

REQUESTED COMMISSION ACTION:

Consent	Ordinance	Resolution	X	Consideration/ Discussion	X	Presentation
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SHORT TITLE Presentation and Requested Approval of the Pier Parking Garage Demand and Revenue Study and Authorizing the Finance Director to Coordinate and Request Such Changes to the Study as May Be Required As Part of the Project Financing Process. (no cost).

Summary of Purpose and Why:

On September 23, 2014, the City’s Parking Consultant, Lansing Melbourne Group (LMG) presented excerpts from a Draft Revised Parking Garage Demand and Revenue Study (the “Study”) to the City Commission (initial study was issued in August 2013). Revision to the Study was necessitated by amendments to the Pier Development Agreement, availability of additional and more current data, as well as to include information requested by the City’s Finance Team. The City contracted with LMG to prepare the Study in order to predict the parking demand that might be generated by the development underway at and around the pier and to develop pro forma projections for revenues that might be generated by that demand, while factoring in anticipated costs to operate and maintain the Pier Parking Garage (the “Project”). The core objective of this exercise was to demonstrate projected net revenues that may be available to provide a source for repayment of external financing to be obtained for the Project. The Study will also serve as a reference for nationally recognized rating agencies, which will be requested to provide a rating for the City as it relates to the planned financing.

The presentation will also revisit current costs associated with the proposed Project (to date), the planned financing structure, assumed annual obligations through maturity as a result of the financing (based on current market conditions) and the availability of projected Parking System Net Revenues as a source of repayment for the resulting financing planned to be obtained.

Staff is requesting approval of the Study in substance and authorization for the Finance Director to make such changes to the Study as may be necessary to facilitate the planned financing (i.e. change in project cost components and other minor changes).



Accomplishing this item supports achievement of Initiative 9.1, *Expand & Enhance Parking Facilities in the City.*

- (1) Origin of request for this action: Finance Department
- (2) Primary staff contact: Suzette Sibble, Finance Director Ext. 4680
- (3) Expiration of contract, if applicable: NA
- (4) Fiscal impact and source of funding: NA

DEPARTMENTAL COORDINATION

DATE

Finance 3/2/15
 Budget 3/3-15

DEPARTMENTAL RECOMMENDATION

DEPARTMENTAL HEAD SIGNATURE

Approval
Approval
Almon W. Beard

S. Sibble
Cor

City Manager [Signature]

ACTION TAKEN BY COMMISSION:

Ordinance

Resolution

Consideration

Workshop

1st Reading _____

1st Reading _____

Results: _____

Results: _____

2nd Reading _____

Pier Parking Garage Demand and Revenue Study

Spring 2015

prepared for
The City of Pompano Beach
Parking Enterprise Fund



prepared by
Lansing Melbourne Group, LLC



The City of Pompano Beach (the "City") has retained Lansing Melbourne Group ("LMG") to prepare the following forecasts of parking demand and revenue as part of its efforts to redevelop the Pompano Beach Pier area, including by financing the construction of a public garage (the "Garage") and related facilities and improvements consisting of roadways, on street parking, water and sewer distribution lines, stormwater management, sidewalks and landscaping (collectively, "The Project"). LMG was formed in 2003 in response to the partners' desire to provide detailed, creative products and solutions for our clients in an intimate and manageable environment. As a small firm, the Principals have direct hands-on impact on every project and with every client. LMG is most interested in highly demanding and unique projects located in downtown spaces, hospitals, medical centers, universities, and other high density settings. We specialize in providing boutique, niche services specifically related to public private venture planning, parking economics and financial advising. LMG teams with like-minded creative individuals and firms across the country such as Wachovia Capital Markets, The Carlyle Group, GE Capital, Fortress Investments and Urban America to provide state-of-the-art and unique solutions.

LMG's founders have been actively involved in setting policies and recommended guidelines in the planning and parking industry for over 25 years. The Principals are trained as professional engineers (registered) as well as land use planners (certified by the American Planning Association) which underlies their wide-ranging approach to developing projects that are not only creative, but also buildable and financially feasible. LMG is an international firm with clients including Petronas (Malaysia), City of Shanghai, PRC, Hyderabad, India, and the Virgin Islands.

In 2012, the City, with input from its Community Redevelopment Agency (the "CRA"), entered into an agreement (an amended agreement was subsequently approved by the City in 2014) with a developer to construct and operate commercial buildings at the foot of the pier and on an existing surface parking lot immediately west of the pier. This new development, along with the investment the CRA recently made along Pompano Beach Boulevard to beautify and provide convenient beach access and amenities, is anticipated to significantly intensify the demand for parking in the immediate area. The purpose of this study is to quantify this demand, provide a methodology to estimate potential revenues, estimate the appropriate size for a parking garage to meet this demand, and provide benchmark data for the operational expenses that might be experienced. This report is an update of the original demand and revenue forecast prepared in Autumn 2013 and is being prepared as the City has taken important steps toward the completion of its goals.

Next Steps

With the demand value now quantified, and revenue projections complete, the City should proceed with the following tasks:

- Use the study and historical data to illustrate the financial projections for the Parking Enterprise Fund
- Engage underwriters and financial advisors to obtain appropriate financing for the Project
- Undertake construction of the Project. Note that this task is underway as of this writing. The City has selected a design build team that is preparing plans to construct the project at an estimated guaranteed maximum price of approximately \$17.6 million, and has retained LMG to act as its owner's representative in the process.

Pier Area Parking Demand

The pier area is a destination for recreational demand from the entire region. As development has intensified over time on the southeast coast of Florida, the opportunities for public access to wide open areas of beach have dramatically decreased, to the point where the Pompano Pier area is particularly unique and attractive. Because of this phenomenon, estimation of demand for parking in this location must include a macro look at the growth of the entire area and the character of demand at similar beach locations, in addition to the immediate vicinity. The analysis must also take into account the specifics of the pier redevelopment proposal solicited by the CRA along with physical changes to the supply that were part of the recent streetscape project on Pompano Beach Boulevard. Therefore, the report will present demand forecasts in the following sections:



- Pompano Beach Demographic Characteristics and Growth
- Beach Parking in Broward County
- Existing Operating Characteristics
- Pier Redevelopment Plans
- Summary of Demand for Parking at the Pier
- Project Details
- Proforma Operations

Pompano Beach Demographic Characteristics and Growth

Data regarding Pompano Beach growth characteristics is drawn from the “City of Pompano Beach Transportation Corridor Studies” (Kimley Horn Associates, May 2013). A complete copy of that report, “Economic Assessment”, is available from the Pompano Beach CRA.

Highlights from the report include:

- Pompano Beach Population Growth rate of 7 percent from 2005-2011 is significantly higher than Broward County’s overall rate of 1 percent for the same period
- The City has 42,420 households, a 21 percent increase since 2000
- City wide, household income has increased 12% over the 2005-2011 period, but is lower than the county median.
- The City’s economic base shows a significant level of economic diversification in a wide range of industries.

Overall, the City appears to be receiving more than its fair share of both population and economic growth in Broward County. This trend can be anticipated to continue for at least the next 5 years, given the City’s geographic spread and available housing inventory and assuming current economic and other factors impacting such growth remain generally unchanged. While not necessarily a numerical input to any of the parking demand analysis, it suggests a positive bias in our analysis of future demand for beach parking from the general public simply due to the growth of the population. Table 2-1 from the report is reproduced below for reference.

