



FINAL

***“The State of Parking in Lancaster City”
As of Winter 2015***

By:

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LPA Executive Director

This report is being provided to:

LPA Board of Directors

Mayor Rick Gray

City Economic and Revitalization Director Randy Patterson

State Senator Lloyd Smucker

State Representative Mike Sturla

LNP Media Groups Robert Krasne

Lancaster City Alliance Board of Directors

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Summary

History

Legal

The Lancaster Parking Authority (LPA) was incorporated in 1967 under the “Parking Authority Law of Pennsylvania” to transition parking operations and financial obligations from a City department to a separate functioning financial and operating entity.

Today, the LPA is referred to as an independent municipal authority that operates like a small business within the City of Lancaster and is chartered to manage on- and off-street parking.

Board

Oversight is provided by the Mayor who appoints five board members for five-year terms. Typically, one board members term expires each year unless appointments are made in the same year. Each member serves “at the pleasure” of the Mayor and each member may be removed and/or reappointed at the Mayors directive.

The LPA board provides oversight and strategic direction to the Executive Director, who is appointed as the head of the authority. The Executive Director and his staff are responsible for day-to-day operations as well as the financial integrity of the program and fulfilling the strategic direction as outlined by the board.

Finances

Budgeted revenue and expenses for 2015 equals \$5,179,000. 77% of revenues are from monthly permits and daily parking with an additional 18% from on-street kiosks and meters. The majority of expenses are broken down by 26% interest expense, 23% for personnel costs, 18% for bond and loan principal and 15% for capital costs.

Debt

Lancaster City guarantees the payment of our debt in case of default. The LPA borrowed \$29 million in 2007 to consolidate old outstanding debt and fund the East King Street Garage. The debt is the responsibility of the LPA to pay off without any contributions from the City or taxpayers.

Refi

In ongoing evaluation of refinancing opportunities, the LPA will review its outstanding debt and the opportunity to refinance to a lower interest rate to lower payments and/or to capitalize on a new financing opportunity with the debt capacity that is determined to be available.

The LPA regularly evaluates the potential for refinancing of its debt to decrease interest expense and/or extinguish debt over a short term. Debt capacity is regularly evaluated to determine LPA's ability to finance future expansion.

Garages

Current

The infrastructure of the LPA garages is relatively old in terms of structured parking, with most garages over 25 years old. In dealing with the aging infrastructure, the LPA is in the third year of a ten year, \$4.5 million, capital investment plan to maintain the structural integrity of its assets. This plan will allow LPA to maintain all its garages in a state of good repair for the foreseeable future. The reason to invest capital dollars into garage structures is to make sure there is longevity and that there is no need to tear down a garage because it is structurally unsound.

Initiatives

New energy efficient fluorescent lighting was added to all garages in 2011 to enhance security and visibility. An added benefit was a reduction in the LPA's energy costs by over 25% per year.

Another initiative to enhance and extend the life of the garages was spending \$1.5 million on new elevators for several of the LPA garages in 2010.

Inventory

The LPA tracks parking space inventory on a monthly basis in its five owned and two managed garages. The five owned garages are the Prince Street Garage, Penn Square Garage, Water Street Garage, East King Street Garage and the Duke Street Garage.

The two managed garages are the 424 North Queen Street Garage for the Redevelopment Authority of the City of Lancaster (RACL) and the Central Garage on South Prince and Vine Streets for LNP Media Group.

LPA has surface lots on Cherry and Mifflin Streets. LPA also manages a surface lot for the RACL on North Queen Street and one for the Lancaster Public Library.

- LPA Garages & Lots (Off-Street)
 - *Prince Street Garage, 1126 spaces, 44 years old*
 - *Penn Square Garage, 756 spaces, 39 years old*
 - *Water Street Garage, 623 spaces, 25 years old*
 - *Duke Street Garage, 499 spaces, 33 years old*
 - *East King Street Garage, 448 spaces, 7 years old*
 - *Cherry Street (North and South) Lots, 110 reserved permit spaces*
 - *Mifflin Street Lot, 39 permit spaces, oversized vehicles, transient*
 - *Queen Street Lot, 23 reserved permit spaces*

- “Managed” Garages & Lots (Off-Street)
 - *Central Garage, 755 spaces*
 - *North Queen Street Garage, 197 spaces*
 - *Lancaster Library Lot, 26 daily pay metered spaces*

The chart of inventory on the next page states the LPA parking program is currently at capacity and is maximizing its assets during day time hours. Current total parking spaces is nearly equal to total leases.

As a parking management technique, LPA makes use of oversell to capitalize on maximizing inventory. The oversell factor can range from 0% (for a reserved parking area that cannot be oversold) and upward dependent upon the make-up of the parkers of that particular facility.

