



# Municipal Parking 3 Year Capital Improvement Plan

FY2016-2018



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### **BACKGROUND/HISTORY:**

The Municipal Parking Fund (MPF) is under the direction of the Fort Worth Municipal Parking Program in the Transportation and Public Works Department. The MPF funds parking facilities that support the parking needs of the Will Rogers Memorial Center (WRMC), the Fort Worth Convention Center (FWCC) and the City Hall Complex (CHC) as well as the general public parking needs in the Central Business, Cultural, Hospital and University Districts. The MPF includes four garages: Western Heritage, Houston, Commerce and Taylor; 20 surface lots; and 2,700 on-street metered parking spaces. In total the MPF manages over 11,000 parking spaces.

The MPF is supported by fees paid by the users of metered spaces, surface lots, parking garages and the lease of retail office space. The combined revenue stream across these assets at existing rates is just sufficient to cover operational costs and to service debt. All fines associated with parking tickets are deposited to the General Fund in support of the Municipal Court.

In FY 2015 the MPF generated \$7,334,000 in revenue with the Public Events-related operation accounting for 64% of MPF total revenue. The parking facilities supporting Public Events operate at a net loss greater than \$950,000 per year, including debt, which is offset by the net surplus generated from Parking Meters and the Taylor Street Garage.

The percentage share from a revenue operation source is as follows;

- Transient Parking – 53%
- Parking Meters - 30%
- Monthly Parking – 11%
- Contract Parking – 4.2%
- Leases & other – 1.8%

Additionally in FY 2016, projected expenses by the MPF were allocated as follows:

- Debt Service – 58%
- Operational Expenditures - 42%

Operating expenses include the contract with SP Plus, parking ambassadors who write 80% of all parking tickets, parking administration, facilities maintenance, bank fees and utility fees.

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### **DEBT SERVICE:**

The annual debt service payment schedule currently consists of three separate bond issues with FY2016 payment allocations as follows:

<b>Project Series</b>	<b>2007 – Houston Street Garage</b>	<b>2009 – Western Heritage Garage</b>	<b>2010A - Parking Stations, Security, Elevator Renovation</b>	<b>Total</b>
<b>Term</b>	26 Years	25 Years	10 Years	
<b>FY2016 Debt Service Budget</b>	\$ 1,535,175	\$ 2,287,689	\$ 235,750	\$ 4,058,614
<b>Obligation</b>	\$20,935,000	\$27,135,000	\$1,955,000	\$50,025,000

The total annual debt payment scheduled for FY2016 is \$4,058,614.00. In FY2016 the 2007 and 2009 obligations were refinanced which will provide relief in debt payments starting in FY2020. The City realized over \$8.3 million in net present value savings from the refunding of the Parking obligations. Estimated annual savings associated with the debt refinancing is expected to be in excess of \$800,000 per year through the end of the term compared to the original schedule prior to being refinanced. The savings from this action could be reserved for future capital maintenance of the existing parking facilities or to maintain parking rates at WRMC after the implementation of the venue parking tax.

### **CAPITAL STRATEGY:**

The need for capital improvement is fundamentally driven by the need to do the following;

- Improve operational efficiency which reduces operating cost
- Better customer service, shorter process times and improved access to real time information.
- Generate additional revenue

The MPF's 2016-2018 CIP invests in 3 general categories:

- Will Rogers Memorial Center Parking System  
Projects focus on improving the customer parking process taking into consideration the wide variety of needs (recreational vehicles, trailers, farm vehicles, buses, commercial rigs) in this multi-purpose event center including cultural, sporting, equestrian, and livestock events serving in excess of 2 million visitors per year.
- Fort Worth Convention Center Parking System  
Projects focus on improving the customer parking process (garage automation, multiple payment modes, use of technology to cut process times in periods of high demand) for the Convention Center Facility where the focus is on conventions, meetings and exhibits.
- Municipal Parking Operations

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Projects focus on maximizing and improving the use of scarce on-street parking resources and off-street garages and lots (payment technology, occupancy detail and guidance technology) and simplifying and shortening all aspects of the customer parking process.