TABLE 2-1: POPULATION AND HOUSEHOLDS IN BROWARD COUNTY AND THE CITY OF POMPANO BEACH

	POMPANO BEACH							BROWARD COUNTY				
	2000	2005	2010	2011	Percentage Change			2000	2005	2011	Percentage Change	
					2000-05	2005-10	2005-11				2000-05	2005-11
POPULATION	78,191	94,892	99,845	101,632	21%	5%	7%	1,623,018	1,757,590	1,780,172	8%	1%
HOUSEHOLDS	35,197	43,641	42,182	42,420	24%	-3%	-3%	654,445	687,331	668,898	5%	-3%

Source: U.S Census Bureau (2011 ACS 1-Year Estimates, 2010 Summary File 1 (SF 1) 100-Percent Data, 2005 American Community Survey and 2000 Summary File 1 (SF 1) 100-Percent Data

Beach Parking in Broward County

Broward County's 27 miles of beach (3 miles in Pompano Beach) are fully developed, with many undergoing substantial redevelopment efforts. In most cases, parking garages have already been constructed or are under consideration. The City of Hollywood already provides garage parking for beachgoers within the city and has recently begun the process of site location and design for three more. In Dania Beach, the John Lloyd State Park facility has recently undertaken a significant addition of surface parking. Fort Lauderdale began design on at least three new parking garages last year for the core beach area. Lauderdale by the Sea is currently under construction with a streetscape project and is actively considering a parking garage to respond to growing demand. To the north of Pompano Beach, Deerfield Beach has a parking garage for beach goers along with large surface lots.

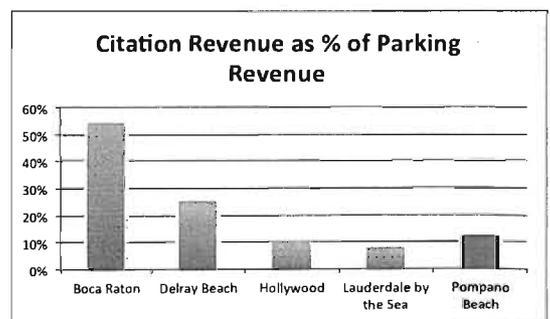
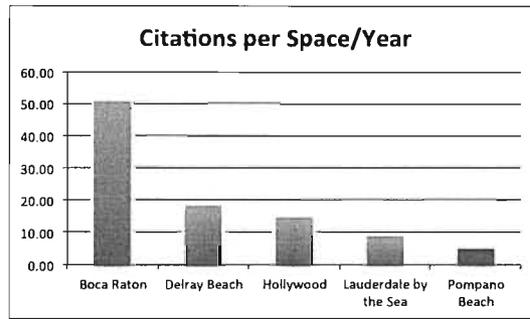
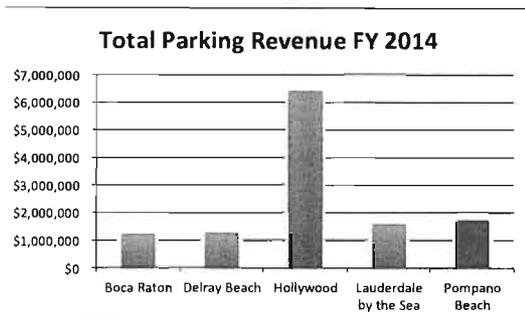
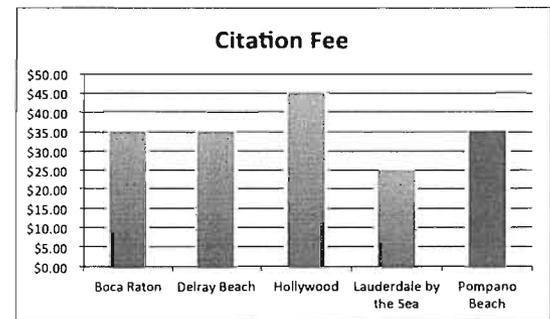
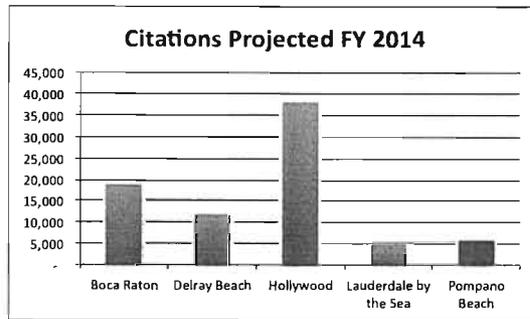
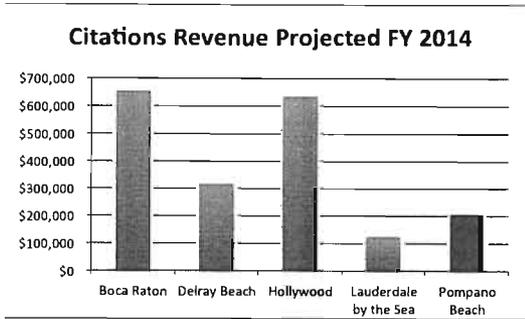
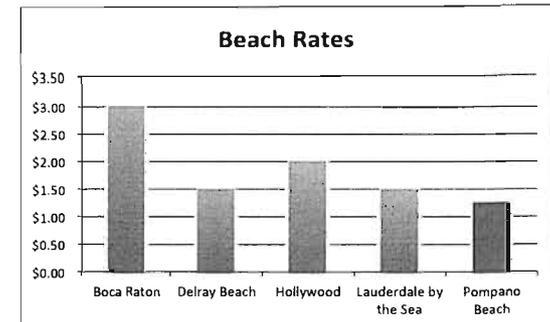
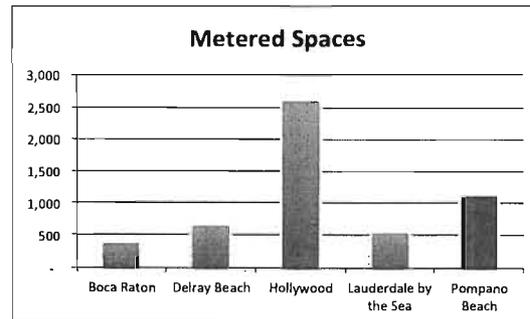
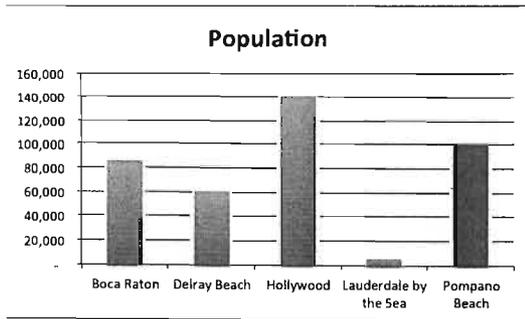
The general trend appears to be moderate size garages (500 to 700 spaces) that are spaced at least three blocks apart in the most dense beach areas (Hollywood Beach). This reflects the fact that when providing for beach parking, walking distances effectively limit the maximum amount of parking that is useful in any one facility. It appears that the 500-700 space size is the maximum practical population for a given amount of beach within the distance that people are willing to walk and still have an acceptable amount of private space when they get to the beach.

