

# MEMORANDUM

## REVISED REVENUE PROJECTIONS – 325-SPACE GARAGE



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50 West 23rd Street, Suite 704  
New York, NY 10010

DATE: February 3, 2016  
TO: Bob Rooney  
COMPANY: Village of Ridgewood  
ADDRESS: Via email  
CITY/STATE:  
CC:  
HARD COPY TO FOLLOW: No  
FROM: Krasnow, Carrie  
PROJECT NAME: Parking Garage Preliminary Financial Study  
PROJECT NUMBER: 18-1330.00  
SUBJECT: Revised Projections

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We have incorporated the changes outlined in your email of January 28, 2016 into the pro forma for the downtown parking system. The changes requested include:

- A garage size of 325 stalls.
- Debt authorization of \$11,600,000 for 25 years, calculated at 2.5%, 3.0% and 3.5% interest rates.
- Statutory expenditures increasing at 1% annually. Operating expenses to increase at 3% annually.
- No planned "surplus to general budget" expenditure for 2017 on.
- Construction to start in May 2016, with the garage opening in February of 2017.
- Non-resident permit rates adjusted to be the same as resident permit rates.
- The first set of rate increases going into effect in July of 2016. These include extension of the meter hours to 9 p.m. as well as increasing on-street meter rates in the core area to 75¢ per hour.
- The second set of increases – core meters to \$1 and all other on- and off-street parking to 75¢ per hour – is projected to begin in February of 2017 when the garage opens.
- Please refer the original report for more information on subsequent rate increases and the revenue stream for the new garage.

It is important to note the following:

- We have reduced the volume of cars to account for the smaller garage. However, we do assume some permit parkers are shifted to the Cottage Place Lot, so we project some more cars than the garage itself will accommodate.
- We have removed the second Park Mobile increase (the first has already occurred) to offset losses in revenue during construction of the garage later this year and early next. While there should still be adequate room in the parking system overall, we understand from staff that many customers are not willing to walk to farther lots, and this may impact demand when the Hudson Lot is taken out of service.

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- We project a 10% reduction in volume from rate increases and a 7.5% - 10% reduction in volume for the extension of meter hours through the dinner hour.
- It will be imperative that enforcement schedules are extended for the new meter hours and that enforcement is active. Weak enforcement will have a significant negative impact on the revenue stream from the extended meter hours; once people note that they never see people writing tickets in the evening and/or they “get away with it” once or twice, word will get out and the extended meter hours will not produce the level of revenue they should.
- As with the previous study, this is considered a preliminary analysis. We have not done the very detailed analysis that is required for a financing document and our projections cannot be used as such.

**Table 1: Pro Forma - 325-space Garage**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>Revenues</b>											
Parking Meter Fees	1,474,100	2,022,600	2,072,500	2,072,500	2,072,500	2,082,500	2,351,000	2,351,000	2,351,000	2,361,000	2,361,000
New Revenue		217,900	237,700	237,700	237,700	250,600	259,200	259,200	260,900	263,200	272,100
Miscellaneous	\$ 2,300	\$ 2,400	\$ 2,500	\$ 2,600	\$ 2,700	\$ 2,800	\$ 2,900	\$ 3,000	\$ 3,100	\$ 3,200	\$ 3,300
<b>Revenue Subtotal</b>	<b>\$ 1,476,400</b>	<b>\$ 2,242,900</b>	<b>\$ 2,312,700</b>	<b>\$ 2,312,800</b>	<b>\$ 2,312,900</b>	<b>\$ 2,335,900</b>	<b>\$ 2,613,100</b>	<b>\$ 2,613,200</b>	<b>\$ 2,615,000</b>	<b>\$ 2,627,400</b>	<b>\$ 2,636,400</b>
<b>Expenses</b>											
Operating	\$ 978,400	\$ 1,007,800	\$ 1,038,000	\$ 1,069,100	\$ 1,101,200	\$ 1,134,200	\$ 1,168,200	\$ 1,203,200	\$ 1,239,300	\$ 1,276,500	\$ 1,314,800
Debt Service (Outstanding)	\$ 84,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Deferred Charges & Statutory Expenditures	\$ 74,200	\$ 74,900	\$ 75,600	\$ 76,400	\$ 77,200	\$ 78,000	\$ 78,800	\$ 79,600	\$ 80,400	\$ 81,200	\$ 82,000
Budgeted Fund Balance											
Capital Improvements	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Operating Expenses - New Garage		\$236,600	\$258,100	\$265,800	\$273,800	\$282,000	\$290,500	\$299,200	\$308,200	\$317,400	\$326,900
<b>Expense Subtotal</b>	<b>\$ 1,146,600</b>	<b>\$ 1,369,300</b>	<b>\$ 1,421,700</b>	<b>\$ 1,461,300</b>	<b>\$ 1,482,200</b>	<b>\$ 1,524,200</b>	<b>\$ 1,567,500</b>	<b>\$ 1,612,000</b>	<b>\$ 1,657,900</b>	<b>\$ 1,705,100</b>	<b>\$ 1,753,700</b>
<b>Net Operating Income</b>	<b>\$ 329,800</b>	<b>\$ 873,600</b>	<b>\$ 891,000</b>	<b>\$ 851,500</b>	<b>\$ 830,700</b>	<b>\$ 811,700</b>	<b>\$ 1,045,600</b>	<b>\$ 1,001,200</b>	<b>\$ 957,100</b>	<b>\$ 922,300</b>	<b>\$ 882,700</b>
Debt Service @ 2.5% (New Garage)	\$ (563,000)	\$ (614,000)	\$ (614,000)	\$ (614,000)	\$ (614,000)	\$ (614,000)	\$ (614,000)	\$ (614,000)	\$ (614,000)	\$ (614,000)	\$ (614,000)
Debt Service Coverage Ratio	1.55	1.45	1.39	1.35	1.32	1.32	1.70	1.63	1.56	1.50	1.44
Debt Service @ 3% (New Garage)	\$ (593,000)	\$ (647,000)	\$ (647,000)	\$ (647,000)	\$ (647,000)	\$ (647,000)	\$ (647,000)	\$ (647,000)	\$ (647,000)	\$ (647,000)	\$ (647,000)
Debt Service Coverage Ratio	1.47	1.38	1.32	1.28	1.25	1.25	1.62	1.55	1.48	1.43	1.36
Debt Service @ 3.5% (New Garage)	\$ (623,000)	\$ (680,000)	\$ (680,000)	\$ (680,000)	\$ (680,000)	\$ (680,000)	\$ (680,000)	\$ (680,000)	\$ (680,000)	\$ (680,000)	\$ (680,000)
Debt Service Coverage Ratio	1.40	1.31	1.25	1.22	1.19	1.19	1.54	1.47	1.41	1.36	1.30

Source: Village of Ridgewood and Walker Parking Consultants, 2016.