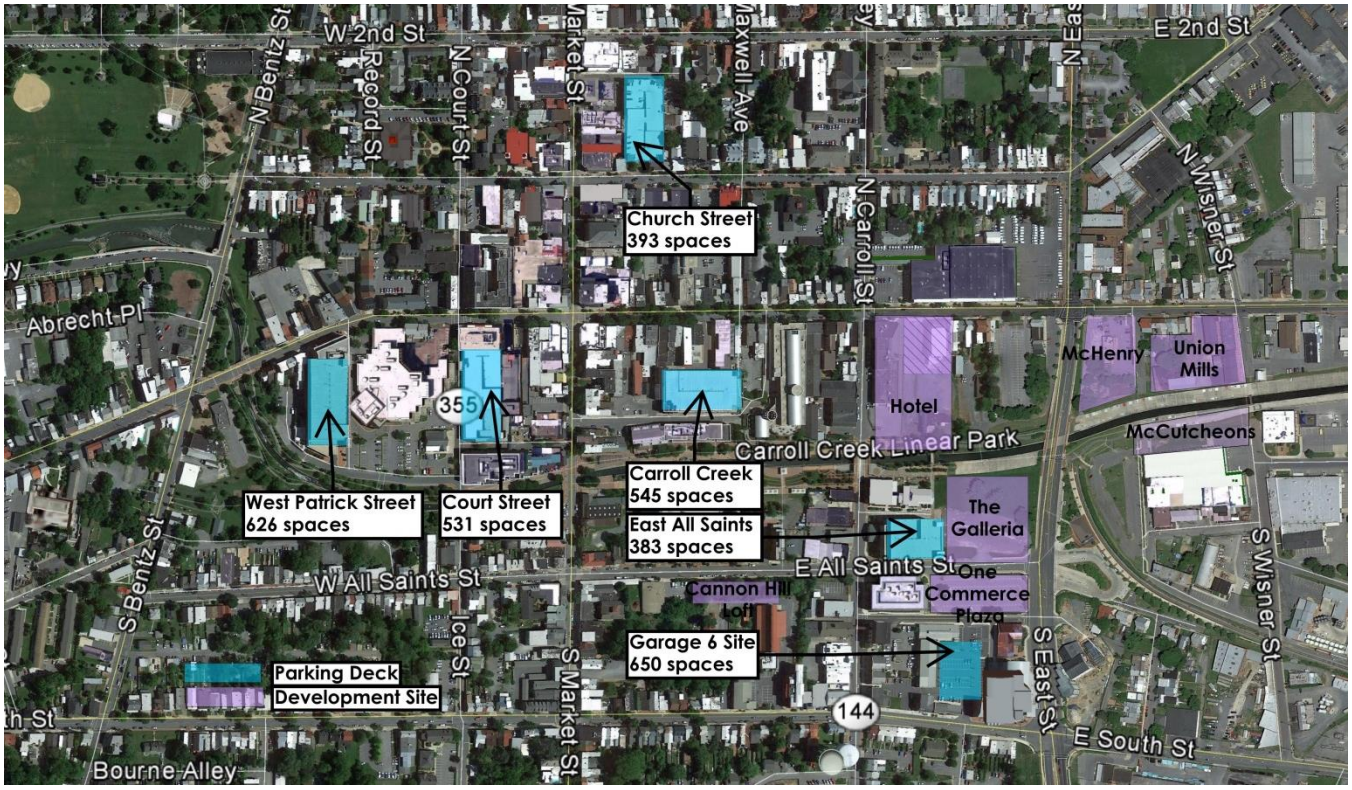
3-5 Years						
Name	Development Type		Parking Provided	Parking Ratio	Parking Demand	Net Parking Required
McCutcheons	34,000	SF Retail	31	6 /1,000 SF	204	173
The Galleria	30,000	SF Retail	87	6 /1,000 SF	180	240
	127	Condos		1.15 /Unit	147	

5-10 Years						
Name	Development Type		Parking Provided	Parking Ratio	Parking Demand	Net Parking Required
McHenry	79,394	SF Office	48	Per City: Not included in analysis; project too speculative.		
	21,968	Retail				

10+ Years						
Name	Development Type		Parking Provided	Parking Ratio	Parking Demand	Net Parking Required
One Commerce Plaza	34,000	SF Retail	-54	6 /1,000 SF	204	258
One Commerce Plaza net parking includes 85 parking space loss from existing surface lot.						