On the following page is a table summarizing a survey of beach parking policies conducted by City Staff in 2012 and updated by LMG in 2014. Note that in general Pompano Beach was the most affordable hourly rate for beach parking among cities in Broward County. Each City provides some mix of on-street parking, surface parking, and structured parking with the on street always being the most expensive. Most other cities offer pay by phone and credit card payments. Nearly all offer some form of discounted annual pass for residents that allows for off street parking during the summer season.



Data Requested	Boca Raton	Delray Beach	Fort Lauderdale	Hollywood	Lauderdale by the Sea	Pompano Beach
	Population (reg. not winter)	85,329	60,552	165,521	140,768	6,056
Metered Parking Spaces	369	646	10,396	2,607	540	1,105
Parking Rate	\$1 - \$2/hr	\$1.50/ hour	\$0.25 - \$1.75/ hour	Free - \$2/ hour	\$.50 - \$1.50/ hour	\$1.25/hour
Set/ Adjusted to Demand	Set rate - by area, City & Mizner lots \$1 (7am-4:59pm) and \$2(5pm-Midnight), east of A1A is \$2/hour	Set rate - \$1.50/hour	Set rate - by area Downtown (\$1.25-\$1.50) & Beach have higher rates	Set rate - by area, Free street parking (3hr limit 8am-8pm,) Downtown garage (\$1/hr \$15max) Beach has higher rates	Set rate - by area, Commercial \$.50/hour, A1A (\$1.25/hour), Beach area \$1.50/hr	Set rate - \$1.25/hr on meters.
Hourly Beach Rates	\$3.00	\$1.50	\$1.75	\$2.00	\$1.50	\$1.25
Private Off-Street Overnight Rates	N/A	\$19.00	\$25.00	\$17.00	N/A	free for hotel guests at The Sands
Private Off-Street Hourly Rate	N/A	N/A	\$5.00	\$2 (2 hour minimum)	N/A	free for hotel guests at The Sands
Parking Citation Fee	\$35.00	\$35.00	\$32.00	\$45.00	\$25.00	\$35.00
Parking citations projected in FY 2014	18,617	11,705	114,000	38,105	4,751	5,454
Parking citations revenue projected FY 2014	\$651,602	\$313,776	\$2,850,000	\$632,000	\$123,400	\$202,789
Total Parking revenues projected FY 2014	\$1,200,000	\$1,242,361	\$14,500,000	\$6,400,000	\$1,553,982	\$1,684,274
Citations per space/year	50.45	18.12	10.97	14.62	8.80	4.94
Citation Revenue as % of parking revenue	54%	25%	20%	10%	8%	12%
Parking citation written by:	City Staff	Delray Police Dept and Police Volunteers	City Staff Only	Parking Staff and Police Staff	Third party - Standard Parking Inc.	BSO
Contact Detail	Charmain - Parking Admin	Clayton Gilbert, Scott Aronson (561) 243-7196	Brian McKelligett Parking Services Mgr (954) 828-3792	Rosanne Regan Financial Analyst (954) 921-3566	n/a	Linda Dye Revenue Collection Mgr

Market Comparisons



Existing Operating Characteristics

The systemwide parking operations were examined and analyzed to develop a six year historic compilation of revenues and expenses. This information is current as of September 30, 2014, and was developed in concert with the City Finance Department with assistance from other departments that participated in the administration of parking policy prior to the establishment of the Parking Enterprise Fund on October 1, 2013. Prior to the establishment of the Parking Enterprise Fund, all parking related activity was accounted for within the City's General Fund. As the concept of an organized system of parking revenue collection, policy enforcement and recognition of expenses has matured over the past few years, the growth trends have become more consistent and the revenues generated have become more robust.

After analysis of the specific expenses we added an adjusted line which is at the bottom of the chart called "Income Net of Special Items" to reflect the fact that there were significant one time expenses in 2010 and 2013. These reflect large purchases of meters and other equipment that will be used over many years. Future years will see significant positive results because of the way these expenses were previously recorded by the City's Finance Department.

Also, the reader should note that Fiscal Year 2012 was the year that Pompano Beach Boulevard was under construction and so there was no revenue for an extended period of time in one of the most valuable parking areas in the City. Since the work has been completed, revenue is growing strongly and is expected to continue in this pattern. Pompano Beach Boulevard is located east of the garage, running in a north south direction along the beach itself and contains on-street angled parking on its east side (northbound). Note also that expenses have grown faster than revenue primarily because of the efforts of the Finance Department to more accurately assess the cost of parking within the City over the past year, in addition to the high cost of the Broward Sherriff's Office ("BSO") parking enforcement activities. Historically, the City has contracted with BSO to provide parking enforcement services as part of its overall police services contract. This practice will be phased out with the addition of private operations management by Denison Parking ("Denison") starting May 1, 2015. This most recent fiscal year also represents the first year that a tourist development coordinator function was added to the Parking Enterprise Fund budget, somewhat skewing the expense growth.

It is believed that the current level of expenses now represents what will likely be a more stabilized value representing the City's likely costs to collect the revenues generated by its parking system going forward, particularly since the City has recently selected an outside third party (Denison) to manage the parking operations starting May 1, 2015. With the assistance of Denison, the City will embark upon a complete review of its existing parking operations to include, but not be limited to, parking rate structure and available parking technology to enhance operations.

City of Pompano Beach										
Current Parking Fund Income Statement										
		Audited							Pro	
Revenues		2008	2009	2010	2011	2012	2013	2014	Forma	
									2015	
	Alsdorf Boat Lot Fees	108,054	102,150	103,360	107,311	100,656	152,407	189,246	228,675	
	Municipal Pier Parking	-	-	117,480	264,850	285,259	245,357	328,042	233,339	(a)
	Resident Parking Permit	-	-	236	8,948	8,325	7,254	11,933	13,920	
	Oceanside Parking Fees	79,742	69,689	66,879	67,224	65,694	78,345	109,962	115,242	
	Street Parking Meters (includes 16 st. lot)	75,616	67,256	95,049	107,146	158,410	87,268	155,217	161,860	
	Beach Parking (temp lot, PBB on street, other on street)	142,471	160,841	161,224	162,934	2,079	395,417	535,980	553,882	
	Hillsboro Inlet Pkg (new in FY 2015)	-	-	-	-	-	-	-	54,750	
	Parking Citations	157,419	166,863	162,657	206,321	198,080	221,383	311,523	327,373	
	Commercial Vehicle Citations	-	-	1,375	7,250	11,748	475	250	2,000	
	Land Rent	36,000	36,000	8,000	-	-	-	-	-	
	Interest Earnings	-	-	-	-	-	-	4,799	5,279	
	Total Revenues	599,302	602,799	716,260	931,984	830,251	1,187,906	1,642,153	1,696,320	
(a)	Assumes construction on garage commences May 2015, so Pier lot revenue pro rated for FY 2015									