Most facilities are oversold between 10%-25%. Management experience with the garages is used to determine an appropriate oversell level that won't impact customer parking availability. The percentage range can be based on a variety of factors, including vacations, sick days, those working part-time, flex-time and working outside of the office.

The oversell percentage is validated and measured by actual space counts reported from the parking systems software database. The oversell factor allows the LPA to increase permit or transient spaces in a facility to actual spaces. The oversell can be used for permit (monthly) parkers or daily parking for visitors. The oversell factor allows the flexibility to handle daily parking and the events that “ebb and flow” throughout the year. To figure out the variable daily parking demand, LPA takes a years' worth of data to average the daily parking needs and thus establish the proper mix of permit and daily parking on a typical day in the city in that particular garage.

SPACE AVAILABILITY REPORT AS OF 1/15/2015

	Penn Square		Duke		Prince	Queen	Water	Cherry	East King		Totals
	Garage	Lower	Garage	Ramp	Garage	Lot	Garage	Lot	Garage	Lot	
Actual Number of Parking Spaces	572	184	499	20	1126	23	623	110	448	39	3644
Available Oversell %	17%	0%	22%	0%	11%	0%	25%	0%	25%	0%	16%
Available Oversell Spaces	100	0	110	0	125	0	155	0	110	0	600
Number of Available Spaces	672	184	609	20	1251	23	778	110	558	39	4244
Spaces Leased as of 1/15/2015	152	172	375	20	698	20	608	75	556	29	2705
Marriott	300										300
*Avg. Daily Transient	258	0	158	0	259	0	25	0	6	1	707
Transient and Leased Spaces	710	172	533	20	957	20	633	75	562	30	3712
Permit Spaces Available	0	12	76	0	294	3	145	35	0	9	532
% Space Availability	0%	7%	15%	0%	26%	13%	23%	32%	0%	23%	15%
Actual % Over/(Under) Sell	24%	-7%	7%	0%	-15%	-13%	2%	-32%	25%	-23%	2%

Events

The Convention Center and Marriott Hotel have hundreds of events throughout the year. The LPA is able to provide parking for all small to mid-sized events during the weekdays and weekends without major impact to the daily customer in the city. For large events, such as the Quilters, Business Expo and Voice of the Apostle that hold some or all of their events during the weekdays, these events create a very challenging parking environment.

The Convention Center is budgeted to book increased business in 2015, mostly with smaller events over the typically slower summer months. With marketing of the Convention Center through a Marketing Consortium (established last July), larger events in the Convention Center are anticipated starting in 2017 with the expectation of a greater frequency of larger events in the years to follow.

With the recent news of a new hotel with 96 additional rooms next to the Convention Center, one of the goals for the Convention Center is to proceed in bringing in new and larger events. Currently, parking overflow is handled at satellite parking locations at Burle Business Park and/or Clipper Magazine Stadium and then bused in to the Convention Center.

It is understood that parking is free to Convention Center attendees at these locations. Attendees for events such as the Quilters are charged for the shuttle service to offset the cost of transportation at \$2 per person per roundtrip to/from both locations by the contracted shuttle service. Attendees also incur the added inconvenience of adding 10-15 minutes each way to arrive at the Convention Center.

This takes away from the economic impact to the city shops and restaurants if attendees are bused in and out and do not walk shop and eat in the city.

Those seeking to park in proximity to their event at the Penn Square Garage, next to the Convention Center, are routinely redirected to other garages once the garage is full. Vehicles can be redirected to garages including the Prince Street Garage, but this creates added time and a level of inconvenience to attendees. LPA staff is also needed to redirect vehicles throughout the day.

Major events in the city held during the weekday currently fill the garages to capacity. At this point, there is minimal space inventory and vehicles are directed to the last garage with available space, the Prince Street Garage which is the current safety valve. When the Prince Street Garage is at capacity from future development, there will be minimal space in all LPA garages to handle daytime weekday events.

The residual impact from redirecting customers includes vehicles circling the city blocks looking for parking, traffic increasing dramatically, the carbon footprint is negatively impacted and there is a decrease in customer satisfaction from attendees and businesses.

Pricing

The chart below provides comparable pricing of neighboring cities. LPA rates are the lowest for garage monthly parking and are in-line with other cities for monthly surface lot parking. Monthly surface parking is typically in areas that don't usually warrant a garage structure, may be awaiting development or are located away from the Central Business District.

A summary of the graph shows daily transient rates are slightly above Reading, PA as the lowest garage transient rates with on-street meter rates in-line with Reading, PA as the lowest on-street meter rates.

