

MEMORANDUM

FINANCIAL PROJECTION – 300-SPACE GARAGE ALTERNATIVE



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DATE: 11-23-15
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PROJECT NAME: Garage Financial Analysis
PROJECT NUMBER: 18-1330.00
SUBJECT: 300-car Alternative

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We have evaluated the finances associated with a 300-car garage. We do not project a loss of revenue compared to the 350-car scenario. Employees purchasing the discount permits for downtown employees should be parked at the Cottage Place Lot; the garage can then accommodate existing Hudson Street Lot demand plus commuters currently parking in the Brogan Lot plus new non-Ridgewood commuters. Because the Cottage Place Lot is part of the Village's revenue stream, there would be no loss of revenue under this plan.

Operating expenses decrease a small amount under the new scenario, and debt service is reduced as well. The pro forma shown below assumes a three percent interest rate and, as in the previous projections, assumes a 1.5 percent interest rate during the period of garage construction. This includes nine months the year before the garage is set to open (2016), and then six months of the garage's first year. The garage is assumed to open in July of 2017, at which point the interest rate goes to three percent. Operating expenses for the garage in 2017 are for six months.

The pro forma is shown on the following page. Following that is a pro forma under the alternative scenario we discussed recently, in which the Village does not extend meter hours past 6 p.m.

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Table 1: Net Operating Income - 300-space Garage (Extended Meter Hours)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenues												
Parking Meter Fees	1,679,774	2,114,636	2,114,636	2,114,636	2,114,636	2,124,636	2,400,557	2,400,557	2,400,557	2,410,557	2,410,557	2,410,557
New Revenue		68,328	273,312	273,312	273,312	287,196	295,836	295,836	297,536	300,911	309,719	325,919
Miscellaneous	\$ 2,266	\$ 2,334	\$ 2,404	\$ 2,476	\$ 2,550	\$ 2,627	\$ 2,706	\$ 2,787	\$ 2,871	\$ 2,957	\$ 3,045	\$ 3,137
Revenue Subtotal	\$ 1,682,040	\$ 2,185,298	\$ 2,390,352	\$ 2,390,424	\$ 2,390,498	\$ 2,414,459	\$ 2,699,098	\$ 2,699,179	\$ 2,700,963	\$ 2,714,424	\$ 2,723,322	\$ 2,739,613
Expenses												
Operating	\$ 768,543	\$ 783,914	\$ 799,593	\$ 815,584	\$ 831,896	\$ 848,534	\$ 865,505	\$ 882,815	\$ 900,471	\$ 918,481	\$ 936,850	\$ 955,587
Debt Service (Outstanding)	\$ 36,912	\$ 31,912	\$ 26,912	\$ 21,912	\$ 16,912	\$ 11,912	\$ 6,912	\$ 1,912	\$ -	\$ -	\$ -	\$ -
Deferred Charges & Statutory Expenditures	\$ 77,079	\$ 77,079	\$ 77,079	\$ 77,079	\$ 77,079	\$ 77,079	\$ 77,079	\$ 77,079	\$ 77,079	\$ 77,079	\$ 77,079	\$ 77,079
Capital Improvements	\$ 10,000	\$ 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		\$123,563	\$254,239	\$261,866	\$269,722	\$277,814	\$286,148	\$294,732	\$303,574	\$312,682	\$322,062	\$331,724
Expense Subtotal	\$ 892,534	\$ 1,026,468	\$ 1,167,822	\$ 1,186,441	\$ 1,205,609	\$ 1,225,339	\$ 1,245,644	\$ 1,266,538	\$ 1,291,125	\$ 1,318,241	\$ 1,345,991	\$ 1,374,390
Net Operating Income	\$ 789,506	\$ 1,158,830	\$ 1,222,530	\$ 1,203,983	\$ 1,184,889	\$ 1,189,120	\$ 1,453,454	\$ 1,432,641	\$ 1,409,838	\$ 1,396,183	\$ 1,377,330	\$ 1,365,223
Debt Service @ 3% (New Garage)	\$ 444,750	\$ 659,500	\$ 726,000	\$ 726,000	\$ 726,000	\$ 726,000	\$ 726,000	\$ 726,000	\$ 726,000	\$ 726,000	\$ 726,000	\$ 726,000
Debt Service Coverage Ratio	1.78	1.76	1.68	1.66	1.63	1.64	2.00	1.97	1.94	1.92	1.90	1.88

Source: Village of Ridgewood and Walker Parking Consultants, 2015.

Table 2: Net Operating Income, 300-space Garage (6 p.m. Meter Limit)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenues												
Parking Meter Fees	1,407,391	1,750,675	1,750,675	1,750,675	1,750,675	1,760,675	1,973,382	1,973,382	1,973,382	1,983,382	1,983,382	1,983,382
New Revenue		68,328	273,312	273,312	273,312	287,196	295,836	295,836	297,536	300,911	309,719	325,919
Miscellaneous	\$ 2,266	\$ 2,334	\$ 2,404	\$ 2,476	\$ 2,550	\$ 2,627	\$ 2,706	\$ 2,787	\$ 2,871	\$ 2,957	\$ 3,045	\$ 3,137
Revenue Subtotal	\$ 1,409,657	\$ 1,821,337	\$ 2,026,390	\$ 2,026,463	\$ 2,026,537	\$ 2,050,497	\$ 2,271,924	\$ 2,272,005	\$ 2,273,789	\$ 2,287,250	\$ 2,296,147	\$ 2,312,439
Expenses												
Operating	\$ 768,543	\$ 783,914	\$ 799,593	\$ 815,584	\$ 831,896	\$ 848,534	\$ 865,505	\$ 882,815	\$ 900,471	\$ 918,481	\$ 936,850	\$ 955,587
Debt Service (Outstanding)	\$ 36,912	\$ 31,912	\$ 26,912	\$ 21,912	\$ 16,912	\$ 11,912	\$ 6,912	\$ 1,912	\$ -	\$ -	\$ -	\$ -
Deferred Charges & Statutory Expenditures	\$ 77,079	\$ 77,079	\$ 77,079	\$ 77,079	\$ 77,079	\$ 77,079	\$ 77,079	\$ 77,079	\$ 77,079	\$ 77,079	\$ 77,079	\$ 77,079
Capital Improvements	\$ 10,000	\$ 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		\$123,563	\$254,239	\$261,866	\$269,722	\$277,814	\$286,148	\$294,732	\$303,574	\$312,682	\$322,062	\$331,724
Expense Subtotal	\$ 892,534	\$ 1,026,468	\$ 1,167,822	\$ 1,186,441	\$ 1,205,609	\$ 1,225,339	\$ 1,245,644	\$ 1,266,538	\$ 1,291,125	\$ 1,318,241	\$ 1,345,991	\$ 1,374,390
Net Operating Income	\$ 517,122	\$ 794,869	\$ 858,568	\$ 840,021	\$ 820,928	\$ 825,159	\$ 1,026,280	\$ 1,005,467	\$ 982,664	\$ 969,008	\$ 950,156	\$ 938,048
Debt Service @ 3% (New Garage)	\$ 444,750	\$ 659,500	\$ 726,000	\$ 726,000	\$ 726,000	\$ 726,000	\$ 726,000	\$ 726,000	\$ 726,000	\$ 726,000	\$ 726,000	\$ 726,000
Debt Service Coverage Ratio	1.16	1.21	1.18	1.16	1.13	1.14	1.41	1.38	1.35	1.33	1.31	1.29

Source: Village of Ridgewood and Walker Parking Consultants, 2015.