		Actual							Pro Forma	
Expenditures		2008	2009	2010	2011	2012	2013	2014	2015	
	Parking Enforcement	178,971	232,778	253,320	286,415	319,171	311,906	344,486	210,925	(a)
	Tourist Development	-	-	-	-	-	78,873	132,345	148,415	
	Labor	-	-	31,323	31,323	31,323	31,323	-	-	(b)
	Capital purchase and replacement	-	-	150,614	1,125	-	167,676	50,346	-	
	CIP-Divitos Lot	-	-	-	-	-	-	-	74,680	
	Special Legal	-	-	-	-	-	-	4,725	-	
	Professional Services	-	-	-	-	-	-	6,055	180,650	(c)
	Land Rent	-	-	-	-	-	-	3,600	247,146	(d)
	Accounting and Auditing	-	-	-	-	-	-	2,402	705	
	Administrative Service Charge	-	-	-	-	-	-	85,000	86,960	
	Information Technology Charges	-	-	-	-	-	-	9,968	18,773	
	Insurance - Risk General	-	-	-	-	-	-	10,000	10,000	
	Postage	-	-	-	-	-	-	15	-	
	Advertising	-	-	-	-	-	-	132	2,000	
	Supplies	-	-	1,210	-	2,654	4,906	7,299	7,299	
	Telephone	-	-	1,897	3,129	3,832	4,560	6,800	6,000	
	Monitoring	-	-	720	2,130	3,060	9,360	-	-	
	Electricity	-	-	216	216	216	216	-	300	
	Credit Card Fees	-	-	2,254	3,430	7,377	15,335	33,234	50,000	
	Total Expenditures	178,971	232,778	441,554	327,768	367,633	624,155	696,407	1,043,853	
	Net Operations	420,331	370,021	274,706	604,215	462,618	563,751	945,746	652,467	
	Income Net of Special Items	\$420,331	\$370,021	\$124,092	\$603,090	\$462,618	\$396,075	\$895,400	\$652,467	
(a)	Includes pro rata share of BSO pkg enforcement contract amount (\$363,664*.58) for 7 months									
(b)	Minimal maintenance done on lots by Public Works - (striping, sweeping etc.). To be taken over by Denison on May 1, 2015									
(c)	Includes pro rata share of Denison Contract amount of \$396,785 (5 months allocated to FY 2015 with May 1st projected start date)									
(d)	Includes Divito Lot Lease and Leased Lot at end of Atlantic (128 spaces currently leased)									

Site Specific Existing Experience

With the installation of the new electronic multi space meters on Pompano Beach Boulevard and in the Pier Lot, very detailed analysis is possible to provide guidance in making future projections using local experience. The data also offers useful checkpoints against which the projections can be measured for reasonableness. Since this parking is on the actual site of The Project or immediately adjacent, it is relevant to the forecasts and is expected to be typical of future behavior.

Existing Turnover May 1 to Aug 31 PIER LOT ONLY			
Revenue	\$105,570.30	Daily Rev	\$858.30
Spaces	315	Rev/Sp/day	\$2.72
Transactions	39,440	Daily Trx	321
Rate	\$1.25	Turns	1.02
Days	123		
Existing Turnover May 1 to Aug 31 ON-STREET ONLY			
Revenue	\$186,785.28	Daily Rev	\$1,518.58
Spaces	112	Rev/Sp/day	\$13.56
Transactions	81,658	Daily Trx	664
Rate	\$1.25	Turns	5.93
Days	123		
Pier Lot and On-Street Parking BLENDED Since Rate Increase starting May 1 to Aug 31			
Revenue	\$292,355.58	Daily Rev	\$2,376.88
Spaces	427	Rev/Sp/day	\$5.57
Transactions	121,098	Daily Trx	985
Rate	\$1.25	Turns	2.31
Days	123		

Source: Pompano Beach Finance Department

The data tables above highlight the different experiences in the existing operations of on-street parking along Pompano Beach Boulevard and the off street lot at the Pier. Note the dramatic difference in turnover and therefore revenue per space. This data includes all transactions from May 2013 through August of 2013. Under the current operating practices,

Pier Garage Demand and Revenue Study

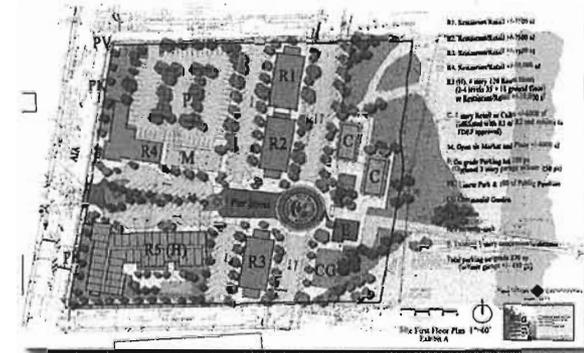
Updated Spring 2015

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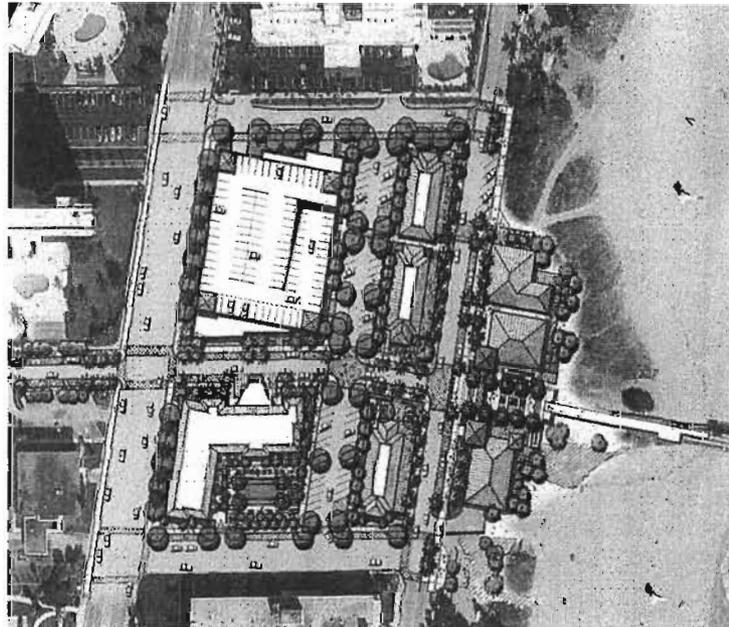
there is no difference in cost to the user for on street and off street parking. In a separate study LMG has previously recommended that the on street parking should be priced higher than parking in the garage to reflect the high value of its convenience and proximity to the beach. This policy recommendation will be brought forward for Commission consideration as the Project is developed and the private management company brings forth experience in the operation during its three year contract term.

Pier Development Plans

In January, 2012 the City Commission passed an ordinance approving the development of the pier and its parking area by a private developer (the "Developer") pursuant to a written agreement (the "Pier Development Agreement"). The proposed development scheme, shown here, envisions multiple buildings along Pompano Beach Boulevard surrounding the foot of the pier and containing restaurants and retail uses. In addition, a central plaza and new spine known as "Pier Street" is planned to extend west to A1A and include a hotel on its south side and small outbuildings and surface parking on its north side. The agreement envisioned the possibility of a parking garage with an option for either party to construct the building.



