TECHNICAL MEMORANDUM

DATE: *Wednesday, August 19, 2015*

TO: *Scott Bakos, Partner – Bermello Ajamil & Partners, Inc.*

CC: *Cornell Knight, Town Manager; Paul Paradis, Town Council Chair – Town of Bar Harbor; Eben Salvatore – Ocean Properties*

FROM: *Andrew S. Hill*

PROJECT: *Backyard Lot Parking Study* **PROJECT #:** *20-13135.01-3*

RE: *Phase 4 Report*

---

1. INTRODUCTION

In March of 2013, the Town of Bar Harbor issued a RFP inviting qualified firms to submit proposals to execute a feasibility study. The objective of this engagement was to determine if the area known at the 'backyard parking lot' could support development of a parking structure. This parcel was identified as preferential for development into structured parking, as it would support the recently completed West Street Hotel as well as abutting existing businesses and nearby enterprises such as the whale watching expeditions. The site was also advantageous as it was felt it contained adequate dimensions to allow for inclusion of grade-level retail space along the Roddick Street face without negatively impacting the efficiency of structural design.

This engagement, as conceived by the Town, was divided into four phases:

- Phase 1: Site Feasibility.
- Phase 2: Existing Conditions Assessment.
- Phase 3: Future Conditions and Alternatives Analysis.
- Phase 4: Financial Feasibility Assessment.

Bermello Ajamil & Partners, Inc. (Bermello Ajamil) and DESMAN Associates (DESMAN) submitted a proposal to provide these services and were ultimately selected and engaged under contract in June of 2013.

As part of the ***Phase 1 Study*****,** Bermello Ajamil engaged Town stakeholders in a series of interviews, conversations and charrettes to identify limitations, concerns and restrictions on the project site. Working off site plans provided by the Town, two conceptual designs were developed; one which accommodated the private residence located in the middle of the site and a second which contemplated design with the residence removed and a consolidated footprint for the structure.

In the ***Phase 2 Study***, DESMAN performed a comprehensive parking supply inventory and occupancy observations in August of 2013 to establish existing conditions. DESMAN found that the 1,388 parking spaces inventoried across the defined study area were typically utilized to 88% or higher of capacity

during the height of the summer tourist trade, with public parking facilities running at 93% - 99% of capacity on weekdays and weekends at the busiest hour of the day.

In practical terms, the Town needs at least 75 spaces immediately to reduce pressure plus replacement of whatever capacity is displaced when the garage is developed over the existing parking lot (~ 81 spaces). Additionally, given the amount of vacant space observed across the area during field surveys, DESMAN projected the Town may need as many as 85 additional spaces to support development in the near future. This suggested an initial design target of roughly 250 spaces.

The results of this analysis were vetted with Town leaders and the general public in separate presentations.

As part of the ***Phase 3 Study***, DESMAN met with Town stakeholders in early August of 2014 to review field work to date and identify any concerns about our prior findings. At the request of certain attendees, DESMAN expanded the scope of their observations to include vehicles parked on-street south of Mount Desert Street as it was felt that these could be area employees flowing out of the downtown proper into adjacent residential neighborhoods. Additionally, DESMAN was asked to expand field observations regarding typical length of stay and turnover on Town streets to cover larger sections of Main Street, West Street and Rodick Street. DESMAN also performed peak hour occupancy counts across the study area to update data collected at the same time the prior year (2013) with the objective of measuring natural growth in parking demand, year-to-year.

In mid-September 2014, the Town provided DESMAN with a list of seven properties that may be redeveloped in the next 10 years. DESMAN developed a statistical model, based on Urban Land Institute and Institute of Transportation Engineers standards, to model the impact of these developments. This was used to identify any potential parking supply shortfalls arising from future development which may need to be corrected.

Once future needs and potential supply shortfalls were quantified across the area, DESMAN reviewed preliminary plans for the proposed garage on the Backyard Lot and recommended adjustments to reflect these conditions. DESMAN also reviewed options for addressing projected parking shortfalls by other methods including development of structured parking options on other municipal parking lots and establishing remote parking facilities with connecting shuttle service into Bar Harbor.

DESMAN reviewed the potential benefits and liabilities of each of these options, relative to the proposed structure on the Backyard Lot, and identified the option that is most advantageous to the Town, based on our understanding of local values and concerns. As part of this phase of study, DESMAN also reviewed potential off-season uses for a proposed parking facility.

The objective of this engagement is to establish a final option for analysis to complete the ***Phase 4 Study.*** The purpose of this phase is to determine how the Town might finance the proposed improvements. Mechanisms to assist in financing and/or which may be needed to support the development may include:

- Introduction of metered parking in certain areas;
- Introduction of time limits in certain areas;
- Introduction of a Residential Parking Permit program in certain areas;
- Introduction of ‘fee for use’ parking in certain facilities;

- Creation of a formal agency to manage municipal assets;
- Creation of financial/accounting structure to support financing of a parking asset;
- Revision of existing ordinances to support recommended actions.

This final analysis includes a review of best practices, as well as an assessment of potential capital and operating costs, gross income, net operating income and debt service.

2. SELECTED AGREEMENT STRUCTURE AND TERMS

After careful negotiations, the Town and Ocean Properties (OP) have agreed to enter into an agreement wherein:

1. OP will be responsible for the costs of development, operations and maintenance for the grade level of the parking structure. This level will be accessed via York Street, will contain roughly 100 parking spaces and will not feature any vertical circulation between this level and the other portions of the garage. This area will be set aside exclusively for OP's use and OP will solely determine the terms for that usage, including rates, access control, hours and dates of operation, etc. OP will be solely responsible for the cost to operate and maintain that portion of the facility and will retain sole rights to any revenues generated from the use of those spaces. Any property taxes arising from the assessment of this property may be pledged against the debt service on the public portion of the garage.
2. Finally, OP has agreed that any West Street Hotel guests who cannot be accommodated in the portion of the garage allocated to their ownership may park in the publicly owned portion of the garage, at the posted rates, as availability allows. Furthermore, the revenue arising from these users will belong solely to the Town.
3. The Town will be solely responsible for the spaces contained on the upper floors of the garage. This area will only be accessible from the upper story entrance off Rodick Street and will not offer any vertical connection to the lower level of the garage.
4. The Town agrees to waive the right to compensation for use of the public lands that OP's portion of the facility will sit upon.
5. The Town also agrees to address any displacement of existing private parking spaces with each land owner on an individual, case-by-case basis.
6. The Town will be solely responsible for the costs associated with construction, financing, operations and maintenance of the public portion of the structure.
7. The Town will only use the parking fees generated by garage, lot and meter use and parking citation fines to offset the debt service for the public portion of the garage and not for any other reason, until such time as the debt service is retired. Once the debt on the public portion of the garage is retired, the Town agrees to use those revenues for the upkeep and improvement of the facility through the duration of its life.
8. Both parties will be responsible for meeting Americans with Disabilities Act (ADA) standards, local zoning code, and any regulatory and life safety regulations for their respective portions of the facility.
9. Development and maintenance costs associated with shared features of the facility, such a stairways and elevators, will be allocated to each party according to the portion of the facility

(as determined by total square footage) that each party owns. Terms of payment for those items, and compensation to the other party, are subject to negotiation and agreement between the Town and OP.

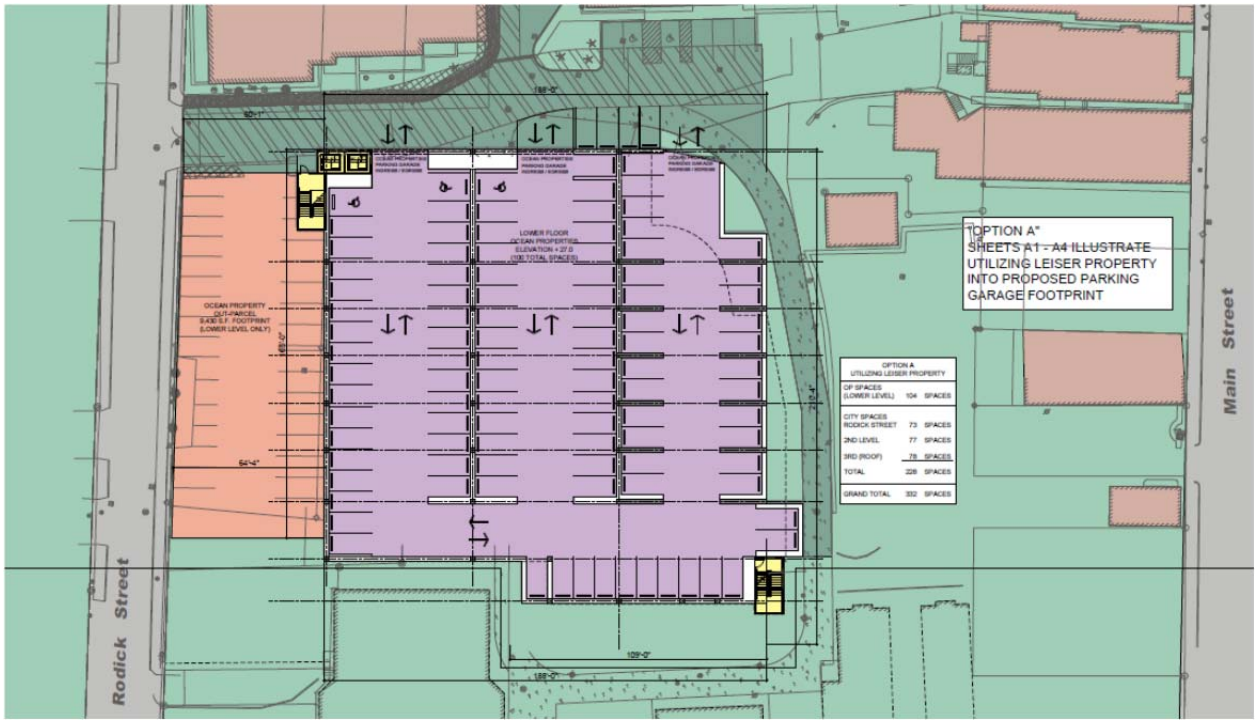
As OP has indicated that they intend to pay for their portion of the project directly, DESMAN has limited our analysis to the portion of the garage set aside for public use. For the purposes of this analysis, DESMAN has assumed a design that will provide a total of 300 spaces across three supported levels above grade.

3. PROJECT DESIGN CONCEPT IMPACTS

As outlined in the prior section, the grade level of the proposed facility (~ 100 spaces) will be dedicated exclusively for Ocean Properties as they will be constructing and operating this portion of the project at their own expense.