Source: Developments identified by City of Frederick. Parking demand calculated by Walker Parking Consultants

Figure 15: Future Development Locations



Source: City of Frederick

VARIABLE RATE PRICING

EFFECT ON PARKING SYSTEM

PERMITS SOLD

The tables below show the potential change in permits sold because of a monthly parking rate increase. Note: The permit numbers sold for each parking deck are calculated independently and as if the price increase was applied only to that particular deck. The relocated permits should not be summed. The result of a 10% price increase does little to significantly impact the number of monthly parkers who potentially would relocate, but a higher price increase may result in a greater number of parkers who will relocate. The other consideration to note is that monthly permits issued to the County are excluded from potential parkers who could be relocated due to their long-term lease agreements.

Table 11: Monthly Permits Sold, 2% Permit Relocation

Deck	Current Permits Sold	Relocated Permits	Future Permits Sold
Church Street	250	5	245
Court Street	452	10	442
Carroll Creek	464	10	454
West Patrick Street	364	8	356
East All Saints Street	326	7	319

*Permits sold do not include the long term leases for the 100 spaces in the Church Street deck and 198 spaces in the West Patrick Street deck which are provided to the County.

Table 12: Monthly Permits Sold, 8% Permit Relocation

Deck	Current Permits Sold	Relocated Permits	Future Permits Sold
Church Street	250	20	230
Court Street	452	37	415
Carroll Creek	464	38	426
West Patrick Street	364	30	334
East All Saints Street	326	27	299

*Permits sold do not include the 100 spaces in the Church Street deck and 198 spaces in the West Patrick Street deck which are provided to the County.
** Future permits sold are for the parking deck in that row and do not include the relocated permits.

PERMIT SALES

The effect on monthly permit sales is shown in the tables below at two rate increases, 10% and 20%. The tables indicate a total net permit sales increase. This is because the relocated permits pay the monthly rate of the current $97.00, while the permit parkers that do not relocate pay the increased rate.

Table 13: Monthly Permit Sales, 10% Price Increase

Deck	Current Permit Sales	Future Permit Sales	Relocated Permit Sales	Net Permit Sales
Church Street	$ 24,250	$ 26,142	$ 485	$ 2,377
Court Street	$ 43,844	$ 47,161	$ 970	$ 4,287
Carroll Creek	$ 45,008	$ 48,442	$ 970	$ 4,404
West Patrick Street	$ 35,308	$ 37,985	$ 776	$ 3,453
East All Saints Street	$ 31,622	$ 34,037	$ 679	$ 3,094

*Permits sales do not include the 100 spaces in the Church Street deck and 198 spaces in the West Patrick Street deck which are provided to the County.
** Future permit sales only include the sales from the parking facility in that row at the increased rate of $116.40 $106.70 .
*** Net Permit Sales include the revenue from the relocated permit parkers at the rate of $97.00 per month.