### AVAILABLE CAPITAL FUNDS:

<b>2007 Series – Houston Street Garage</b>	
2007 CO Sale (G-15572)	\$22,030,000
2007 Transfer from Culture and Tourism (C-22184)	\$ 3,254,463
2008 Transfer from Culture and Tourism (G-16071)	\$ 400,000
Garage Construction	(\$23,715,624)
Payment of 2013 Debt	(\$ 1,530,001)
2007 CO Debt Defeasance (2016)	(\$ 438,838)
<b>Sub-Total</b>	<b>\$ 0</b>

<b>2009 Series – Western Heritage Garage</b>	
CO Sale (G-16355)	\$27,135,000
Garage Construction	(\$19,019,288)
Gendy Street Beautification	(\$ 938,016)
Harley Street Relocation	(\$ 1,493,802)
Parking Automation at Will Rogers Memorial System	(\$ 2,233,407)
Cost of Issuance & Capitalized Interest	( \$2,711,167)
2009 CO Debt Defeasance (2016)	( \$739,320)
<b>Sub-Total</b>	<b>\$ 0</b>

<b>Municipal Parking Fund</b>	
Parking Fund Cash (Unspecified Capital Funds)*	\$1,530,001
Houston Street Garage Retail Renovation	(\$ 520,416)
<b>Sub-Total</b>	<b>\$1,009,585</b>

\*In 2013, funds budgeted for debt service were transferred to Unspecified Capital for the potential future finish out of lease space. Remaining debt proceeds were used to make that year's debt service instead.

<b>CO2010A – General Municipal Parking</b>	
2010 Sale (G17045 & 17074)	\$2,120,000
01657 - Commerce Street Elevator Renovation	(\$ 349,552)
01713 - Commerce Street Parking Renovation	(\$ 508,329)
01658 – Security systems for garages	(\$199,594)
01655 - Pay and Display Meters	(\$ 876,247)
<b>Sub-Total</b>	<b>\$ 186,279</b>

<b>Total Remaining Balance</b>	<b>\$1,195,864</b>
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### **SUMMARY OF PLANNED EXPENDITURES:**

	<b>Location</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Gate 42 Installation/Fiber/Cameras	WRMC	\$341,578			\$ 341,578
POS Handheld Units	WRMC		\$85,000		\$ 85,000
Commercial Retail Space Development	HSG		\$200,000	\$239,007	\$ 439,007
Pay on Foot Stations	HSG	\$74,000			\$ 74,000
Handheld POS Units (4)	HSG		\$40,000		\$ 40,000
Flex-Scan Readers	HSG		\$30,000		\$ 30,000
<b>Sub-Total</b>					<b>\$1,009,585</b>
West 7 <sup>th</sup> /Cultural District Parking Stations			\$30,000	\$76,279	\$ 106,279
Taylor Street Garage Automation	TSG		\$40,000		\$ 40,000
Enforcement Handheld Units – Automated Tickets			\$30,000	\$10,000	\$ 40,000
<b>Sub-Total</b>					<b>\$ 186,279</b>
<b>Total</b>					<b>\$1,195,864</b>

### **Detailed Will Rogers Memorial Center Parking System Improvements:**

The parking facilities at WRMC encompass approximately 5,800 spaces. The primary function of the parking facilities is to serve the parking needs of the scheduled events at WRMC and the adjacent museums.

Multiple studies completed on the parking system identified a parking deficit at WRMC. In 2008, an analysis by Walker Consulting confirmed a deficit of 1,714-5,795 parking spaces on the campus. On October 7, 2008 (M&C G-16310), City Council authorized the sale of certificates of obligation for the construction of a new parking garage and other parking improvements at WRMC to improve access to the Cultural District facilities including the new Museum of Science & History. Parking fees were implemented upon the completion of the garage to service the debt for the parking improvements. Parking fees at the WRMC are collected and retained by the City for 11 months of each year, as the Stock Show retains parking revenues generated during its show.

The Western Heritage Parking Garage opened in 2010. The construction of the seven-level garage of 1,117 parking spaces also included campus-wide parking system improvements, utility relocation, and public art. The total cost for garage and improvements was \$27,135,000 (C-23328) leaving additional funds of \$739,319 after completion of all construction related activities. The remnant amount was used

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to pay debt and the 2009 CO was refinanced in FY2016 with considerable savings for the remaining debt at lower interest rates.