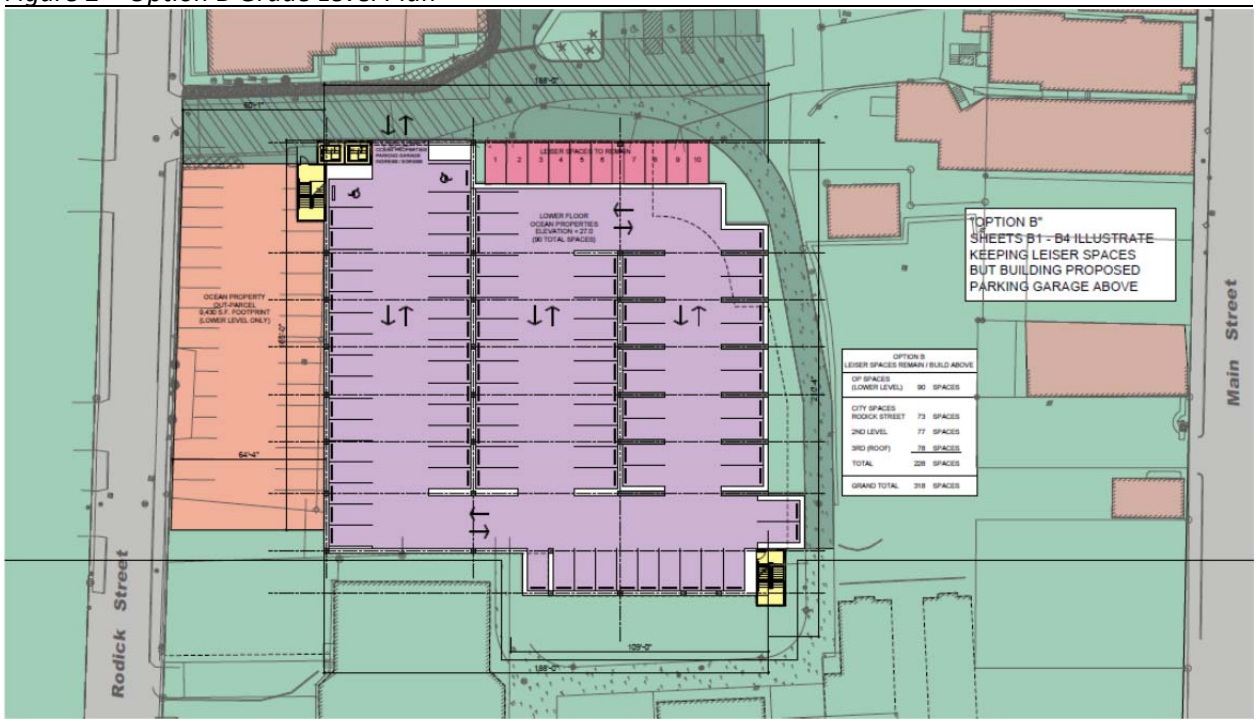
Incorporation of Leiser Property, ten spaces occupying roughly 1,620 square feet on the north end of the project site, impacts design dynamics and project cost significantly. If the property is incorporated within the design, as shown in Option A in ***Figure 1***, the structure can support a total of 332 spaces over four levels (one at grade and three supported). This design would offer Ocean Properties a total of 104 spaces at grade and the city 228 spaces on supported levels. Compensation to the Leisers for acquisition of their property, which could include payment for the land as well as provision of parking spaces in the new facility, would be subject to negotiations prior to construction.

Figure 1 – Option A Grade Level Plan



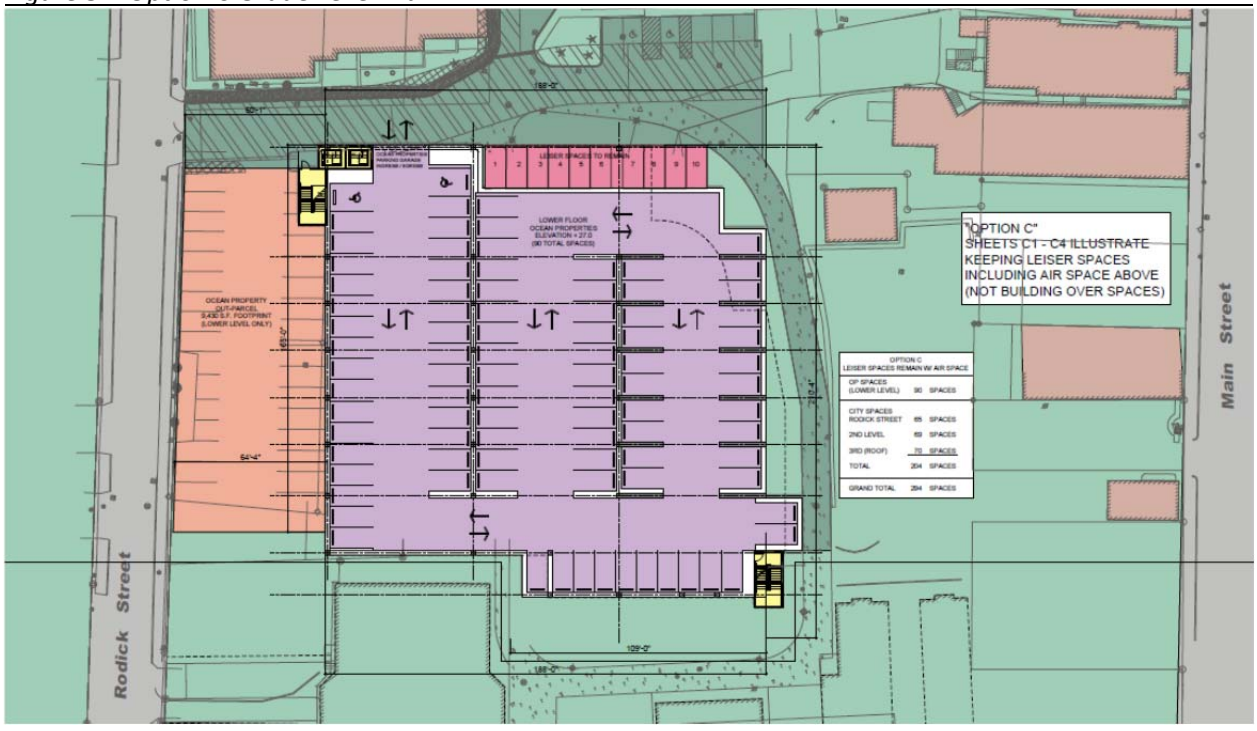
If the Leiser Property is not acquired, but the air rights above the property are, then the grade level footprint is reduced, as shown in Option B in ***Figure 2*** on the next page. Under this option, only 90 spaces can be included on grade, but the supported levels are unchanged from the Option A design.

Figure 2 – Option B Grade Level Plan



Option C, which anticipates a design wherein neither the ground nor air rights to the Leiser Property can be acquired, reduces the grade level floorplate to 90 spaces and the capacity of above grade parking to just 204 spaces, as shown in ***Figure 3***.

Figure 3 – Option C Grade Level Plan



Detailed concept drawings of all three options are included as an addendum to this report.

Unfortunately, the design requirements outlined by the Task Force exceed the capacity of all three options. According to DESMAN's calculations, shown in ***Table 1***, the facility would need to accommodate a total of 412 spaces to meet all the needs previously outlined.

Table 1 – Revised Summary of Needs

REQUIREMENT	SPACES
Public Spaces Lost to Garage Construction [1]	66
Spaces Needed to Address Current Shortfalls	79
Spaces Needed to Address Growth of Existing Demand (2015-2020)	10
Spaces Needed to Support Future Development	48
Spaces Needed for Vehicles Parked in Residential Areas	60
Spaces Needed for West Street Reduction for Bikes	49
SubTotal Spaces Needed	***312***
Grade Level dedicated to Ocean Properties	100
TOTAL FACILITY CAPACITY TARGET	**412**

Notes:
1. This is the number of public spaces in the existing Backyard Lot that will be displaced by the project.

This need would represent a total of five supported levels above grade or a six-story structure which would tower over the adjacent buildings and businesses. Based on our experience with the constituents of Bar Harbor, DESMAN did not believe that this design would be accepted. As such our following analysis was based on assumption that the project would contain three supported levels and roughly 300 total spaces, of which at least 200 would belong to the Town.

Due the limitations of the proposed capacity, DESMAN's analysis assumes adoption of the ban on the 49 parking spaces along the southside of West Street between Eden and Bridge and incorporation of the initiative to accommodate all of the roughly 60 vehicles parking in residential side streets will not be advanced due to the limited capacity of the facility. However, the proposed parking program for the Town does address how these users might be managed through other initiatives.

4. ESTIMATE OF PROJECT COSTS

The three options ranged from roughly 125,346 square feet in total size to 131,826 square feet, and 294 to 332 spaces, as shown in ***Table 2***.

Table 2 – Potential Design Options

	OPTION A [2]			OPTION B [3]			OPTION C [4]		
Level	Sq. Footage	Spaces	Efficiency	Sq. Footage	Spaces	Efficiency	Sq. Footage	Spaces	Efficiency
Grade [1]	33,078	104	318	31,458	90	350	31,458	90	350
1	32,916	73	451	32,916	73	451	31,296	65	481
2	32,916	77	427	32,916	77	427	31,296	69	454
3	32,916	78	422	32,916	78	422	31,296	70	447
TOTAL	**131,826**	**332**	**397**	**130,206**	**318**	**409**	**125,346**	**294**	**426**

Notes:
1. Ocean Properties portion of the structure.
2. Option incorporates Lesier Property.
3. Option excludes Lesier Property, but only at grade.
4. Option excludes Lesier Property, including air rights.

As the preceding table indicates, exclusion of the Leiser Property has significant design impacts, influencing the capacity and efficiency of each option. Efficiency, the measure of the total square footage of the design divided by the total capacity, is of particular concern to project cost, as the more concrete that is used in a design the greater the cost.

At a standard cost of $52.50 per SF, per RS Means 2014 for the Maine market, the total project 'hard'[1] costs were estimated to be between $4,929,120 and $5,184,270 for the public portion of the garage[2].

Table 3 – Design Option Cost Estimates (Public Portion)

	OPTION A			OPTION B			OPTION C		
Hard Costs	98,748	@ $52.50/SF	$ 5,184,270	98,748	@ $52.50/SF	$ 5,184,270	93,888	@ $52.50/SF	$ 4,929,120
Soft Costs		@ 25%	$ 1,296,068		@ 25%	$ 1,296,068		@ 25%	$ 1,232,280
Total Cost			**$ 6,480,338**			**$ 6,480,338**			**$ 6,161,400**
Cost/Space	***228***	***spaces***	***$ 28,423***	***228***	***spaces***	***$ 28,423***	***204***	***spaces***	***$ 30,203***

'Soft' costs, which include project design fees, permitting, fees from legal and financial institutions managing the financing, contingency set asides, and insurance premiums, were assessed at 25% of total hard costs. These costs included any cash payments to displaced property owners, but did not include an assumption of taxes on issuance of financing or land acquisition costs beyond standard legal fees. Total soft costs were estimated to be between $1,232,280 and $1,296,068, depending on the design.

Total project cost varied between roughly $6.16M and $6.48M, depending on design. Option C which had the least number of spaces also had the lowest cost for the Town. However, due to the inefficiency of the design caused by the failure to secure Leiser Property air rights, the design also had the highest cost per space, as shown in ***Table 3***.