	<u>LPA</u>	<u>York</u>	<u>Reading</u>	<u>Harrisburg</u>
Monthly Garage	\$55-\$65	\$91	\$69-\$90	\$170-\$185
Monthly Lot	\$40	\$37	\$23-\$30	n/a
Monthly Reserved	\$40-\$80	\$113	\$103-\$135	\$230-\$250
Transient Garage	1st hr \$2	1st hr \$3.50	1st hr \$2	30 mins \$3
	2nd hr \$2	2nd hr \$5.75	\$1-\$1.50	2 hrs \$8
	ea. add. \$1	8 hrs \$18	ea. add. hr	10 hrs \$20
	24 hrs \$15	24 hrs \$33	24 hrs \$8-\$12	24 hrs \$20-\$25
On- Street Meters	.25 for 10 mins	.25 for 15-25 mins	.25 for 7.5-10 mins	.25-.50, 10 min

Economic Development

In projecting new structured parking, new urban planning theories state that the days of constructing stand-alone above ground garages in the city are probably obsolete. Future garages in the city may be below grade underground and/or need to support retail, housing and green initiatives. The award winning East King Street Garage provides a façade that blends into the East King Street block with street level retail and provides a good model for future growth.

The city has many projects underway that will impact parking in the future. These include the expansion of hotel rooms, new residential housing, large sites, and buildings being positioned for redevelopment. These projects as well as the impact of the “CRIZ” on these and other projects have started to spur additional economic development in the city.

The economics of downtown development are difficult without factoring in the cost of parking. Parking is not an area that creates tax credits and its assumed developers do not want to use their financial resources for investing in parking. The LPA wants to be positioned to support this growth. The development of Lancaster Square along with the old Bulova site should create new parking demand during the day and night. Initially, this demand will be handled mostly in the Prince Street Garage along with the Duke Street Garage.

Meters

Inventory

LPA manages 900 on-street single and double headed parking meters along with 26 multi-space kiosks that cover nearly 200 spaces in the downtown investment district. LPA purchases meters and maintains and collects monies from the meters and multi-space on-street kiosks.

- Meters (On-Street)
 - *Multi-Space “Kiosks”, 26 units located in the Downtown Investment District (equal to 200 spaces)*
 - *Single & Double Head Meters, 900 in Lancaster City*

Initiatives

Recently deployed were 26 new multi-space parking kiosks for the Downtown Investment District. The new units are anticipated to be more dependable, provide better coordination with city enforcement and provide strengthened security features. Later this year, a “pay by phone” option is planned to be added to these kiosks and for all meters in the city to provide for an alternative payment option.

Pricing

In order to maintain an adequate amount of turnover on-street, on-street rates should be higher than off-street garages and lots rates. This is to encourage visitors who are shopping to use short-term on-street parking and for those who are parking for greater than two hours to park in a garage. The convenience of short-term on-street parking should be priced higher than a less convenient space in a garage.

Currently, the two hour rate for on-street parking in the City is \$3.00 and the two hour for parking in a garage is \$4.00. The LPA determines and approves the on-street rates. Any future rate adjustment will change the two hour on-street rate to be greater than the two hour off-street rate.

Responsibilities

Once again, LPA purchases meters and maintains and collects monies from the meters and multi-space on-street kiosks while the Lancaster City Police conduct enforcement by writing citations for meter violations and the Lancaster City Treasury collects the citation fees.

Ordinances

City ordinances regarding parking are handled by the City and City Council. With input from the LPA when applicable, City Council provides input and eventual approval. For example, there is a specific city ordinance for expired meters. The LPA can provide support of a violation increase to promote on-street turnover.

Summary

The intent of this paper was to provide an unbiased education on the state of parking to the leaders in the community who will be behind the future economic development of the city.

It is also the intent to let our leaders know that parking is at a critical stage and warrants new inventory in the foreseeable future. Advance planning for new parking is crucial to the ongoing viability of the city. Customarily it takes three years from inception to completion until new parking inventory is available for use. Planning for new development should go hand-in-hand and is paramount with outlining parking demand of projects in the future.

On behalf of the LPA staff and board, we look forward to being a partner in the ongoing development of our great city.

The LPA's Executive Director, Larry J. Cohen, CAPP, is a 25-year parking and transportation professional who has overseen high profile programs at University of Pennsylvania, Johns Hopkins Hospital and The George Washington University. He is a Certified Administrator of Public Parking (CAPP), President of The Middle Atlantic Parking Association, member of the Board of Directors of the International Parking Institute and continues as a consultant on a variety of parking and transportation related projects in the public and private sectors.