The upcoming development of the new arena next door to the WRMC will enable Fort Worth to become more competitive for larger events like concerts and athletic competitions. The new arena, and the associated loss of the Harley lot in FY2017, will likely drive additional demand to the WRMC parking system which may also require improvements to the existing parking equipment infrastructure. A review is underway regarding the existing parking rate structure in order to accommodate the new venue taxes associated with the arena as well as the existing debt load of the Western Heritage Garage. In preparation, the system improvements described below are recommended.

### **Gate 42 Improvement**

With the implementation of the new Trail Drive from Montgomery to University, the Stock Show added Gate 42, for livestock and trailers, as well as Gate 44, pedestrian, to the campus to improve access. While Gate 42 and 44 have been successful new additions to the WRMC Campus it has created a “hole” in the PARCS system since there is no technology at Gate 42.

When Gate 42 is open for equestrian or livestock events it must be staffed to ensure the collection of the appropriate revenue for the parking system. In 2015 the labor cost to operate that gate exceeded 7,500 man hours at a cost of greater than \$75,000. With automation, the reduction in labor costs based on the 2015 figures will be in excess of 3500 man-hours equivalent to greater than \$38,500 per year with an ROI of less than 9 years. With the implementation of the proposed parking technology, Gate 42 would be open the majority of the time; this would help to divert truck and trailer traffic off Montgomery and University and reduce that traffic at Burnett-Tandy and Gendy, adding value in terms of time and utility for the customers of the WRMC. The parking improvements would include a steel removable island on which the parking equipment would be installed, an in ground vault for the electric and communication needs as well as removable bollards that will be used to direct traffic flow. The cost for the Gate 42 improvements is estimated to be \$341,578.

### **Handheld Electronic Remote Point of Sale (POS) Units**

The WRMC Parking system has a number of high demand days for parking which necessitates the conversion of the payment system from “pay on exit” to “pay on entrance”. The use of handheld Point of Sale (POS) units significantly reduces the process time on entrance to the facility. The current handhelds have proved to be ineffective and inconsistent, leading to dropped transactions and issues with reconciliation of data. The cost of the new system involves replacement of 10 cellular handheld units, licenses, software modules and additional pieces such as holsters, boots, spare batteries, chargers and installation charges. The cost of these units is estimated at \$85,000.

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### **Detailed FWCC Parking System Improvements:**

The parking system at the FWCC consists of two multi-level parking garages, the Commerce Street Garage (CSG) and the Houston Street Garage (HSG).

The CSG was purchased from Tarrant County in 1997, the six-level garage has 750 parking spaces. In 2013, the exit and entry traffic flow was reversed and the parking technology was upgraded to improve efficiencies and reduce costs in operating the parking facility. The CSG is currently undergoing a Facility Condition Review which may result in a number of findings that recommend additional action for the medium to long term. Results of this review should be available by the end of FY 2016 and could potentially be funded by savings from debt refinancing or future fee schedule adjustments.

The HSG has 1,054 parking spaces on eleven levels and provides parking for Fort Worth Convention Center, overflow parking for Omni Fort Worth Hotel and monthly parking. The cost of facility was \$22,907,505 (C-22184) funded with certificates of obligation and debt service supported through the MPF and \$5,400,000 cash paid from the Culture & Tourism Fund. Construction began in September 2007 and was completed in January 2009.

In March 2015 improvements were made to the west side of the HSG retail space that included the interior condition of the building which consists of heating/cooling delivery systems, lighting, base electrical infrastructure, lavatories, a finished ceiling, sprinkler system and walls that are prepped for painting. The cost of this project was \$520,415.57. Unspent bond proceeds were used to pay scheduled annual debt service in the MPF thus enabling the use of regular allocated debt payment funds which did not have bond restrictions for this project. (M&C G-17813). This payment strategy ensured compliance with the tax exempt status of the 2007 CO series bond proceeds.

### ***Houston Street Garage Improvements:***

#### **Commercial Retail Space Development**

To continue the work already done on the west side retail space and to aid in the completion of the east side retail space, \$439,007.43 has been identified within the remaining funds in the Municipal parking unspecified for this purpose. The development and subsequent lease of the Houston Street Garage east side retail space and the lease of the west side retail space are the final steps to be completed to start realizing a revenue stream from the lease of the 18,000 SF of space in the Houston Street Garage. To that end, a Request for Proposal (RFP) is in the final stages of development which will result in the selection of a property management and commercial retail marketing company that will market this space. This RFP is scheduled to be completed and the vendor selected by October 1, 2016. Net revenue from this operation would be another source to support the MPF in the effort to pay down and service debt and potentially reduce the need to increase parking rates in the garages which support the Convention Center.