For the sake of this analysis, DESMAN assumed that total project cost would be amortized over a 20 year period at 4.0% APR with no equity reduction on principal at the outset. Under these terms, the Town's debt obligation would be $37,337 - $39,270 per month or $448,043 - $ 471,235 per year. This equates to roughly $2,067-$2,196 per space annually, $172.23-$183.02 per month, or $8.61-$9.15 per business day.

5. BEST PRACTICES FOR MUNICIPAL PARKING ASSET DEVELOPMENT AND MANAGEMENT

According to the U.S. Census Bureau there were 295 incorporated places in the United States with a population of at least 100,000 as of July 1, 2014. Of these 295 cities, only 17[3] had adequate composition population density to generate parking revenues which would support the cost of a parking structure. In other words, less than 6% of the major cities in America can command the kind of consistent parking demand and rates such that a parking facility can generate adequate revenues to fully cover cost of financing and operating a parking facility. For the majority of U.S. cities and towns, the cost of building

[1] Hard costs are base construction costs (i.e. labor and materials) direct to the proposed project, including items like lighting, required fire suppression, signage and PARCS equipment. This cost estimate assumes full automation for revenue collection and access control, standard fluorescent light elements, and medium-grade facades and finishes.

[2] Ocean Properties portion of each option as estimated to be between $1,651,545 for the 90-space options and $1,736,595 for the 104-space option.

[3] New York City, Los Angeles, Chicago, Philadelphia, San Diego, San Jose, San Francisco, Seattle, Washington DC, Boston, Baltimore, Long Beach, Miami, Oakland, Honolulu, Anaheim and Santa Ana.

structured parking must be subsidized by additional revenues streams external to the facility in order to meet overhead costs and debt service obligations.

First and foremost, municipalities developing modern parking assets almost universally abandon 'free parking'[4] and adopt **fee-for-use** as their standard policy in advance of building the facility. Due to the cost of developing parking assets, this is often a fiscal necessity. In addition, it is fundamental part of any 'smart growth' initiative aimed at promoting sustainable practices, as charging a fee for parking provides the basis for individuals to evaluate the tangible and direct costs and benefits of different modes of transportation. Finally, it is often the only politically viable way to proceed forward with a project as few municipalities are willing to finance the development of a parking facility through a general tax levy on their constituents.

It should be noted that when a municipality converts from a 'free' to fee-for-use environment, the change typically must be global for the initiative to succeed. Instituting a fee for use in just one facility and allowing others to continue to operate as free commonly results in the facility charging for use to be un- or underutilized and the other facilities to be overused. In many communities where the leadership does not want residents subject to fees, but still wants a mechanism in place preventing visitors and employees from parking in those districts to avoid paying fees, a **residential parking permit program** is established. This program allows residents to register their vehicles at low or no cost with the municipality and receive some form of credential which identifies the vehicle as authorized to park in a defined district or area. This program protects residents and makes it easier for parking enforcement personnel to identify and ticket unauthorized vehicles.

Many municipalities have paid for the cost of a parking structure by **creating a parking fund**. This fund collects the revenues generated by the facility itself, plus other parking related revenues such as revenues from other municipal parking facilities, on-street meter fees, on-street parking permit sales, and parking citation fines, in order to generate adequate revenue to cover the costs of operating and financing the facility. These other resources are drawn upon because there is often little to no overhead costs associated with these revenue streams, allowing the net income to be reinvested into the overall parking system.

Many municipalities also consolidate all parking-related functions under a single agency such as **a parking department** when forming the enterprise fund. This is done to take advantage of efficiencies that arise from bringing complimentary tasks under the direction of single authority. For example, one bookkeeper can manage the accounting for collected revenues in the municipality's off-street parking facilities, receipts from on-street meters, fees for permit sales, and fines for parking citations, rather than have 2-4 bookkeepers in other departments address these issues. In addition, with one person directing the operation for the whole parking system, it is easier to set and drive policy to meet the community's objectives. Finally, it is more convenient for residents, workers and visitors to get information from one agency.

Cities and towns have started to employ **demand-responsive pricing** as a strategy to drive both parking revenues and policy in the community. This approach recognizes that some parking facilities, due to their location relative to other businesses or attractions in the area, are going to be more popular and in

[4] Over the last 20 years, most municipalities have come to acknowledge that 'free parking' is not truly free, as the cost of building and maintaining a parking space must be born somewhere in the municipal budget, the fees for which are derived from local taxes. Similarly, most constituents know that they are, in some form, paying for parking in the town center that has no direct cost associated with it.

greater demand than other facilities. Following the basic principles of supply and demand, things which are in greater demand command a greater price; so it is with parking as well. Municipalities who adopt this approach set objectives for each asset in the parking system, such as improving use of an underutilized asset at the edge of town and reducing congestion in an overused asset in the core, and set price accordingly. Many municipalities also set target goals for measuring change, such as agreeing to manipulate prices in Lots A and B until the typical peak hour demand in Lot A has decreased 10% and the typical peak hour demand in Lot B has increased by 10%. Once the goals and objectives are set, the body administering to the parking system adjusts rates periodically until their targets are met.

Demand-responsive pricing can be used to achieve a wide variety of goals and objectives including:

- Encouraging long-term parkers who are familiar with the area to utilize underutilized assets outside the town center, leaving these spaces open to new visitors and patrons;
- Improving turnover in valuable curbside parking spaces outside popular businesses or within certain districts;
- Discouraging certain types of onerous parking behaviors by raising the 'opportunity cost' of engaging in them through higher fines;
- Providing an incentive for individuals to consider alternative modes of transportation such as carpooling by offering free or reduced rate parking;
- Recognizing the contributions of year-round residents by offering free or reduced rate permits.

Parking is often the first introduction a new arrival gets to a community and commonly the last experience they have before departing. As such, most municipal parking structures have some element of staffing onsite during peak business hours to provide assistance and a human presence. However, many municipalities have recognized that having an attendant on-site at all times is not a good use of resources or cost effective and have embraced **automation** in the basic design of the facility. By including mechanisms which can collect parking fees during off-peak hours, the municipality can maintain operation of the facility around the clock without the cost burden of staffing the facility constantly. Municipalities that elect to go this route commonly include technology in the facility's design which allows a user in distress to quickly connect to a designated representative charged with providing assistance when needed.

These best practices informed DESMAN recommendations for how Bar Harbor should program parking in order to support development of the proposed parking structure.

6. PARKING PROGRAM RECOMMENDATIONS

Bar Harbor currently has only one facility – the parking lot adjacent to the Bar Harbor Club servicing a whale watching expedition – that openly charges[5] for parking. The Town currently issues permits for use by residents and employees through the police department, but these are at no cost and there appears to be no mechanism for ensuring that individuals participate. Much of the on-street parking along major commercial streets is time limited, but there are few restrictions for use on side and residential streets. The Police Department manages parking enforcement, while Public Works maintains the existing

[5] There may be other businesses – such a hotels or bed-and-breakfasts – which include a surcharge on the guest's bill for parking, but DESMAN did not observed any other facility in the study area advertising 'fee for use' parking.

facilities and the Finance Department processes fine payments. All funds from parking citations appear to currently go into the Town's General Fund.

DESMAN first recommends that the Town establish a parking fund into which all parking-related revenues are deposited and from which all parking-related expenses are paid. This would include existing revenues and expenses from parking enforcement, plus future revenues and expenses associated with other initiatives to be outlined in this section.

As a second step, DESMAN recommends the Town adopt fee-for-use parking in select areas and facilities as follows:

1. Purchase and install parking meters in the following locations:
   - 62 parking meters along West Street between Main and Bridge Streets;
   - 80 parking meters along Main Street between West Street and Atlantic Avenue/Newton Way;
   - 35 parking meters along Mt. Desert Street between Main Street and High and School Streets; and -
   - 79 parking meters along Cottage Street between Main Street and Bridge Street.

2. Maintain or extend two-hour time limited 'free parking' in the following areas, with option to purchase an all-day parking permit:
   - Along West Street between Bridge Street and Route 3[6];
   - Along Main Street between Atlantic Avenue/Newton Way and Cromwell Harbor Road;
   - Along Mt. Desert Street between High and School Streets to Route 3; and –
   - Along Cottage Street between Bridge/School Streets and Eden/Kebo Street.

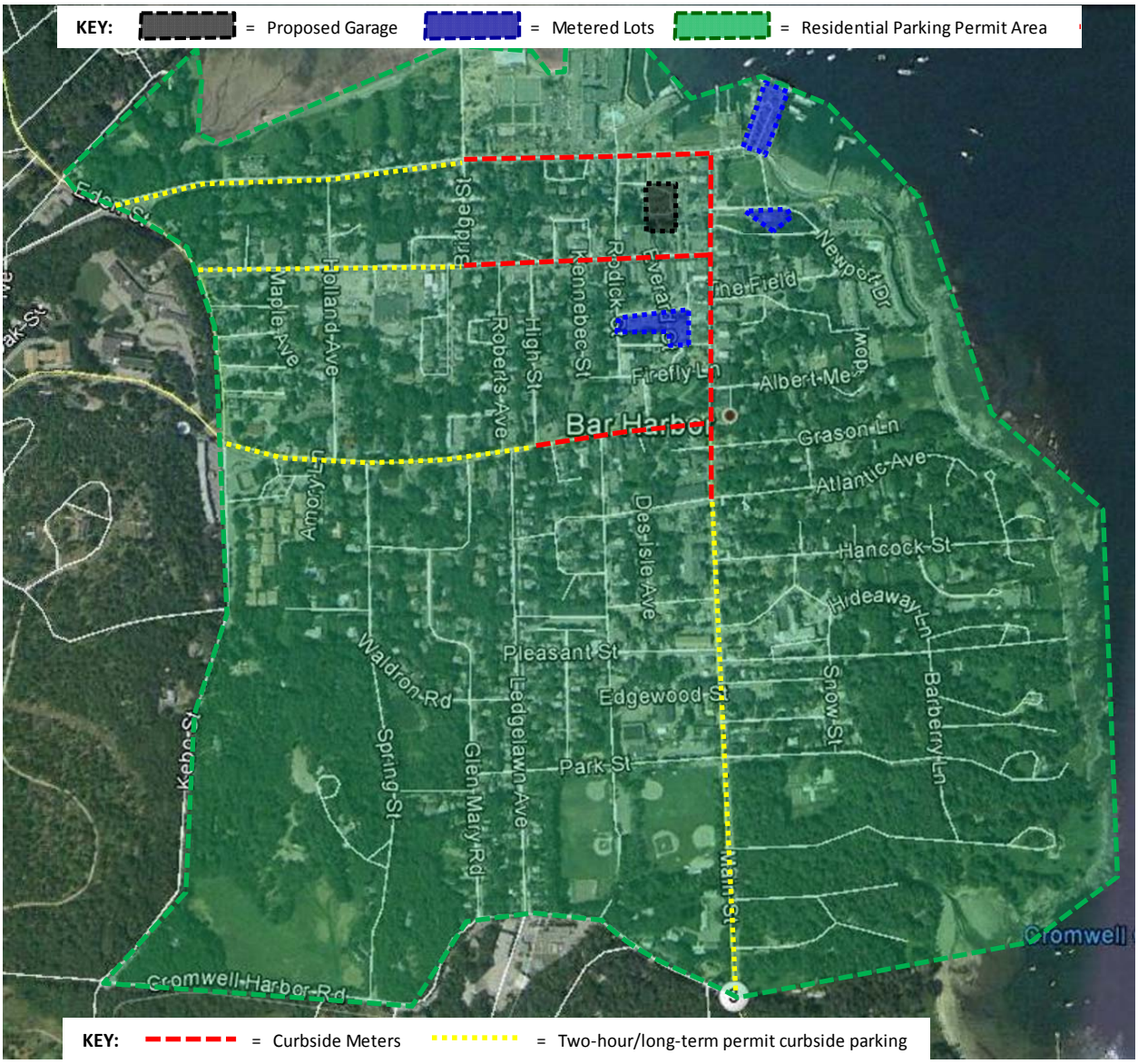
3. Purchase and install multi-space parking meters in the Town Pier, West Street, Newport Drive and Rodick Place lots.