Table 14: Monthly Permits Sales, 20% Price Increase

Deck	Current Permit Sales	Future Permit Sales	Relocated Permit Sales	Net Permit Sales
Church Street	$ 24,250	$ 26,772	$ 1,940	$ 4,462
Court Street	$ 43,844	$ 48,306	$ 3,589	$ 8,051
Carroll Creek	$ 45,008	$ 49,586	$ 3,686	$ 8,264
West Patrick Street	$ 35,308	$ 38,878	$ 2,910	$ 6,480
East All Saints Street	$ 31,622	$ 34,804	$ 2,619	$ 5,801

*Permits sales do not include the 100 spaces in the Church Street deck and 198 spaces in the West Patrick Street deck which are provided to the County.
** Future permit sales only include the sales from the parking facility in that row at the increased rate of $116.40 .
*** Net Permit Sales include the revenue from the relocated permit parkers at the rate of $97.00 per month.

Based on the net permit sales listed in the tables above, the effect on the total parking systems bottom line revenue would increase as long as the parkers relocated to another City parking deck and did not forgo the monthly permit altogether.

PARKING SYSTEM FINANCIALS

HISTORICAL PARKING DEPARTMENT OPERATING STATEMENTS

Fiscal year 2010-2014 operating statements for the Parking Department are shown below.

Table 15: Historical Parking Department Operating Statements

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues:					
Parking Privileges	$ 67,618.50	$ 84,552.40	$ 104,887.50	$ 90,669.30	$ 90,859.50
Resident Parking Permits	$ 14,375.00	$ 15,803.00	$ 18,493.00	$ 24,317.00	$ 24,495.00
No Parking Permits	$ 12,103.50	$ 13,391.00	$ 16,921.50	$ 16,218.00	$ 24,100.50
State Grants	$ 10,185.61	$ 5,230.13	$ -	$ -	$ 983.10
County Grant	$ 109,604.12	$ 85,377.81	$ 103,599.07	$ 91,294.23	$ 134,478.43
Labor	$ -	$ 2,072.06	$ 3,045.11	$ -	$ 24.00
Parking Meters	$ 518,230.32	$ 577,438.74	$ 592,200.69	$ 636,871.95	$ 647,767.35
Deck Proceeds	$ 2,136,900.26	$ 2,599,108.95	$ 2,709,992.68	$ 2,698,186.50	$ 3,048,099.74
Park 'N' Shop	$ 16,815.20	$ 25,714.40	$ 23,219.40	$ 19,781.48	$ 19,752.00
Deck Debit Card	$ 2,435.00	$ 1,725.00	$ 2,452.00	$ 4,247.00	$ 5,101.25
Meter Supplemental Fee	$ -	$ -	$ -	$ -	$ 4,468.35
Parking Violations	$ 464,812.00	$ 679,908.50	$ 661,695.00	$ 696,356.50	$ 711,344.56
Parking Scofflaw	$ 9,658.00	$ 11,138.00	$ 9,435.00	$ 10,095.00	$ 10,111.00
Rents	$ 365,471.04	$ 365,471.04	$ 365,471.04	$ 365,471.04	$ 365,471.04
Discounts Earned	$ 113.95	$ 55.72	$ 55.00	$ 102.92	$ 64.16
Miscellaneous	$ -	$ 57.28	$ 69.64	$ 433.52	$ 46.31
Debt Issue Premium	$ 23,573.91	$ 23,573.91	$ 26,550.66	$ 123,482.57	$ 123,482.54
Investment Income	$ 28,452.84	$ 13,098.24	$ 12,764.67	$ 10,275.41	$ 9,598.47
Captial Asset Disposition	$ -	$ -	$ 6,951.00	$ -	$ -
Total Revenues	$ 3,780,349.25	$ 4,503,716.18	$ 4,657,802.96	$ 4,787,802.42	$ 5,220,247.30
Expenditures:					
Salaries	$ 566,008.42	$ 539,810.80	$ 535,976.65	$ 579,948.47	$ 651,723.53
Benefits	$ 406,499.62	$ 378,454.35	$ 413,012.75	$ 400,010.42	$ 451,263.30
Supplies	$ 355,663.54	$ 270,554.07	$ 309,306.41	$ 400,674.88	$ 445,092.02
Other Charges	$ 310,507.10	$ 271,734.96	$ 307,269.93	$ 316,548.73	$ 461,381.59
Depreciation	$ 1,232,193.46	$ 1,619,929.80	$ 1,607,073.12	$ 1,628,308.05	$ 1,572,000.93
Interest	$ 1,092,191.90	$ 1,357,943.40	$ 1,289,921.34	$ 1,308,982.95	$ 1,138,382.53
Transfer Out	$ 150,000.00	$ 150,000.00	$ 150,000.00	$ 150,000.00	$ 172,500.00
Total Expenditures	$ 4,113,064.04	$ 4,588,427.38	$ 4,612,560.20	$ 4,784,473.50	$ 4,892,343.90
Revenues Over/(Under) Expenditures	$ (332,714.79)	$ (84,711.20)	$ 45,242.76	$ 3,328.92	$ 327,903.40