In July 2014 the City Commission approved various amendments to the Pier Development Agreement. More detailed planning and refinement of the project has resulted in a change to the central spine that creates a more pedestrian experience and emphasizes the connection of the Pier to the Intracoastal Waterway. While this eliminates some surface parking that was originally planned along Pier Street, it creates a more workable parcel to the north to accommodate the parking garage. The agreement was also modified to define the garage as the responsibility of the City and brings all parking revenues to the City and to make the construction of Pier Street the responsibility of the City in exchange for all on street parking revenue transferring to the City. This modification brings this agreement in line with previous recommendations by LMG that the City control all parking wherever possible to ensure rate and operational oversight



Summary of demand for a Garage

The primary driver for the Garage at Pompano Pier is the redevelopment of the existing surface lot. As discussed in the previous section, the changes envisioned result in complete elimination of the existing surface lot and all its spaces. While the proposed site plan replaces 62 spaces on surface streets within the proposed development, the net loss of the surface lot would trigger the need for a parking garage even without new demand generators. So, in preparing demand estimates for the future, a layer of background demand for public beach parking was added to the forecasts for parking demand from the new development. In addition, there are discussions in the following sections regarding the potential for a hotel in the latter stages of the development. For purposes of this analysis only, the demand forecasts *include* an analysis of a hotel in order to correctly size the Garage (number of spaces). However, for purposes of revenue forecasting, the hotel demand was *excluded*, and substituted with the minimum amount of retail space required for that phase in the Pier Development Agreement to represent a lower, more conservative revenue forecast.

The public beach parking demand and projections for future uses are all based on a model which was developed over the past three years for the East CRA District (ECRA) Master Plan. A separate report was prepared for the ECRA by LMG, which calibrated a parking demand model by block for the entire CRA and then projected future demand at build out. This report became the foundation for long range recommendations and later the creation of the Parking Enterprise Fund.

To most accurately project demand in projects with multiple uses, the demand must be generated for each use for each hour through the course of the day, then added together after making certain adjustments to account for users that might be patrons of more than one of the land uses located in the project. For example, if someone is staying in the hotel and eating lunch at one of the restaurants, they would be counted twice if this adjustment were not made. So, adjustments are shown both in this section, which generates hourly demand for each use to determine an aggregate peak demand for use in determining the size of the Garage as well as in the following section which generates turnover and annual demand to determine revenue forecasts.

The following pages contain tabular summaries of the peak demand rate assumptions for each land use anticipated in the Pier Development Agreement, assumptions for “capture” of patrons between the uses, and hourly demand estimates, all using values developed for the local market during the previously mentioned work on the ECRA Master Plan. The net result is a forecast of peak demand of 839 spaces, of which 615 would be served in the Garage, 162 would be served in on street spaces (of which there are currently 192 spaces) within the site and Pompano Beach Boulevard, and 62 would be using the newly constructed on site surface parking. Note the actual supply values will vary slightly as final design is completed, but do not effect the demand calculations as shown.

Zone PIER
City of Pompano Beach East CRA
Future Conditions = TOTAL BUILDOUT

Max Shared Demand	839
Supply	
Garage assumption	615
Overflow (neg value = none)	-30
On site surface	62
PB Blvd	192

WEEKDAY - INDIVIDUAL PEAK PERIOD PARKING DEMAND (NO SHARED PARKING)

Component	Description	Size	Pk Period ³	Guests/Visitors		Employees		Total Demand	
				Demand Rate ²	Spaces	Demand Rate	Spaces		
Residential	NONE	0	units	11pm-6am	1.41 per unit	0		0	
Restaurants	Quality	32,700	sf	7-8pm	8.40 per 1000 sf	275	3.4 per 1000 sf	111	386
Hotel	Limited Service	150	rm	11:00 PM	1.00 per room	150	0.2 per room	30	180
Hotel Meeting	Conference	3,000	sf	2:00 PM	25.00 per 1000 sf	75	0.0 per 1000 sf	0	75
Retail	Beach Oriented	15,800	sf	12-2pm	1.60 per 1000 sf	25	1.0 per 1000 sf	16	41
Other	Beach Parking	300							300
Gross Total Not Shared								982	
Gross Total Shared								728	

WEEKEND - INDIVIDUAL PEAK PERIOD PARKING DEMAND (NO SHARED PARKING)

Component	Description	Size	Pk Period ³	Guests/Visitors		Employees		Total Demand	
				Demand Rate ²	Spaces	Demand Rate	Spaces		
Residential	NONE	0	units	11pm-6am	1.23 per unit	0		0	
Restaurant	Quality	32,700	sf	7-8pm	12.04 per 1000 sf	394	3.4 per 1000 sf	111	505
Hotel	Limited Service	150	rm	11:00 PM	1.00 per room	150	0.2 per room	30	180
Hotel Meeting	Conference	3,000	sf	2:00 PM	25.00 per 1000 sf	75	0.0 per 1000 sf	0	75
Retail	Beach oriented	15,800	sf	12-2pm	1.97 per 1000 sf	31	1.0 per 1000 sf	16	47
Other	Beach Parking	300							300
Gross Total Not Shared								1107	
Gross Total Shared								839	

Footnotes

¹ Retail Capture is assumed at 80% for pier kiosks and plaza, restaurants at 30 percent

² 3rd Edition, Parking Generation Manual, Institute of Transportation Engineers, 2004.

³ Shared Parking Study, Urban Land Institute, 1983

No incremental employees for the hotel conference facilities

retail capture ¹

Assumed weekday captive ratio 80%

Assumed weekend captive ratio 80%

Zone PIER
 City of Pompano Beach East CRA
 Master Plan Parking Demand Projections

WEEKDAY - ESTIMATED PEAK PARKING DEMAND W/ SHARED PARKING

Hour	Residential	Rest.	Hotel Rms	Hotel Meeting	Retail	Captive	Other Beach
6am	100%	0%	100%	3%	0%	0%	14%
7	87%	2%	85%	20%	8%	0%	23%
8	79%	5%	65%	63%	18%	0%	39%
9	73%	10%	55%	93%	42%	0%	75%
10	68%	20%	45%	100%	68%	80%	87%
11	59%	30%	35%	100%	87%	80%	85%
Noon	60%	50%	30%	90%	97%	80%	87%
1pm	59%	70%	30%	90%	100%	80%	100%
2	60%	60%	35%	97%	97%	80%	99%
3	61%	60%	35%	93%	95%	80%	92%
4	66%	50%	45%	77%	87%	80%	85%
5	77%	70%	60%	47%	79%	80%	71%
6	85%	90%	70%	23%	82%	80%	68%
7	94%	100%	75%	7%	89%	80%	65%
8	96%	100%	90%	7%	87%	80%	50%
9	98%	100%	95%	3%	61%	0%	21%
10	99%	90%	100%	3%	32%	0%	18%
11	100%	70%	100%	0%	13%	0%	12%
12am	100%	50%	100%	0%	0%	0%	8%

Hour	Resid.	Rest.	Hotel Rooms	Hotel Meeting	Retail	Captive	Subtotal	Other Beach	Total Demand
6am	0	0	180	2	0	0	0	42	225
7	0	8	153	15	3	0	3	69	248
8	0	19	117	47	7	0	7	116	307
9	0	39	99	70	17	0	17	226	451
10	0	77	81	75	28	-22	6	260	499
11	0	116	63	75	36	-29	7	254	515
Noon	0	193	54	68	40	-32	8	261	583
1pm	0	270	54	68	41	-33	8	300	700
2	0	232	63	73	40	-32	8	296	671
3	0	232	63	70	39	-31	8	275	647
4	0	193	81	58	36	-29	7	256	595
5	0	270	108	35	32	-26	6	214	634
6	0	347	126	17	34	-27	7	203	701
7	0	386	135	5	37	-29	7	195	728
8	0	386	162	5	36	-29	7	151	711
9	0	386	171	2	25	0	25	63	647
10	0	347	180	2	13	0	13	53	595
11	0	270	180	0	5	0	5	35	490
12am	0	193	180	0	0	0	0	24	397

Pier Parking Garage/Pier Street Details

The proposed parking Garage contains a total of 609-620 (subject to final design details) spaces on 5 floors (ground floor plus four elevated decks). The building is planned to contain a total of 218,804 gross square feet, of which 184,136 is elevated slab and 6,877 square feet is retail space on the south side fronting Pier Street, which is the gateway to the redevelopment area along the beach and the Pompano Beach Pier. The building rests on pilings, and is constructed of precast concrete. There are two glass enclosed elevators in the southeast corner offering dramatic ocean and beach views. The architecture is iconic, with wave-like sail structures surrounding the building. The functional design of the building results in flat parking floors and no parking on ramps, so that users can see throughout each floor to the ocean and feel safe and easily find elevators and stairs. Revenue collection and payment systems will be electronic and automated to not hinder egress. The ground floor parking area is specifically laid out for maximum valet parking to serve the new restaurants along the beach. The structure is designed for a 50 year life and special care is being exercised to recognize the marine/salt environment.