4. Consider instituting a Residential Parking Permit Zone on all other Town streets within the following boundaries:
   - West Street to the north;
   - Cromwell Harbor Road to the south;
   - Eden/Kebo Streets to the west; and –
   - The water's edge to the east.

Figure 4 illustrates the locations of each of these new areas.

[6] This would include extending two-hour parking into areas currently without a limitation ascribed to them.

Figure 4 – Proposed Parking Zones/Districts



Source: *Google Earth, DESMAN*

On-Street Meter Program

DESMAN selected the areas outlined in the prior figure (shown in red) for curbside meter installation based on our observations regarding current utilization of these curbside spaces. We propose hours of enforcement for these meters from 8 AM until 8 PM, Monday through Sunday, commencing on or about May 15 and concluding on or about October 15. Meters should be priced at a rate of at least 25% higher per hour than abutting off-street parking facilities to serve as an incentive for longer term parkers to seek off-street facilities and assure a steady turnover of curbside parking spaces in key areas around the Town core. Maximum length of stay at any curbside meter should be no more than four (4) hours. Fines for not paying a meter or parking at an expired meter should be $20.00 per instance or twice the fine for parking beyond posted time limits in a 'free' space, to create adequate incentive for parkers to comply with the posted policy.

DESMAN recommends the Town purchase meters which accept both credit/debit card and coin payments and are solar powered with secure wireless (cellular) connections for processing credit/debit card transactions. DESMAN estimates total purchase and installation price per unit for this type of meter is $625.00, based on recent bid submissions to other municipalities. Under DESMAN's proposal, the Town would need to acquire 256 meters to cover the areas outlined, for an initial capital cost of roughly $160,000. Operating costs, which include cellular carrier charges (~$15.00/month), wireless licenses ($3.75/month) and software licenses ($2.00/month), would amount to approximately $20.75 per meter per month or $45,760 annually[7].

On-Street Parking Permit Program

The areas outlined in the prior figure (in yellow) will remain 'free' parking spaces subject to a maximum two-hour length of stay under DESMAN's proposed program. We propose hours of enforcement from 8 AM until 8 PM, Monday through Sunday, commencing on or about May 15 and concluding on or about October 15. The fine for exceeding the two-hour limitation will remain $10.00 per violation.

DESMAN also recommends that the Town offer visitors the option of purchasing a one-day pass to park in these areas for up to 24 hours. DESMAN recommends this pass be priced at a rate of $10.00 per day and passes should only be available to purchase at a rate of one per individual and for only one day[8]. The fine for parking with an expired pass should be double the fine for exceeding other posted time limits (i.e. $20.00 per violation).

Town Parking Lot Program

Under DESMAN's proposed program, the Albert Meadow and Bridge Street lots would continue to operate as they are currently programmed. However, the Town Pier, West Street, Newport Drive, and Rodick Place lots would all convert to a 'fee-for-use' program facilitated by the installation of multi-space parking meters. As with the single-space meters, DESMAN recommends units which are solar-powered, accept cash and debit/credit cards for payment, and have a wireless modem for processing credit/debit transactions.

We propose hours of enforcement for these lots from 8 AM until 8 PM, Monday through Sunday, commencing on or about May 15 and concluding on or about October 15. Meters should be priced at a rate per hour lower than abutting on-street meters to serve as an incentive for longer term parkers to seek off-street facilities and assure a steady turnover of curbside parking spaces in key areas around the Town core. Parkers should be able to purchase up to 24 hours of time in a single transaction, but no more. Fines for not paying a meter or parking at an expired meter should be $20.00 per instance or twice the fine for parking beyond posted time limits in a 'free' space, to create adequate incentive for parkers to comply with the posted policy.

DESMAN recommends the Town purchase meters which operate in a 'pay and display" format where the parker places a receipt for their time purchase on their dash; this is relatively easy to understand for

[7] Depending on how the Town arranges to process credit/debit card transactions, there can be an additional surcharge of up to $0.13 per transaction, but this is typically absorbed by the parker, not the municipality.

[8] This policy prevents an individual from purchasing a block of passes and reselling them and/or purchasing a pass for multiple consecutive days and leaving their vehicle in place during that period.

first-time users and easy to enforce for patrolling officers. DESMAN estimates total purchase and installation price per unit for this type of meter is $7,850.00, based on recent bid submissions to other municipalities. Under DESMAN's proposal, the Town would need to acquire 8 meters to cover the lots outlined, for an initial capital cost of roughly $47,100. Operating costs, which include cellular carrier charges (~$20.00/month), wireless licenses ($20.00/month) and software licenses ($10.00/month), would amount to approximately $60.00 per meter per month or $1,800 annually[9].

Residential Parking Permit Program

In all other areas shown in the preceding figure in green, DESMAN recommends implementation of a residential parking permit program. Under this program, individuals submitting valid proof of residency[10] may register the vehicles within their household[11] with the Town and receive one identifier – typically a sticker or hangtag – per vehicle, free of charge. At the Town's discretion, residents may also register for visitor permits for their guests up to a stated maximum[12] free of charge.

The purpose of this program is to give the Town a mechanism for easily identifying non-authorized users parking in residential district and to protect the rights of residents to quiet enjoyment of the streets surrounding their home. DESMAN recommends the Town fine individuals found parking in a permit zone without a valid permit in the amount of $30.00 per incident, to provide a strong incentive for compliance with the policy.

It should be noted that this program does NOT reserve the parking spaces directly in front of an individual's home exclusively for their use, nor does it guarantee a parking space in front of resident's home will be available to them at all times. Rather it authorizes them to park in a defined area without fear of sanction or competition from outside users.

Capital costs to initiate this program will be nominal, as little is required beyond signage to identify those streets under the residential parking permit program and stickers or other credentials to identify program participants. For the purpose of this study, DESMAN is budgeting $5,000.00. Operating costs should be nominal and are not included in this analysis as a result.

Integration of Parking Enforcement Receipts

According to budget documents, the Town collected roughly $50,000 in parking fines in FY2014 and is budgeted to collected $34,000 in FY2015 and $35,000 in FY2016. Against this the Police Department assessed total wages of roughly $13,673 in FY2014 for 'parking attendants' which DESMAN understands to mean parking enforcement personnel. These two positions, which currently operate from June to Columbus Day, are projected to cost the Town $13,000 in FY2015 and $14,205 in FY2016. Assuming a

[9] Depending on how the Town arranges to process credit/debit card transactions, there can be an additional surcharge of up to $0.13 per transaction and/or 3% of the total transaction value, but this is typically absorbed by the parker, not the municipality.

[10] Common credential include a driver's license or passport verifying the individual's identity and a tax bill or lease/rental agreement identifying the individual as a resident of a property within the defined bounds of the program boundaries. For individuals submitting rental or lease agreements, the agreements term must be at least ninety (90) days to qualify as a resident.

[11] Typically, households are not allowed to register more than 3 or 4 vehicles in total, but each municipality makes their own determination of the maximum threshold according to their unique dynamics.

[12] Commonly, residents are allowed to request up to 2 visitor passes per household per month, but some communities are more stringent or flexible, depending on local conditions.

55% inflation factor on wages to reflect payrolls taxes and benefits, DESMAN projects that these positions cost the Town between $20,150 and $22,018 per fiscal year, netting the Town roughly $13,000 to $14,000 under current conditions.

These funds, plus any additional revenues generated by the recommended fines outlined in the prior section or a longer enforcement 'season' than currently in place, could be dedicated to the parking enterprise fund to offset the cost of developing and operating the proposed parking structure.

7. EXPENSE PROJECTIONS

Traditionally, a financial feasibility analysis is executed by first establishing potential demand for the proposed facility; this was accomplished in Task 2 of the analysis and refined in Task 3. Then a rate survey is executed of the surrounding market and, from this, a recommended schedule of fees is developed. These proposed fees are applied to the projected demand for the facility to generate an estimated revenue stream for the facility. Finally, annual operating expenses and debt service are calculated and evaluated relative to the projected gross income to determine debt service coverage and net cash flow.

For this analysis, determining rates by market survey is not a viable action as the existing market is largely 'free' with only one benchmark. Developing a market assessment from comparable communities is also not a reasonable approach, as there are no communities within reasonable distance of Bar Harbor that might compete for parking demand for the proposed facility. In point of fact, Bar Harbor is a destination community with its own unique dynamics and parking is not one of the factors typically evaluated by visitors when choosing to come to town, as opposed to another potential vacation destination.

For this analysis, DESMAN applied an alternative approach to determining rates for the proposed structure. This approach is founded in establishing the debt service and operating expenses for the proposed structure first in order to estimate what the facility would need to generate in order to offset the cost of development and operation. This structure is in turn modified by potential subsidies for the facility which would allow it to generate less than the total value needed to offset debt obligations and overhead. Through this process, a recommended rate structure is determined which allows the facility to charge a fair price for service which should be palatable to its potential customers. This process also informs what might be charged at newly created competing facilities in the town center.

DESMAN assumes that the proposed facility will operate as a 'fee for service' facility starting on or about May 15 each year through sometime around October 15 on a 24/7 basis. The facility may see additional off-season use as well, but beyond some nominal income for storing vehicles or equipment, DESMAN did not assume additional operations outside this time span.

DESMAN recommends the Town operate the facility in a 'pay on foot' format, where visitors are directed to process their tickets and make payment prior to returning to their vehicle. Our proposed staffing model, which is applicable across all there design options, has included provision of central cashier to process tickets manually between the hours of 8 AM and 10 PM during the summer season, but the facility should also come equipped with automated pay stations which will allow users to process their tickets at any time.