Source: City of Frederick

AUGMENTED HISTORICAL OPERATING STATEMENTS

Historical operating statements provided by the City of Frederick for fiscal years (July – June) 2010 through 2014 were analyzed to understand the revenues and expenses for the Parking Department. The financial summary included all parking facilities owned by the City including the five parking decks, parking lots, and on-street spaces.

The financial statements were augmented, and non-parking deck revenues and expenses were removed (accounts listed as "Other" and "3611"). Additionally, parking deck "depreciation" expenses were removed from the parking deck financial statements. The purpose of augmenting the financial statements is to establish a clear understanding for only the parking decks' operating expenses and revenues.

The two following tables summarize the last four fiscal years (July 2010 – June 2014) of operating statements for the parking decks following the removal of the above noted line items. For the purposes of comparing yearly operating statements, the Parking Department indicates no significant changes have occurred with the parking decks between fiscal years 2011 and 2015. Therefore, the financials from one year to the next during that period are consistent.

Table 16: Augmented Historical Parking Deck Revenues and Expenses

	FY 2011	FY 2012	FY 2013	FY 2014
Revenues:				
County Grant	$ 85,378	$ 103,599	$ 91,294	$ 134,478
Deck Proceeds	$ 2,599,109	$ 2,709,993	$ 2,698,187	$ 3,048,100
Rents	$ -	$ -	$ -	$ -
Miscellaneous	$ 32	$ 16	$ 190	$ 22
Total Revenues	$ 2,684,519	$ 2,813,608	$ 2,789,671	$ 3,183,583
Expenditures:				
Salaries	$ 229,519	$ 241,911	$ 247,808	$ 244,539
Benefits	$ 161,763	$ 160,187	$ 179,799	$ 179,037
Supplies	$ 221,469	$ 250,747	$ 360,742	$ 392,331
Other Charges	$ 142,735	$ 185,198	$ 179,882	$ 313,821
Total Expenditures	$ 755,486	$ 838,044	$ 968,232	$ 1,129,728
Net Revenues	$ 1,929,033	$ 1,975,564	$ 1,821,439	$ 2,053,855
Parking Supply	2,478	2,478	2,478	2,478

PRELIMINARY PRO FORMA

The principal variability in the pro forma is the parking revenues. The revenues presented are based on the past performance of the parking system. The table below shows the first five years of operation; projections indicate $3,731,000 in revenues, $1,283,000 in expenses, and $4,370,000 for debt service. The pro forma for parking deck indicates a positive net operating income; however, when the debt service is added a net loss occurs.