To maximize queuing capacity and customer convenience, the access points to the garage are located on its east face. This requires the construction of new roadways around the building, connecting NE 2nd Street to NE 3rd Street in a north/south direction, and a new roadway along the south side of the building (Pier Street) that will connect Pompano Beach Boulevard to State Road A1A. The intersection of Pier Street and A1A will be signalized by the City under another scope of work. A loop of water service will be laid in these roads to provide fire connections, and sewer lines will be extended throughout. A master drainage system will accommodate site stormwater drainage. The connecting roads and infrastructure will contain an additional 62 parking spaces on the streets that will be metered. There are 192 existing spaces on Pompano Beach Boulevard.

The City is in the process of negotiating a Guaranteed Maximum Price Contract with Kaufman Lynn Construction to design and build the above-described improvements. Under a typical American Institute of Architects contract procedure, notice to proceed has been given for the first phase of the work, which includes all design, permitting and bidding. Upon completion of this work, a Final GMP will be issued and notice to proceed will be issued for the actual construction of the work. This Final GMP is anticipated to be approved in mid April 2015, and the Preliminary Price issued by the Contractor was \$17,618,821 to include all design and construction components.

Estimated Price Details for the Project

Design Cost	\$ 1,213,573
Construction Costs:	
Base Bid	11,302,679
Add--	
Demo & Site Prep	267,929
Building Pad	32,753
Pier Street	949,634
Vegetated Top Deck Trellis	1,367,657
Vegetated Walls	581,385
Additional Level	2,464,558
Provisions for Restaurant	41,036
Anodized Finish for Sails	611,190
Subtotal Construction Costs	<u>17,618,821</u>
Total Estimated Project Costs	\$18,832,394

Note: Costs include all utilities and surrounding roads (all project components)

The following pages contain images from the latest available design concepts prepared by the design build team at the time of this writing.



Southwest Corner



Southeast Corner

Proforma Operations

The focus of the analysis, accounting for all the previously discussed items along with the forecasted demand, was to develop a pro forma for the operation of the proposed Garage and related parking included in the Project. The following sections will describe the methodology used to generate demand for annual hours parked and turnover estimates, revenue forecasts based on that demand and expenses anticipated in the operation of the Project.

Project Phasing

Through consultations with the Pier Area developer and subsequent review by the City Finance Department, LMG has created a matrix of conservative assumptions (lower than expected) for the development and use of the Project subject to the Pier Development Agreement. As discussed previously, for purposes of financial projections only, the final phase of the Pier Area project, which is under discussion as a hotel, is assumed to be developed as retail space and a small restaurant. This scenario results in the lowest plausible revenue generation. The five year assumed program is illustrated in the table on the following page.

Pier Area Development											
Development Timing Assumptions											
	Projected					Financing Assumptions (1)					
Parcel	Use	#	Unit	#	Unit	FY 2016	FY 2017	FY 2018	FY 2019	FY2020	
Beach	Recreation	300	cars			100%	100%	100%	100%	100%	
C1	Restaurant	6,700	SF	225	Seats	0%	75%	100%	100%	100%	
C2	Restaurant	8,700	SF	325	Seats	0%	75%	100%	100%	100%	
R1	Retail	7,000	SF	-		0%	75%	100%	100%	100%	
R2	Restaurant	5,200	SF	175	Seats	0%	0%	25%	100%	100%	
R3	Restaurant	6,100	SF	225	Seats	0%	75%	100%	100%	100%	
R4	Restaurant	2,500	SF	75	Seats	0%	0%	0%	25%	100%	
	Retail	2,300	SF	-		0%	0%	0%	25%	100%	
R5	Restaurant	2,000	SF	100	Seats	0%	0%	0%	25%	100%	
(R5 is hotel opt)	Retail	6,500	SF	-		0%	0%	0%	25%	100%	
E	Restaurant	1,500	SF	150	Seats	75%	100%	100%	100%	100%	
	TOTAL	48,500		1,275							
		15,800	retail only								

(1) Financing Assumptions indicates percentage of projected revenues for each parcel anticipated to come online for each fiscal year based on conservative parcel development timing assumptions.

Effective Development Density by Year (by development site)										
Parcel	Projected Use		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020			
Beach	Recreation	cars	300	300	300	300	300			
C1	Restaurant	Seats	0	169	225	225	225			
C2	Restaurant	Seats	0	244	325	325	325			
R1	Retail	SF	-	5,250	7,000	7,000	7,000			
R2	Restaurant	Seats	0	0	44	175	175			
R3	Restaurant	Seats	0	169	225	225	225			
R4	Restaurant	Seats	0	0	0	19	75			
	Retail	SF	-	-	-	575	2,300			
R5	Restaurant	Seats	0	0	0	25	100			
(R5 is hotel opt)	Retail	SF	-	-	-	1,625	6,500			
E	Restaurant	Seats	113	150	150	150	150			
	TOTAL	SF	-	5,250	7,000	9,200	15,800			
		Seats	113	732	969	1144	1275			

Effective Densities by Year (by Land Use)										
		Financing Assumptions								
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020				
Restaurants	Seats	113	732	969	1,144	1,275				
Hotel	Rooms	-	<i>note hotel pad is assumed as retail</i>							
Hotel Meeting	Seats	-	<i>to present the most conservative demand</i>							
Retail	Square Feet	-	5,250	7,000	9,200	15,800				
Beach	spaces	300	300	300	300	300				

Annual Hours Parked

The first step in developing the pro forma is to convert the estimated peak hour and shared parking demand to actual parking duration based on rates published by the Urban Land Institute (Shared Parking, 1985) and current National Parking Association publications, supplemented by the local data discussed in the earlier sections, so that proposed rates can be applied and revenue estimated. The estimated annual hours parked are illustrated below for each of the development years and discussed in detail in the following paragraphs. The first development year is FY 2016.