The proposed staffing model assumes a facility supervisor present in the facility during standard business hours through the operating season (i.e. May 15 – October 15) who will be on hand to help visitors process their tickets and make payment, but will also handle basic bookkeeping and accounting for the facility and act as a liaison to the community. An evening attendant will be on site through the length of the operating season each night until 10 PM. A custodian will work an abbreviated late night shift evening night during the operating season, cleaning the facility during off-hours and preparing it for business then next day. And during the busiest part of the operating season (July 1 to October 1) a second attendant will be on-site from late morning through to the early evening, Wednesday through Sunday, to help customers and assistant with basic bookkeeping and maintenance tasks. The proposed staffing schedule is shown below in ***Table 4.***

Table 4 – Proposed Staffing (All Options)

Position	Typical Schedule	Working Week	Total Hrs Day	Wage Rate [1]	Working Days/Yr	Annual Wages	Payroll Taxes [2]	Benefits [2]	Worker's Compensation [2]	Uniforms [2]
Facility Supervisor	8a-5p	Mo-Fr	8.0	$ 16.50	109	$14,388.00	$ 1,654.62	$ 791.34	$ 359.70	$ 100.00
AM Attendant	10a-6p	We-Su	8.0	$ 10.00	65	$ 5,200.00	$ 598.00	$ 286.00	$ 130.00	$ 50.00
PM Attendant	5p-10p	Mo-Su	5.0	$ 10.00	109	$ 5,450.00	$ 626.75	$ 299.75	$ 136.25	$ 50.00
Regular Custodian	10p-2a	Mo-Su	4.0	$ 15.50	109	$ 6,758.00	$ 777.17	$ 371.69	$ 168.95	$ 75.00
Total Labor Cost						**$31,796.00**	**$ 3,656.54**	**$ 1,748.78**	**$ 794.90**	**$ 275.00**

Notes:
1. Per U.S Bureau of Labor Statistics, Wage Data for the Northern Maine, NECTA, May 2014.
2. Per U.S Bureau of Labor Statistics, Compensation Data for the Northern Maine, NECTA, May 2014.

Corresponding wage and compensation costs were developed from U.S Bureau of Labor Statistics wage and compensation data specific to the Maine market for each position.

Cost estimates for other expense line items were developed by reviewing historical operating statements for comparably-sized parking structures in the northeastern U.S. and applying the developed cost per unit values to the subject facility. Fixed line items, such as spending on utilities, insurance and repairs and maintenance, reflect costs as calculated for a year round operation.

Other costs, such as supplies, telephone tolls, landscaping, credit card and bank fees, all assume operation for only the limited season between May and October. Finally, DESMAN included regular contributions to a 'sinking fund' against major repair and replacement costs to the facility throughout its lifecycle. This is not commonly mandated by municipalities, but is a best practice DESMAN advocates.

All expenses, with the exception of the sinking fund contributions, were adjusted annually to reflect inflationary factors. ***Table 5,*** next page, shows expense projections through the first ten years of operations for Options A/B. As the table shows, an Option A/B will need to generate roughly $2,449 per space annually in the first year of operation to meet debt service obligations and cover operating overhead.

An Option C design will need to generate roughly $2,599 per space in the first year, about $150 per space more annually than the Option A/B designs. The total annual operating cost and debt service on the Option C designs is roughly $28,000 less per year than the larger capacity design, but the per space cost is greater in the smaller garage, as it has fewer spaces to spread fixed costs across.

Table 5 – Option A/B Projected Operating Overhead and Debt Service Obligations (2016-2025)

Project Name: Option A/B			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Capacity: 228			[2016]	[2017]	[2018]	[2019]	[2020]	[2021]	[2022]	[2023]	[2024]	[2025]
Inflationary Assumption:			*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*
OPERATING EXPENSES:												
Payroll	$ 143.64	/space	32,750	33,733	34,745	35,787	36,861	37,967	39,106	40,279	41,487	42,732
Payroll Taxes	$ 16.52	/space	3,766	3,879	3,995	4,115	4,238	4,365	4,496	4,631	4,770	4,913
Benefits	$ 7.90	/space	1,801	1,855	1,911	1,968	2,027	2,088	2,151	2,216	2,282	2,350
Worker's Compensation	$ 3.59	/space	819	844	869	895	922	950	979	1,008	1,038	1,069
Uniforms	$ 1.24	/space	283	291	300	309	318	328	338	348	358	369
Utilities	$ 11.81	/space	2,772	2,855	2,941	3,029	3,120	3,214	3,310	3,409	3,511	3,616
Insurance	$ 18.15	/space	4,262	4,390	4,522	4,658	4,798	4,942	5,090	5,243	5,400	5,562
Garage Supplies	$ 1.48	/space	348	358	369	380	391	403	415	427	440	453
Office Supplies	$ 0.75	/space	176	181	186	192	198	204	210	216	222	229
Printing & Tickets	$ 1.03	/space	242	249	256	264	272	280	288	297	306	315
Telephone	$ 0.60	/space	141	145	149	153	158	163	168	173	178	183
General R&M	$ 55.89	/space	13,125	13,519	13,925	14,343	14,773	15,216	15,672	16,142	16,626	17,125
Elevator R&M	$ 8.65	/space	2,031	2,092	2,155	2,220	2,287	2,356	2,427	2,500	2,575	2,652
PARCS R&M	$ 3.62	/space	850	876	902	929	957	986	1,016	1,046	1,077	1,109
Landscaping	$ 3.15	/space	740	762	785	809	833	858	884	911	938	966
Miscellaneous	$ 0.55	/space	129	133	137	141	145	149	153	158	163	168
Overhead/G&A	$ 0.95	/space	223	230	237	244	251	259	267	275	283	291
Bank Fees	$ 3.85	/space	879	905	932	960	989	1,019	1,050	1,082	1,114	1,147
Credit Card Fees	$ 20.24	/space	4,614	4,753	4,896	5,043	5,194	5,350	5,511	5,676	5,846	6,021
Sinking Fund	$ 75.00	/space	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100
Total Annual Operating Expenses			**$ 87,051**	**$ 89,150**	**$ 91,312**	**$ 93,539**	**$ 95,832**	**$ 98,197**	**$ 100,631**	**$ 103,137**	**$ 105,714**	**$ 108,370**
Annual Cost/Space			***$ 381.80***	***$ 391.01***	***$ 400.49***	***$ 410.26***	***$ 420.32***	***$ 430.69***	***$ 441.36***	***$ 452.36***	***$ 463.66***	***$ 475.31***
Debt Service Payment			**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**
Annual Cost/Space			***$ 2,066.82***	***$ 2,066.82***	***$ 2,066.82***	***$ 2,066.82***	***$ 2,066.82***	***$ 2,066.82***	***$ 2,066.82***	***$ 2,066.82***	***$ 2,066.82***	***$ 2,066.82***
NET CASH FLOW			**$ (558,286)**	**$ (560,385)**	**$ (562,547)**	**$ (564,774)**	**$ (567,067)**	**$ (569,432)**	**$ (571,866)**	**$ (574,372)**	**$ (576,949)**	**$ (579,605)**
Annual Cost/Space			***$ (2,448.62)***	***$ (2,457.83)***	***$ (2,467.31)***	***$ (2,477.08)***	***$ (2,487.14)***	***$ (2,497.51)***	***$ (2,508.18)***	***$ (2,519.17)***	***$ (2,530.48)***	***$ (2,542.13)***

8. PARKING RATES

In order to translate the costs outlined in the prior section into potential rates the garage would need to assess, DESMAN has to estimate the total annual volume of vehicles passing through the garage and how many hours during the season the garage would potentially be occupied. DESMAN developed a model that applied an assumption of the percentage of the public portion of the garage which would be occupied, which was in turn used to estimate the number of spaces occupied at the peak hour of each day.

DESMAN then applied an assumed number of turns per day – based on our field observations – to estimate the total number of vehicles per day that would pass through the facility. In order to determine the total number of operating hours per day, DESMAN multiplied the number of vehicles by an assumed typical length of stay, also based on prior field observations.

In total, DESMAN estimated that an Option A/B facility would support just under 34,800 vehicles per season or just under 162,600 parked hours, as shown in ***Table 6*** on the next page.

An Option C facility would support roughly 32,600 vehicles per season or around 147,200 parked hours, as shown in ***Table 7*** on the following page.

Table 6 – Option A/B Total Vehicle and Parked Hours Calculations for a Typical Season

MAY:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	AVG/ TOT
% Occupied:															0.175	0.175	0.175	0.125	0.125	0.125	0.125	0.25	0.25	0.25	0.25	0.15	0.15	0.15	0.2	0.2	0.2	0.18
Occ. Spaces:															40	40	40	29	29	29	29	57	57	57	57	34	34	34	46	46	46	41
Avg. Turns/Day:															1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.34
Vehicles/Day:															48	48	48	35	35	35	35	86	86	86	86	48	48	48	64	64	64	964
Typical LOS (hrs):															3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.29
Total Hrs/Day:															144	144	144	105	105	105	140	344	344	344	344	144	144	144	192	192	192	3,271

JUNE:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30		
% Occupied:	0.15	0.15	0.15	0.15	0.2	0.2	0.2	0.175	0.175	0.175	0.175	0.25	0.25	0.25	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.25	0.25	0.25	0.25	0.35	0.35	0.35	0.3	0.3		0.23
Occ. Spaces:	34	34	34	34	46	46	46	40	40	40	40	57	57	57	46	46	46	46	68	68	68	57	57	57	57	80	80	80	68	68		53
Avg. Turns/Day:	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.9	1.9	1.9	1.9		1.71
Vehicles/Day:	51	51	51	51	74	74	74	64	64	64	64	97	97	97	78	78	78	78	122	122	122	103	103	103	103	152	152	152	129	129		2,777
Typical LOS (hrs):	3.0	3.0	3.0	3.0	4.0	4.0	4.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0		4.00
Total Hrs/Day:	153	153	153	153	296	296	296	192	192	192	256	388	388	388	312	312	312	312	610	610	610	412	412	412	412	608	760	760	645	645		11,640

JULY:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
% Occupied:	0.4	0.5	0.75	1	0.9	0.6	0.65	0.7	0.8	0.9	1	0.9	0.7	0.8	0.85	0.9	0.95	1	0.9	0.8	0.85	0.9	0.9	0.95	1	0.9	0.8	0.85	0.9	0.9	0.95	0.84
Occ. Spaces:	91	114	171	228	205	137	148	160	182	205	228	205	160	182	194	205	217	228	205	182	194	205	205	217	228	205	182	194	205	205	217	190
Avg. Turns/Day:	1.9	2.0	2.1	2.2	2.1	2.0	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.16
Vehicles/Day:	173	228	359	502	431	274	296	320	382	431	479	431	336	382	407	431	477	502	451	400	427	451	451	499	524	472	419	446	472	472	499	12,824
Typical LOS (hrs):	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.00
Total Hrs/Day:	865	1,140	1,795	2,510	2,155	1,370	1,480	1,600	1,910	2,155	2,395	2,155	1,680	1,910	2,035	2,155	2,385	2,510	2,255	2,000	2,135	2,255	2,255	2,495	2,620	2,360	2,095	2,230	2,360	2,360	2,495	64,120