Table 17: Preliminary Parking Deck Six Pro Forma

			Year 1 2017	Year 2 2018	Year 3 2019	Year 4 2020	Year 5 2021
Revenues	Rate						
Parking Revenues	$1,263	/Space	$656,000	$697,000	$738,000	$820,000	$820,000
Expenses	Rate						
Salaries	$ 97	/Space	$63,000	$65,000	$67,000	$69,000	$71,000
Benefits	$ 69	/Space	$45,000	$46,000	$47,000	$48,000	$49,000
Supplies	$ 124	/Space	$80,000	$82,000	$84,000	$87,000	$90,000
Other Charges	$ 83	/Space	$54,000	$56,000	$58,000	$60,000	$62,000
Total Expenses	$ 372	/Space	$242,000	$249,000	$256,000	$264,000	$272,000
Net Operating Income			$414,000	$448,000	$482,000	$556,000	$548,000
Debt Service			($874,000)	($874,000)	($874,000)	($874,000)	($874,000)
Net Profit/(Loss)			($460,000)	($426,000)	($392,000)	($318,000)	($326,000)

LIMITING CONDITIONS

The preliminary financial analysis is subject to the following limiting conditions:

1. This pro forma is not intended to be used for financing. The assumptions used for the financial model are very preliminary in nature.
2. This report is to be used in whole and not in part. None of the contents of this report may be reproduced or disseminated in any form for external use by anyone other than our client without our written permission.
3. Estimates and projections provided by Walker have been premised in part upon assumptions provided by the City of Frederick, MD, and/or other third-party sources. Walker has not independently investigated the accuracy of the assumptions provided by the client, its agents, representatives, or others supplying information or data to Walker for its use in preparation of this report.
4. Walker has drawn certain assumptions from its past work on other projects of similar or like nature and has done so in a manner consistent with the standard of care within the profession. Because of the inherent uncertainty and probable variation of the assumptions, actual results will vary from estimated or projected results.

Table 18: Park and Ride Operating Schedule

Day	Yearly Hours	Daily Hours	5 AM	6 AM	7 AM	8 AM	9 AM	10 AM	11 AM	12 PM	1 PM	2 PM	3 PM	4 PM	5 PM	6 PM	7 PM	8 PM	9 PM	10 PM	11 PM
Monday	624	12			x	x	x	x	x	x	x	x	x	x	x	x					
Tuesday	624	12			x	x	x	x	x	x	x	x	x	x	x	x					
Wednesday	624	12			x	x	x	x	x	x	x	x	x	x	x	x					
Thursday	624	12			x	x	x	x	x	x	x	x	x	x	x	x					
Friday	624	12			x	x	x	x	x	x	x	x	x	x	x	x					
Saturday	-	-																			
Sunday	-	-																			

Table 19: Park and Ride Buses Operating

Day	5 AM	6 AM	7 AM	8 AM	9 AM	10 AM	11 AM	12 PM	1 PM	2 PM	3 PM	4 PM	5 PM	6 PM	7 PM	8 PM	9 PM	10 PM	11 PM
Monday			2	2	1	1	1	1	1	1	1	2	2	1					
Tuesday			2	2	1	1	1	1	1	1	1	2	2	1					
Wednesday			2	2	1	1	1	1	1	1	1	2	2	1					
Thursday			2	2	1	1	1	1	1	1	1	2	2	1					
Friday			2	2	1	1	1	1	1	1	1	2	2	1					
Saturday																			
Sunday																			

Table 20: Park and Ride Headway (Minutes)

Day	5 AM	6 AM	7 AM	8 AM	9 AM	10 AM	11 AM	12 PM	1 PM	2 PM	3 PM	4 PM	5 PM	6 PM	7 PM	8 PM	9 PM	10 PM	11 PM
Monday	0	0	15	15	30	30	30	30	30	30	30	15	15	30	0	0	0	0	0
Tuesday	0	0	15	15	30	30	30	30	30	30	30	15	15	30	0	0	0	0	0
Wednesday	0	0	15	15	30	30	30	30	30	30	30	15	15	30	0	0	0	0	0
Thursday	0	0	15	15	30	30	30	30	30	30	30	15	15	30	0	0	0	0	0
Friday	0	0	15	15	30	30	30	30	30	30	30	15	15	30	0	0	0	0	0
Saturday	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sunday	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

WALKER
PARKING CONSULTANTS