Patron Demand Factors												
FY 2016		<i>convert uses to people</i>			<i>convert people to parkers</i>					<i>convert parkers to hours</i>		
Land Use	Generator	Size	Daily Turnover	Persons	Auto Occupancy	Daily Parkers	Capture rate or occupancy	Net daily parkers	Net Annual Parkers	Avg. Hourly Duration	Annual Parking Hours	Annual Parking Days
Restaurants	Seats	113	2.9	326	2.6	125	25%	94	34,350	2.2	75,571	
Hotel	Rooms	-	1.2	-	1	-	65%	-	-	n/a		-
Hotel Meeting	Seats	-	1.1	-	2	-	0%	-	-	2.5	-	
Retail	Square Feet	-	0.1	-	2.4	-	80%	-	-	1	-	
Beach	Visitor	300	2.25	675	2	338	0%	338	123,188	2.4	295,650	
						<i>total daily parkers ==></i>		432	<i>turn</i>	0.70		

The second year is as follows:

Patron Demand Factors												
FY 2017		convert uses to people			convert people to parkers					convert parkers to hours		
Land Use	Generator	Size	Daily Turnover	Persons	Auto Occupancy	Daily Parkers	Capture rate or occupancy	Net daily parkers	Net Annual Parkers	Avg. Hourly Duration	Annual Parking Hours	Annual Parking Days
Restaurants	Seats	731	2.9	2,121	2.6	816	25%	612	223,277	2.2	491,210	
Hotel	Rooms	-	1.2	-	1	-	65%	-	-	n/a		-
Hotel Meeting	Seats	-	1.1	-	2	-	0%	-	-	2.5	-	
Retail	Square Feet	5,250	0.1	525	2.4	219	80%	44	15,969	1	15,969	
Beach	Visitor	300	2.25	675	2	338	0%	338	123,188	2.4	295,650	
								total daily parkers ==> 993	turnover	1.61		

The third year is as follows:

Patron Demand Factors													
FY 2018		<i>convert uses to people</i>			<i>convert people to parkers</i>					<i>convert parkers to hours</i>			
Land Use	Generator	Size	Daily Turnover	Persons	Auto Occupancy	Daily Parkers	Capture rate or occupancy	Net daily parkers	Net Annual Parkers	Avg. Hourly Duration	Annual Parking Hours	Annual Parking Days	
Restaurants	Seats	969	2.9	2,809	2.6	1,081	25%	810	295,795	2.2	650,748		
Hotel	Rooms	-	1.2	-	1	-	65%	-	-	n/a		-	
Hotel Meeting	Seats	-	1.1	-	2	-	0%	-	-	2.5	-		
Retail	Square Feet	7,000	0.1	700	2.4	292	80%	58	21,292	1	21,292		
Beach	Visitor	300	2.25	675	2	338	0%	338	123,188	2.4	295,650		
								<i>total daily parkers ==></i>	1,206	<i>turnover</i>	1.96		

The fourth year is as follows:

Patron Demand Factors												
FY 2019		<i>convert uses to people</i>			<i>convert people to parkers</i>					<i>convert parkers to hours</i>		
Land Use	Generator	Size	Daily Turnover	Persons	Auto Occupancy	Daily Parkers	Capture rate or occupancy	Net daily parkers	Net Annual Parkers	Avg. Hourly Duration	Annual Parking Hours	Annual Parking Days
Restaurants	Seats	1,144	2.9	3,317	2.6	1,276	25%	957	349,229	2.2	768,303	
Hotel	Rooms	-	1.2	-	1	-	65%	-	-	n/a		-
Hotel Meeting	Seats	-	1.1	-	2	-	0%	-	-	2.5	-	
Retail	Square Feet	9,200	0.1	920	2.4	383	80%	77	27,983	1	27,983	
Beach	Visitor	300	2.25	675	2	338	0%	338	123,188	2.4	295,650	
								<i>total daily parkers =></i>	1,371	<i>turnover</i>	2.23	

The fifth (full build out) year is as follows:

Patron Demand Factors												
FY 2020		<i>convert uses to people</i>			<i>convert people to parkers</i>					<i>convert parkers to hours</i>		
Land Use	Generator	Size	Daily Turnover	Persons	Auto Occupancy	Daily Parkers	Capture rate or occupancy	Net daily parkers	Net Annual Parkers	Avg. Hourly Duration	Annual Parking Hours	Annual Parking Days
Restaurant	Seats	1,275	2.9	3,698	2.6	1,422	25%	1,067	389,304	2.2	856,469	
Hotel	Rooms	-	1.2	-	1	-	65%	-	-	n/a		-
Hotel Meeting	Seats	-	1.1	-	2	-	0%	-	-	2.5	-	
Retail	Square Feet	15,800	0.1	1,580	2.4	658	80%	132	48,058	1	48,058	
Beach	Visitor	300	2.25	675	2	338	0%	338	123,188	2.4	295,650	
						<i>total daily parkers ==></i>		<i>1,536</i>	<i>turnover</i>	<i>2.50</i>		

The first step in the analysis is to estimate the number of persons that would be generated by each land use on a typical day by estimating the capacity of the space and then by estimating the number of times that space would “turnover” through the course of the day. For example, if a restaurant serves 200 patrons a day and has 100 seats, its turnover would be 200 divided by 100 or 2.

Because the project is expected to have a variety of restaurants, a blended turnover rate of 2.9 was applied to the total capacity. Establishments that are more beach oriented or casual would be expected to have a much higher rate, while more formal restaurants might be expected to have a lower rate.

Hotel users are expected in two categories, room guests and meetings, which must be estimated separately. The room guest category is estimated by applying a turnover rate of 1.2 to reflect one user for each room plus an additional 0.2 to account for employees.

Meetings are estimated to turnover only once per day, reflecting the limited facilities anticipated on the site and the fact that these estimates are being averaged over the course of an entire year. We would anticipate another 0.1 turnover would be observed to account for incremental employee additions for these meetings.

The retail category is shown with a turnover of 0.1 per thousand square feet, which is a mathematical representation of a daily anticipated customer count of 100 customers for every thousand square feet of space. This daily estimate is based on the developer's description of the character of the space as high activity, beach oriented stores such as surf shops and convenience retail catering to the beachgoer.

Finally, recreational beachgoer daily turnover was based on the experience of Pompano Beach over the past two years since the improvement projects were undertaken and meter revenue has been available. Beginning with the baseline assumption that a relatively consistent supply of 300 spaces would be ideal (compared to the current supply of off street spaces), a blended turnover of 2.25 would appear to mimic current experience and our observations.

Next, the number of daily users for each generator must be converted to Net Annual Parkers (or vehicles parked) by applying a factor to account for how many people are in each vehicle and how many people are actually unique to each land use (as opposed to those already there, generated by another use in the project or area). The applied factors and rationale are discussed below.

Restaurant users are estimated to arrive at a rate of 2.6 persons per auto, indicating a tendency for patrons to arrive in groups of 2 to 3 persons. Further, it was estimated that 25 percent of the restaurant patrons would be generated by the other uses nearby such as the hotel guests or the beachgoers. This number will likely be substantially higher for the casual dining or high turnover kiosks but lower for the more formal dining experience.

Hotel users are not expected to share vehicles and so are given an auto occupancy of 1.0 persons per vehicle. A 65 percent occupancy factor is applied to the hotel demand to reflect long term annual occupancy rates in the hotel industry nationally. Hotel meeting attendees (this includes non meeting events such as weddings) are estimated to experience a 2.0 persons per vehicle rate of occupancy and these persons are estimated to be unique to the event or meeting and not generated by any other use in the project or area.

Retail patrons are forecast to arrive at a rate of 2.4 persons per auto but only 20 percent of the patrons are expected to be unique to the retail stores, and 80 percent are forecast to be at the site for other reasons. This is consistent with the developer's stated intention of seeking tenants that would be attracted to a beach location (surf shop, sun protection products, towels, incidentals) and would take advantage of the pier and recreational user.