AUGUST:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
% Occupied:	1	0.9	0.85	0.9	0.95	0.95	1	1	0.95	0.9	0.9	0.95	0.95	1	1	0.95	0.9	0.9	0.95	0.95	1	1	0.9	0.85	0.9	0.9	0.95	1	1	1	0.85	0.94
Occ. Spaces:	228	205	194	205	217	217	228	228	217	205	205	217	217	228	228	217	205	205	217	217	228	228	205	194	205	205	217	228	228	228	194	215
Avg. Turns/Day:	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	2.10
Vehicles/Day:	524	472	446	472	499	499	524	524	499	472	472	499	499	524	524	499	410	410	434	434	456	456	410	349	369	369	391	410	410	410	349	14,015
Typical LOS (hrs):	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	4.0	4.81
Total Hrs/Day:	2,620	2,360	2,230	2,360	2,495	2,495	2,620	2,620	2,495	2,360	2,360	2,495	2,495	2,620	2,620	2,495	2,050	2,050	2,170	2,170	2,280	2,280	2,050	1,396	1,476	1,476	1,564	1,640	2,050	2,050	1,396	67,838

SEPTEMBER:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30		
% Occupied:	0.6	0.6	0.6	0.7	0.8	0.75	0.5	0.5	0.5	0.55	0.6	0.65	0.6	0.4	0.4	0.4	0.45	0.5	0.5	0.4	0.3	0.3	0.3	0.35	0.4	0.4	0.3	0.2	0.2	0.2		0.47
Occ. Spaces:	120	120	120	140	160	150	100	100	100	110	120	130	120	80	80	80	90	100	100	80	60	60	60	70	80	80	60	40	40	40		93
Avg. Turns/Day:	1.8	1.8	1.8	1.8	1.8	1.8	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2		1.45
Vehicles/Day:	216	216	216	252	288	270	150	150	150	165	180	195	180	112	112	112	126	140	140	104	78	78	78	91	104	96	72	48	48	48		4,215
Typical LOS (hrs):	4.0	4.0	4.0	5.0	5.0	5.0	3.0	3.0	3.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0		3.50
Total Hrs/Day:	864	864	864	1,260	1,440	1,350	450	450	450	660	720	585	540	336	336	336	504	560	420	312	234	234	234	364	416	288	216	144	144	144		15,719

OCTOBER:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
% Occupied:	0.25	0.25	0.15	0.15	0.15	0.15	0.2	0.2	0.1	0.1	0.1	0.2	0.3	0.3	0.2																	0.19
Occ. Spaces:	57	57	34	34	34	34	46	46	23	23	23	46	68	68	46																	43
Avg. Turns/Day:	1.8	1.8	1.8	1.8	1.8	1.8	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4																	1.61
Vehicles/Day:	103	103	61	61	61	61	69	69	35	35	35	69	102	95	64																	68
Typical LOS (hrs):	4.0	4.0	3.0	3.0	3.0	3.0	4.0	4.0	3.0	3.0	3.0	4.0	4.0	4.0	3.0																	3.47
Total Hrs/Day:	412	412	183	183	183	183	276	276	105	105	105	276	408	380	192																	245

TOTAL CARS/SEASON:	**34,795**
Annual Overhead:	$(558,286)
Minimum Charge/Car:	*$ (16.05)*
TOTAL HOURS/SEASON:	**162,588**
Annual Overhead:	$(558,286)
Minimum Charge/Hour:	*$ (3.43)*

Table 7 – Option C Total Vehicle and Parked Hours Calculations for a Typical Season

MAY:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	AVG/ TOT
% Occupied:															0.175	0.175	0.175	0.125	0.125	0.125	0.125	0.25	0.25	0.25	0.25	0.15	0.15	0.15	0.2	0.2	0.2	0.18
Occ. Spaces:															36	36	36	26	26	26	26	51	51	51	51	31	31	31	41	41	41	37
Avg. Turns/Day:															1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.34
Vehicles/Day:															43	43	43	31	31	31	31	77	77	77	77	43	43	43	57	57	57	861
Typical LOS (hrs):															3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.29
Total Hrs/Day:															129	129	129	93	93	93	124	308	308	308	308	129	129	129	171	171	171	2,922

JUNE:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30		
% Occupied:	0.15	0.15	0.15	0.15	0.2	0.2	0.2	0.175	0.175	0.175	0.175	0.25	0.25	0.25	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.25	0.25	0.25	0.25	0.35	0.35	0.35	0.3	0.3		0.23
Occ. Spaces:	31	31	31	31	41	41	41	36	36	36	36	51	51	51	41	41	41	41	61	61	61	51	51	51	51	71	71	71	61	61		48
Avg. Turns/Day:	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.9	1.9	1.9	1.9		1.71
Vehicles/Day:	47	47	47	47	66	66	66	58	58	58	58	87	87	87	70	70	70	70	110	110	110	92	92	92	92	135	135	135	116	116		2,494
Typical LOS (hrs):	3.0	3.0	3.0	3.0	4.0	4.0	4.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0		4.00
Total Hrs/Day:	141	141	141	141	264	264	264	174	174	174	232	348	348	348	280	280	280	280	550	550	550	368	368	368	368	540	675	675	580	580		10,446

JULY:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
% Occupied:	0.4	0.5	0.75	1	0.9	0.6	0.65	0.7	0.8	0.9	1	0.9	0.7	0.8	0.85	0.9	0.95	1	0.9	0.8	0.85	0.9	0.9	0.95	1	0.9	0.8	0.85	0.9	0.9	0.95	0.84
Occ. Spaces:	82	102	153	204	184	122	133	143	163	184	204	184	143	163	173	184	194	204	184	163	173	184	184	194	204	184	163	173	184	184	194	171
Avg. Turns/Day:	1.9	2.0	2.1	2.2	2.1	2.0	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.16
Vehicles/Day:	156	204	321	449	386	244	266	286	342	386	428	386	300	342	363	386	427	449	405	359	381	405	405	446	469	423	375	398	423	423	446	11,479
Typical LOS (hrs):	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.00
Total Hrs/Day:	780	1,020	1,605	2,245	1,930	1,220	1,330	1,430	1,710	1,930	2,140	1,930	1,500	1,710	1,815	1,930	2,135	2,245	2,025	1,795	1,905	2,025	2,025	2,230	2,345	2,115	1,875	1,990	2,115	2,115	2,230	57,395

AUGUST:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
% Occupied:	1	0.9	0.85	0.9	0.95	0.95	1	1	0.95	0.9	0.9	0.95	0.95	1	1	0.95	0.9	0.9	0.95	0.95	1	1	0.9	0.85	0.9	0.9	0.95	1	1	1	0.85	0.94
Occ. Spaces:	204	184	173	184	194	194	204	204	194	184	184	194	194	204	204	194	184	184	194	194	204	204	184	173	184	184	194	204	204	204	173	192
Avg. Turns/Day:	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	2.10
Vehicles/Day:	469	423	398	423	446	446	469	469	446	423	423	446	446	469	469	446	368	368	388	388	408	408	368	311	331	331	349	367	367	367	311	12,541
Typical LOS (hrs):	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	4.0	4.81
Total Hrs/Day:	2,345	2,115	1,990	2,115	2,230	2,230	2,345	2,345	2,230	2,115	2,115	2,230	2,230	2,345	2,345	2,230	1,840	1,840	1,940	1,940	2,040	2,040	1,840	1,244	1,324	1,324	1,396	1,468	1,835	1,835	1,244	60,705

SEPTEMBER:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30		
% Occupied:	0.6	0.6	0.6	0.7	0.8	0.75	0.5	0.5	0.5	0.55	0.6	0.65	0.6	0.4	0.4	0.4	0.45	0.5	0.5	0.4	0.3	0.3	0.3	0.35	0.4	0.4	0.3	0.2	0.2	0.2		0.47
Occ. Spaces:	120	120	120	140	160	150	100	100	100	110	120	130	120	80	80	80	90	100	100	80	60	60	60	70	80	80	60	40	40	40		93
Avg. Turns/Day:	1.8	1.8	1.8	1.8	1.8	1.8	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2		1.45
Vehicles/Day:	216	216	216	252	288	270	150	150	150	165	180	195	180	112	112	112	126	140	140	104	78	78	78	91	104	96	72	48	48	48		4,215
Typical LOS (hrs):	4.0	4.0	4.0	5.0	5.0	5.0	3.0	3.0	3.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0		3.50
Total Hrs/Day:	864	864	864	1,260	1,440	1,350	450	450	450	660	720	585	540	336	336	336	504	560	420	312	234	234	234	364	416	288	216	144	144	144		15,719

OCTOBER:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
% Occupied:	0.25	0.25	0.15	0.15	0.15	0.15	0.2	0.2	0.1	0.1	0.1	0.2	0.3	0.3	0.2																	0.19
Occ. Spaces:	51	51	31	31	31	31	41	41	20	20	20	41	61	61	41																	38
Avg. Turns/Day:	1.8	1.8	1.8	1.8	1.8	1.8	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4																	1.61
Vehicles/Day:	92	92	56	56	56	56	62	62	30	30	30	62	92	85	57																	61
Typical LOS (hrs):	4.0	4.0	3.0	3.0	3.0	3.0	4.0	4.0	3.0	3.0	3.0	4.0	4.0	4.0	3.0																	3.47
Total Hrs/Day:	368	368	168	168	168	168	248	248	90	90	90	248	368	340	171																	220

TOTAL CARS/SEASON: **31,590**
Annual Overhead: $(530,160)
Minimum Charge/Car: *$ (16.78)*

TOTAL HOURS/SEASON: **147,187**
Annual Overhead: $(530,160)
Minimum Charge/Hour: *$ (3.60)*

As the preceding table shows, the garage would need to collect an average of $3.33 per hour or $15.52 per vehicle in order to cover costs. As Bar Harbor's highest posted rate is $5.00 per day, DESMAN felt this rate scale was unreasonable.

As mentioned in a prior section, DESMAN has advocated for creation of parking fund which will draw revenues from all parking related operations and be used to support system improvements and new parking development in the future. This fund could be used to subsidize the cost of financing the proposed garage, allowing for reduced rates.

One of the potential funding sources would be the revenues from the metering of selected on-street areas and public parking lots, as outlined in an earlier section. In order to estimate the potential impact of this revenue source, DESMAN developed a projection of potential meter revenues.

Using the capacity of each facility, DESMAN applied an assumed occupancy rate, by month, rendering the number of parking spaces which may be occupied. DESMAN then applied an assumed rate per hour for each facility based on observed utilization and occupancy of each facility during peak season. For example, on-street parking along West, Cottage and Main Streets and Mt. Desert Street was very high during the summer season, so DESMAN assumed an aggressive rate of $2.00 per hour. For the Town Pier and West Street Lots, DESMAN assumed a slightly lower rate of $1.75 per hour and for the Newport Drive Lot and the Rodick Place Lot, an even more conservative rate of $1.50 per hour[13].