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### **Pay on Foot Payment Stations**

In October of FY2015 the HSG's two Pay on Foot Stations were vandalized. These pay stations enabled parkers to pay for parking at a time convenient for the parker prior to returning to their car. The original stations both processed cash and credit payments; however the cost of each unit plus installation is \$110,000. The recommendation is to replace these units with two units, one that can process cash and credit and the other strictly credit, for a combined cost of \$74,000.

### **Handheld Electronic Remote Point of Sale (POS) Units**

The Houston Street Garage has a number of days where there is a very high demand for parking which necessitates the conversion of the payment system from "pay on exit" to "pay on entrance". The cost of the new system is \$40,000 involves 4 cellular handheld units, licenses, software modules and additional pieces such as holsters, boots, spare batteries, chargers and installation charges.

### **Flex-Scan Readers**

These readers are omnidirectional image scanners and can read barcodes from a variety of media. Current barcode technology is outdated and offers a multiple step process that requires the customer to execute a number of steps to complete each transaction thus lengthening the cycle time. New readers will retrieve additional data such as serial numbers, expiration dates and other information to accommodate a variety of options such as online parking coupons to allow at home printing or coupon potential at exit, electronic mobile passes or pre-printed passes for special events with a defined life span. The addition of this technology to the Houston and Commerce St Garages would be a huge benefit to our customers. The cost of this system is \$30,000.

### **Detailed Municipal Parking Services Improvements:**

The Municipal Parking Services consists of the Parking Meter Operation, Parking Compliance, Taylor Street Municipal Garage and Surface Lots. On September 14, 2010, City Council adopted an ordinance for the issuance of revenue certificates of obligation, series 2010A. The MPF identified a number of capital improvement projects for funding within the series 2010A obligation, reference M&C G-17045. Projects completed include:

- Security and Surveillance camera system at the Houston Street Garage
- Renovation of the elevators at the Commerce Street Garage;
- Automation and flow reversal of the Commerce Street Garage and
- Credit Card Pay Stations program for on-street parking meters.

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### **West 7<sup>th</sup>/Cultural District/Credit Card Pay Station Expansion**

The recent growth in the past five years in the Cultural District, Hospital and University District as well as the Central Business District requires new parking infrastructure to enable more efficient allocation of scarce on street parking resources. The first step in this process is installation of pay stations in these areas, a sustainable and highly effective space allocation process. Funds are slated for the installation of pay stations in this area covering about 150 spaces and costing \$104,000. This expansion will return in excess of \$100,000 in net revenue per year.

### **Automation of the Taylor Street Garage**

An addition of a control system solution to the Taylor Street garage is necessary. This is an open garage with no control solution and requires a significant amount of oversight, enforcement and customer service. The addition of gates with proximity card access for monthly and authorized parkers will eliminate a significant amount of time spent on customer service, administrative and enforcement related activities. The projected cost is \$40,000.00. This investment will lead to an estimated cost avoidance of \$6,000.00 per year and an ROI of less than 7 years.

### **Parking Enforcement Handheld Electronic Ticket Writer Units**

Implementation of a new citation system will replace paper based ticket writing with electronic citation units that can transfer citation information instantaneously to the Municipal Court and shorten the citation process from multiple weeks to within an hour. The estimated cost of this project is \$40,000. The transition to these units will also improve the accuracy throughout the citation process with preloaded detail that will reduce the process time of each citation all the way through the process also improving accuracy of information in the Court compilation process. The addition of these units in the field will effectively reduce the citation writing process which will lead to at least a 5% reduction in the citation documentation process.

## **LOOKING TO THE FUTURE**

In FY2016-2017, the MPF will develop a master plan. The updated master plan will seek to optimize program effectiveness by ensuring that on-street and off-street parking requirements are realistic, prioritized and consistent with community needs and desires. In some key parts of Fort Worth it is becoming increasingly hard to find an available parking space. As the city grows and development increases in neighborhood mixed-use centers and corridors, the demand for on-street parking spaces is projected to grow. Among the most significant parking problems that are not addressed by the current 3-year CIP are those in: the Stockyards area, the University/West Berry Street area, the Greater Southside/Hospital District and the Greater Cultural District area including the West 7<sup>th</sup> corridor.