DESMAN applied assumptions regarding how many times the occupied spaces would turn each day to the estimate peak hour occupancy to render an estimated daily vehicle volume. And assumed rates per hour were multiplied by the estimated typical length of stay to get an average fee per vehicle. Total vehicle volume and estimated fee for vehicle were combined to get a projection of revenue per day, which was then multiplied by the number of operating days in the month to get an estimate of gross monthly revenue by facility. In total DESMAN estimates the Town could collect as much as $665,560 from meters per year.

This gross income was then adjusted to reflect the annual operating expenses for the meters (outlined in a prior section), estimated cost of supplemental materials such as signage and printed literature necessary to support the metered system in the first few years of operation, and annual debt service associated with acquiring the 256 single-head meters and 8 multi-space meters.

Annual debt service was calculated as total purchase, shipping and installation costs for the meters ($207,100), amortized over a five-year term at 4.0% interest. This resulted in a monthly payment of roughly $3,814 or an annual obligation of $45,769.

In total, DESMAN estimates that the proposed meter system could generate as much as $551,522 in net income for the parking enterprise fund in the first year of operation, as shown in ***Table 8*** on the following page.

[13] These rates will appear egregious to Bar Harbor residents, who are used to paying nothing, but are not out of line with larger communities in the northeastern US and major cities from across the world, from which Bar Harbor draws its visitors. These are the users most likely to incur these fees and it is DESMAN assertion that these rates will not be perceived as onerous by the majority of tourists and visitors.

Table 8 – Projected Parking Meter Income, Expenses and Net Cash Flow

Meters:	5/15-5/31	6/1-6/30	7/1-7/31	8/1-8/31	9/1-9/30	10/1-10/15	**TOTAL**
256	60%	75%	85%	95%	60%	40%	
Occ	154	192	218	243	154	102	
Rate/Hr	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	
Avg Stay (hrs)	2.0	2.0	2.0	2.0	2.0	2.0	
Turns/Day	2.00	2.00	2.00	2.00	2.00	2.00	
Days/Mo	16	30	31	31	30	15	
$/ Month	$ 19,712.00	$ 46,080.00	$ 54,064.00	$ 60,264.00	$ 36,960.00	$ 12,240.00	**$ 229,320.00**

Town Pier Lot:	5/15-5/31	6/1-6/30	7/1-7/31	8/1-8/31	9/1-9/30	10/1-10/15	
81	50%	60%	70%	75%	50%	30%	
Occ	41	49	57	61	41	24	
Rate/Hr	$ 1.75	$ 1.75	$ 1.75	$ 1.75	$ 1.75	$ 1.75	
Avg Stay (hrs)	3.0	3.0	3.0	3.0	3.0	3.0	
Turns/Day	2.50	2.75	3.00	3.25	2.50	2.00	
Days/Mo	16	30	31	31	30	15	
$/ Month	$ 8,610.00	$ 21,223.13	$ 27,830.25	$ 32,265.19	$ 16,143.75	$ 3,780.00	**$ 109,852.31**

West Street Lot:	5/15-5/31	6/1-6/30	7/1-7/31	8/1-8/31	9/1-9/30	10/1-10/15	
19	60%	75%	85%	95%	60%	50%	
Occ	11	14	16	18	11	10	
Rate/Hr	$ 1.75	$ 1.75	$ 1.75	$ 1.75	$ 1.75	$ 1.75	
Avg Stay (hrs)	3.0	3.0	3.0	3.0	3.0	4.0	
Turns/Day	2.50	2.75	3.00	3.25	2.50	2.00	
Days/Mo	16	30	31	31	30	15	
$/ Month	$ 2,310.00	$ 6,063.75	$ 7,812.00	$ 9,520.88	$ 4,331.25	$ 2,100.00	**$ 32,137.88**

Newport Dr. Lot	5/15-5/31	6/1-6/30	7/1-7/31	8/1-8/31	9/1-9/30	10/1-10/15	
43	50%	75%	80%	85%	40%	30%	
Occ	58	86	92	98	46	35	
Rate/Hr	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	
Avg Stay (hrs)	3.0	3.0	3.0	3.0	3.0	4.0	
Turns/Day	2.50	2.75	3.00	3.25	2.50	2.00	
Days/Mo	16	30	31	31	30	15	
$/ Month	$ 10,440.00	$ 31,927.50	$ 38,502.00	$ 44,430.75	$ 15,525.00	$ 6,300.00	**$ 147,125.25**

Rodick Place Lot:	5/15-5/31	6/1-6/30	7/1-7/31	8/1-8/31	9/1-9/30	10/1-10/15	
115	50%	75%	80%	85%	40%	30%	
Occ	58	86	92	98	46	35	
Rate/Hr	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	
Avg Stay (hrs)	3.0	3.0	3.0	3.0	3.0	4.0	
Turns/Day	2.50	2.75	3.00	3.25	2.50	2.00	
Days/Mo	16	30	31	31	30	15	
$/ Month	$ 10,440.00	$ 31,927.50	$ 38,502.00	$ 44,430.75	$ 15,525.00	$ 6,300.00	**$ 147,125.25**

Gross Income	***$ 665,560.69***
Annual Operating Expenses	**$ (47,560.00)**
Supplemental Materials	**$ (20,710.00)**
Annual Debt Service	**$ (45,768.74)**
NET INCOME	**$ 551,521.95**

According to budget documents, the Town collected roughly $50,000 in parking fines in FY2014[14] against total assessed total wages of roughly $13,673 in FY2014 for two 'parking attendants' operating from June to Columbus Day[15]. These two parking attendants patrolled the areas outlined in DESMAN's recommendations for instituting metering and permit sales for curbside spaces as well as the Town lots, enforcing posted time limits, as far more labor intensive practice than enforcing meters and checking for valid permits in the same areas. It is DESMAN's assertion that these areas can be administered by these individuals without adding new personnel. However, the operating season is likely to expand, as are the hours of operation, thereby driving up costs and potential necessitating additional personnel.

There are 137 days in the current June 1 to October 15 operating season. DESMAN assumes that there are two parking attendants working during this period at an average of eight hours per day, six days a week each. At a total cost of $13,673 in direct wages, plus an assumed 55% margin for payroll taxes and benefits, total annual labor cost is estimated to be roughly $21,200. In addition, DESMAN assumed that materials costs were roughly 15% of total labor costs, based on experience in other communities, accounting for an additional $3,180, bringing total overhead to $24,380. Dividing this figure by the total estimated staffing hours for the season (912), the total hourly overhead for enforcement operations is roughly $26.73.

In order to provide adequate coverage of the proposed metered zones and permit zones on-street, plus the metered public lots, as well as the residential permit areas, DESMAN believes the Town will need three attendants working an average of 4 hours per day each for the full 153 days between May 15 and October 15. At $26.73 per hour, this is a total estimated annual expense of $49,076.

As noted previously, the Town collected a total of $50,000 in parking fines in FY2014, averaging about $365.00 in fine revenues per day over a 137 day operating season. Assuming the same ratio, DESMAN projects the Town could collect as much as $55,840 over a 153 day season. In addition, DESMAN has recommended institution of higher fine totals for certain violations in prior sections. DESMAN estimates these higher or new fine rates, combined with greater manpower, will generate an additional 15% in fine revenues over current conditions or roughly another $8,375, raising total potential revenues to $64,215. Against projected overhead of $49,076, this results in net income of $15,139 that can be pledged to the enterprise fund.

Finally, DESMAN believes there is adequate demand in Bar Harbor to justify the sale of an average of 30 on-street parking permits per day at $10.00 per permit over the 153 day operating season, generating an additional $45,900 in revenues with no appreciable new overhead.

In total, the combined net estimated income from metering, expanded enforcement and permit sales totals roughly $612,561. Total estimated overhead (including debt service) for the garage in Year 1 is $530,160 - $558,286, depending on the design. Application of the net income from other parking function to the garage's overhead, reduces the figure to $0.00 and actually posts a surplus, as shown in ***Table 9*** on the following page.

[14] Bar Harbor Police Department officials stated that there were 5,441 tickets issued between 1/1/2014 and 12/31/2014, of which roughly 93% (5,042 total tickets) were written between Memorial Day and Columbus Day. Roughly 90% of all tickets issued were for overtime parking. The Police Department collected on roughly 50% of the total tickets issued in FY2014.

[15] Bar Harbor parking enforcement officers work either Monday to Friday (10 AM to 6 PM) or Tuesday to Saturday (10 AM to 6 PM). Currently, enforcement operations commence the first Monday after Memorial Day and end upon Columbus Day. After mid-August one of the officers returns to university, leaving the only a single officer remaining to patrol the area.

Table 9 – Adjusted Overhead and Rate Calculations

OPTION A/B			OPTION C		
Total Garage Overhead per Year:	$	(558,286)	Total Garage Overhead per Year:	$	(530,160)
Estimated Net Income from Meters:	$	551,522	Estimated Net Income from Meters:	$	551,522
Estimated Net Income from Enforcement:	$	15,139	Estimated Net Income from Enforcement:	$	15,139
Estimated Net Income from Permit Sales:	$	45,900	Estimated Net Income from Permit Sales:	$	45,900
Balance	***$***	***54,275***	***Balance***	***$***	***82,401***

Under this scenario, the garage could charge anything per hour and generate adequate revenue, with addition of the other resources mentioned to meet its debt service requirements and overhead costs.

For this analysis, DESMAN elected to price the garage slightly higher than $1.00 per hour, to align it with the other facilities in the area (i.e. meters and lots), at $1.25 per hour for up to 8 hours, then flat rates for stays of 8-12 and 12-24 hours. A summary of proposed rates is included in ***Table 10***, below.

Table 10 – Proposed Fee and Fine Rates

GARAGE

Hourly

0 -1 hours	$	1.25
1 - 2 hours	$	2.50
2 - 3 hours	$	3.75
3 - 4 hours	$	5.00
4 - 5 hours	$	6.25
5 - 6 hours	$	7.50
6 - 7 hours	$	8.75
7 - 8 hours	$	10.00
8 - 12 hours	$	12.50
12 - 24 hours	$	15.00

Monthly (Off-Season Only: 10/16-5/14)

Uncovered	$	50.00	/month
Covered	$	75.00	/month

FINES

Exceeding posted time-limit	$	10.00	/incident
Parking at an expired meter	$	20.00	/incident
Parking with an expired permit	$	20.00	/incident
Parking in an RPP zone without a permit	$	30.00	/incident

METERS

On-Street	$	2.00	/hour - maximum stay of 4 hours
Town Pier Lot	$	1.75	/hour -maximum stay of 24 hours
West Street Lot	$	1.75	/hour -maximum stay of 24 hours
Newport Drive Lot	$	1.50	/hour -maximum stay of 24 hours
Rodick Place Lot	$	1.50	/hour -maximum stay of 24 hours

PERMITS

Designated Zones	$	10.00	/day - maximum stay of 24 hours

9. REVENUE MODEL

The revenue models for the design options assume a basic user volume of between 34,795 vehicles per season (Option A/B) to 31,590 vehicles per season (Option C) at an average rate of $5.00 per vehicle (equivalent to an average length of stay of 3-4 hours) in Year 1. User volumes are assumed to remain fixed, but rates are assumed to adjust by 10% each third year in response to inflationary factors. Revenue models also assume a fixed base of 30 off-season monthly renters per year at $75.00 per month for a covered space, with user volumes remaining fixed but rates inflating by 10% every third year.

For the parking system, revenues associated with meters, permit sales and parking fines are all expected to increase by 10% every third year as response to growth and rate adjustments to offset inflation of operating expenses.

10. DEBT SERVICE COVERAGE

As shown in ***Table 11,*** a proposed garage built on the Option A/B design will not meet debt service obligations as a standalone facility in the first ten years of operation.

Table 11 – Proposed Option A/B Garage Conceptual Pro Forma

Project Name: Option A/B ***Capacity:*** 228 spaces				Year 1 [2016]	Year 2 [2017]	Year 3 [2018]	Year 4 [2019]	Year 5 [2020]	Year 6 [2021]	Year 7 [2022]	Year 8 [2023]	Year 9 [2024]	Year 10 [2025]
REVENUES:													
Transients	34,795	$ 5.00		173,975	173,975	191,373	191,373	191,373	210,510	210,510	210,510	231,561	231,561
Monthlies	30	$ 75.00		2,250	2,250	2,475	2,475	2,475	2,723	2,723	2,723	2,995	2,995
Gross Annual Revenues				**$ 176,225**	**$ 176,225**	**$ 193,848**	**$ 193,848**	**$ 193,848**	**$ 213,232**	**$ 213,232**	**$ 213,232**	**$ 234,555**	**$ 234,555**
Inflationary Assumption:				*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*
OPERATING EXPENSES:													
Payroll		$ 143.64	/space	32,750	33,733	34,745	35,787	36,861	37,967	39,106	40,279	41,487	42,732
Payroll Taxes		$ 16.52	/space	3,766	3,879	3,995	4,115	4,238	4,365	4,496	4,631	4,770	4,913
Benefits		$ 7.90	/space	1,801	1,855	1,911	1,968	2,027	2,088	2,151	2,216	2,282	2,350
Worker's Compensation		$ 3.59	/space	819	844	869	895	922	950	979	1,008	1,038	1,069
Uniforms		$ 1.24	/space	283	291	300	309	318	328	338	348	358	369
Utilities		$ 11.81	/space	2,772	2,855	2,941	3,029	3,120	3,214	3,310	3,409	3,511	3,616
Insurance		$ 18.15	/space	4,262	4,390	4,522	4,658	4,798	4,942	5,090	5,243	5,400	5,562
Garage Supplies		$ 1.48	/space	348	358	369	380	391	403	415	427	440	453
Office Supplies		$ 0.75	/space	176	181	186	192	198	204	210	216	222	229
Printing & Tickets		$ 1.03	/space	242	249	256	264	272	280	288	297	306	315
Telephone		$ 0.60	/space	141	145	149	153	158	163	168	173	178	183
General R&M		$ 55.89	/space	13,125	13,519	13,925	14,343	14,773	15,216	15,672	16,142	16,626	17,125
Elevator R&M		$ 8.65	/space	2,031	2,092	2,155	2,220	2,287	2,356	2,427	2,500	2,575	2,652
PARCS R&M		$ 3.62	/space	850	876	902	929	957	986	1,016	1,046	1,077	1,109
Landscaping		$ 3.15	/space	740	762	785	809	833	858	884	911	938	966
Miscellaneous		$ 0.55	/space	129	133	137	141	145	149	153	158	163	168
Overhead/G&A		$ 0.95	/space	223	230	237	244	251	259	267	275	283	291
Bank Fees		$ 3.09	/space	705	705	775	775	775	853	853	853	938	938
Credit Card Fees		$ 16.23	/space	3,701	3,701	4,071	4,071	4,071	4,478	4,478	4,478	4,926	4,926
Sinking Fund		$ 75.00	/space	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100
Total Annual Operating Expenses				**$ 85,964**	**$ 87,898**	**$ 90,330**	**$ 92,382**	**$ 94,495**	**$ 97,159**	**$ 99,401**	**$ 101,710**	**$ 104,618**	**$ 107,066**
Debt Service Payment				**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**
NET CASH FLOW				**$ (380,973)**	**$ (382,907)**	**$ (367,718)**	**$ (369,770)**	**$ (371,883)**	**$ (355,161)**	**$ (357,403)**	**$ (359,712)**	**$ (341,297)**	**$ (343,745)**

In point of fact, this option is projected to lose between $343,745 and $380,973 annually each year. As mentioned previously, this is not a unique condition for the majority of municipalities in the U.S., which must subsidize the development of structured parking with revenues from other facilities or a dedicated fund.

Similarly, the Option C design is projected to lose between $336,115 and $368,972 annually through the first ten years of operation, if operated as a stand-alone facility.

If the Town establishes a parking fund and adopts DESMAN recommendations for program changes, the system as a whole can generate adequate net operating income to cover the garage's debt obligations as well as all other parking operating expenses and debt obligations through the first ten years.

As shown in ***Table 12***, next page, the fund could generate as much as $513,931 annually in net cash flow after meeting debt obligations using an Option C design.

As an Option A/B facility, the fund could generate as much as $506,301 annually in net flow, after meeting debt service, as shown in ***Table 13***.

Table 12 – Proposed Parking Fund Conceptual Pro Forma – Option C

Option C Design (204 spaces)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Parking Fund	[2016]	[2017]	[2018]	[2019]	[2020]	[2021]	[2022]	[2023]	[2024]	[2025]
REVENUES:										
Garage Revenues	160,200	160,200	176,220	176,220	176,220	193,842	193,842	193,842	213,226	213,226
On-Street Meter Revenues	229,320	229,320	252,252	252,252	252,252	277,477	277,477	277,477	277,477	305,225
Parking Lot Meter Revenues	436,241	436,241	479,865	479,865	479,865	527,851	527,851	527,851	527,851	580,636
Permit Sales Revenues	45,900	45,900	50,490	50,490	50,490	55,539	55,539	55,539	55,539	61,093
Parking Fines	64,215	64,215	70,637	70,637	70,637	77,701	77,701	77,701	77,701	85,471
Gross Annual Revenues	**$ 935,876**	**$ 935,876**	**$1,029,464**	**$1,029,464**	**$1,029,464**	**$1,132,410**	**$1,132,410**	**$1,132,410**	**$1,151,794**	**$1,245,651**
Inflationary Assumption:	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*
OPERATING EXPENSES:										
Garage	81,130	82,984	85,297	87,264	89,291	91,820	93,970	96,186	98,950	101,299
Meters	47,560	48,987	50,456	51,970	53,529	55,135	56,789	58,493	60,248	62,055
Meters - Supplemental Material	20,710	-	-	-	-	-	-	25,471	-	-
Meter Debt Service	45,769	45,769	45,769	45,769	45,769	-	-	56,290	56,290	56,290
Enforcement	49,076	50,549	52,065	53,627	55,236	56,893	58,600	60,358	62,168	64,033
Total Annual Operating Expenses	**$ 244,245**	**$ 228,288**	**$ 233,587**	**$ 238,629**	**$ 243,824**	**$ 203,848**	**$ 209,359**	**$ 296,797**	**$ 277,656**	**$ 283,677**
Debt Service Payment	**$ 448,042**	**$ 448,042**	**$ 448,042**	**$ 448,042**	**$ 448,042**	**$ 448,042**	**$ 448,042**	**$ 448,042**	**$ 448,042**	**$ 448,042**
Coverage Ratio	***1.54***	***1.58***	***1.78***	***1.77***	***1.75***	***2.07***	***2.06***	***1.87***	***1.95***	***2.15***
NET CASH FLOW	**$ 243,589**	**$ 259,545**	**$ 347,834**	**$ 342,792**	**$ 337,597**	**$ 480,520**	**$ 475,009**	**$ 387,570**	**$ 426,096**	**$ 513,931**

Debt service coverage, defined as the ratio between net operating income and annual debt service obligations, is strong through the first ten years of operation; most underwriters prefer a ratio of 1.20.

Table 13 – Proposed Parking Fund Conceptual Pro Forma – Option A/B

Option A/B (228 spaces)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Parking Fund	[2016]	[2017]	[2018]	[2019]	[2020]	[2021]	[2022]	[2023]	[2024]	[2025]
REVENUES:										
Garage Revenues	176,225	176,225	193,848	193,848	193,848	213,232	213,232	213,232	234,555	234,555
On-Street Meter Revenues	229,320	229,320	252,252	252,252	252,252	277,477	277,477	277,477	277,477	305,225
Parking Lot Meter Revenues	436,241	436,241	479,865	479,865	479,865	527,851	527,851	527,851	527,851	580,636
Permit Sales Revenues	45,900	45,900	50,490	50,490	50,490	55,539	55,539	55,539	55,539	61,093
Parking Fines	64,215	64,215	70,637	70,637	70,637	77,701	77,701	77,701	77,701	85,471
Gross Annual Revenues	**$ 951,901**	**$ 951,901**	**$1,047,091**	**$1,047,091**	**$1,047,091**	**$1,151,800**	**$1,151,800**	**$1,151,800**	**$1,173,123**	**$1,266,980**
Inflationary Assumption:	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*	*1.03*
OPERATING EXPENSES:										
Garage	85,964	87,898	90,330	92,382	94,495	97,159	99,401	101,710	104,618	107,066
Meters	47,560	48,987	50,456	51,970	53,529	55,135	56,789	58,493	60,248	62,055
Meters - Supplemental Material	20,710	-	-	-	-	-	-	25,471	-	-
Meter Debt Service	45,769	45,769	45,769	45,769	45,769	-	-	56,290	56,290	56,290
Enforcement	49,076	50,549	52,065	53,627	55,236	56,893	58,600	60,358	62,168	64,033
Total Annual Operating Expenses	**$ 249,079**	**$ 233,202**	**$ 238,620**	**$ 243,748**	**$ 249,029**	**$ 209,187**	**$ 214,790**	**$ 302,321**	**$ 283,324**	**$ 289,444**
Debt Service Payment	**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**	**$ 471,235**
Coverage Ratio	***1.49***	***1.53***	***1.72***	***1.70***	***1.69***	***2.00***	***1.99***	***1.80***	***1.89***	***2.07***
NET CASH FLOW	**$ 231,588**	**$ 247,464**	**$ 337,236**	**$ 332,108**	**$ 326,827**	**$ 471,379**	**$ 465,776**	**$ 378,244**	**$ 418,565**	**$ 506,301**