Beachgoers are estimated to arrive at an average of 2.0 persons per auto over the course of the year. There is no reduction for shared uses since the beachgoer is the source of all other shared users in the project. After observing the

beach parking operations over the last three years, LMG has found that while the occupancy rate is likely higher during peak periods and holiday seasons, the majority of the days of the year would be closer to this value.

Parking duration estimates are the last step prior to estimating revenue generation. The model is highly sensitive to the duration in an area where the majority of the parkers are paying hourly by space. Therefore, whenever estimating duration, we have chosen to utilize the low end of an acceptable range so that the resulting revenue ends up at the low end of the range.

Restaurant users can be expected to remain parked for a duration of 2 to 3 hours. For purposes of this analysis, we applied a factor of 2.2 hours to reflect the lowest reasonable range of revenue, assuming a 2.0 hour restaurant experience plus 0.2 hours for walking to and from the restaurant or strolling at the beach.

Hotel Guests are not estimated by duration because they will be charged by the day in a wholesale parking arrangement with the hotel operator.

Meeting Attendees will average 2.5 hours for each vehicle, which is a blended rate between weekday luncheon or dinner meetings and weekend weddings and similar family events.

Retail patrons that drive exclusively for the purpose of this destination are expected to have an average duration of 1.0 hour.

Beachgoers are expected to stay for a duration consistent with existing experience at the surface lot and Pompano Beach Boulevard, or 2.4 hours.

Revenue Generation

The next step in pro forma development is the estimation of revenues based on the hours of parking forecast in the previous step. Given that the City has maintained its rate at the lower range of parking rates in coastal Broward County, we have a high degree of confidence in the ability of the Parking Enterprise Fund to generate these revenues given the apparent elasticity in the rates in the area. Again, to emphasize the conservative approach to the analysis, the hourly rates used to develop the forecasts were at \$1.25 per hour, which is the rate currently in force. Valet parking is considered important to the restaurant operation, and is assigned a rate of \$7.50 per parking event, regardless of duration.

The resulting revenue generation for each of the first five years of operation from each use is summarized in the following table and discussed in the subsequent text:

First year revenue

FY 2016											
Parker Gross Revenue Generation		<i>Calculate Valet Revenue</i>				<i>Calculate Self Park Revenue</i>					
	Annual Hours or Events	Pct Valet	Valet Revenue	Valet Operating Cost	Adjusted Gross Valet Revenue	Pct Self Park	Self Park Revenue	Revenue Split with hotel	Adjusted Self Park Revenue	Total Adj Gross Revenue	remarks
Restaurants	75,571	0%	\$0	see expense	\$0	100%	\$94,463		\$94,463	\$94,463	valet cost is in operating cost est
Retail	-	2%	\$0	see expense	\$0	98%	\$0		\$0	\$0	valet cost is in operating cost est
Beach	295,650	2%	\$18,478	see expense	\$18,478	98%	\$362,171		\$362,171	\$380,649	valet cost is in operating cost est
									TOTAL	\$475,113	

Second year revenue:

FY 2017											
Parker Gross Revenue Generation		<i>Calculate Valet Revenue</i>				<i>Calculate Self Park Revenue</i>					
	Annual Hours/Events	Pct Valet	Valet Revenue	Valet Operating Cost	Adjusted Gross Valet Revenue	Pct Self Park	Self Park Revenue	Revenue Split with hotel	Adjusted Self Park Revenue	Total Adj Gross Revenue	remarks
Restaurants	491,210	25%	\$418,645	see expense	\$418,645	75%	\$460,510		\$460,510	\$879,155	valet cost is in operating cost est
Retail	15,969	2%	\$2,395	see expense	\$2,395	98%	\$19,562		\$19,562	\$21,957	valet cost is in operating cost est
Beach	295,650	2%	\$18,478	see expense	\$18,478	98%	\$362,171		\$362,171	\$380,649	valet cost is in operating cost est
									TOTAL	\$1,281,761	

Third year revenue:

FY 2018											
Parker Gross Revenue Generation		<i>Calculate Valet Revenue</i>				<i>Calculate Self Park Revenue</i>					
	Annual Hours/Events	Pct Valet	Valet Revenue	Valet Operating Cost	Adjusted Gross Valet Revenue	Pct Self Park	Self Park Revenue	Revenue Split with hotel	Adjusted Self Park Revenue	Total Adj Gross Revenue	remarks
Restaurants	650,748	25%	\$554,615	see expense	\$554,615	75%	\$610,077		\$610,077	\$1,164,692	valet cost is in operating cost est
Retail	21,292	2%	\$3,194	see expense	\$3,194	98%	\$26,082		\$26,082	\$29,276	valet cost is in operating cost est
Beach	295,650	2%	\$18,478	see expense	\$18,478	98%	\$362,171		\$362,171	\$380,649	valet cost is in operating cost est
									TOTAL	\$1,574,617	

Fourth year revenue:

FY 2019											
Parker Gross Revenue Generation		<i>Calculate Valet Revenue</i>				<i>Calculate Self Park Revenue</i>					
	Annual Hours/Events	Pct Valet	Valet Revenue	Valet Operating Cost	Adjusted Gross Valet Revenue	Pct Self Park	Self Park Revenue	Revenue Split with hotel	Adjusted Self Park Revenue	Total Adj Gross Revenue	remarks
Restaurants	768,303	25%	\$654,804	see expense	\$654,804	75%	\$720,284		\$720,284	\$1,375,088	valet cost is in operating cost est
Retail	27,983	2%	\$4,198	see expense	\$4,198	98%	\$34,280		\$34,280	\$38,477	valet cost is in operating cost est
Beach	295,650	2%	\$18,478	see expense	\$18,478	98%	\$362,171		\$362,171	\$380,649	valet cost is in operating cost est
									TOTAL	\$1,794,214	

Fifth (Build out) year revenue:

FY 2020											
Parker Gross Revenue Generation		<i>Calculate Valet Revenue</i>				<i>Calculate Self Park Revenue</i>					
	Annual Hours/Events	Pct Valet	Valet Revenue	Valet Operating Cost	Adjusted Gross Valet Revenue	Pct Self Park	Self Park Revenue	Revenue Split with hotel	Adjusted Self Park Revenue	Total Adj Gross Revenue	remarks
Restaurants	856,469	25%	\$729,945	see expense	\$729,945	75%	\$802,940		\$802,940	\$1,532,885	valet cost is in operating cost est
Retail	48,058	2%	\$7,209	see expense	\$7,209	98%	\$58,871		\$58,871	\$66,080	valet cost is in operating cost est
Beach	295,650	2%	\$18,478	see expense	\$18,478	98%	\$362,171		\$362,171	\$380,649	valet cost is in operating cost est
									TOTAL	\$1,979,614	

As in the previous discussion, each use is estimated individually, accounting for some split between valet users and self parkers. For the restaurants, valet is forecast to be a meaningful portion of the business, comprising a quarter of all the parking events. The remaining uses are all forecast to see a nominal utilization of the valet, perhaps at special events and the like, at one in fifty vehicles.

Expenses

Operating expenses associated with the garage were estimated based on LMG's previous experience and consultation with a large local operator, with the exception of contractual costs solicited directly by the City for management of the garage and valet operations. While a garage of this size can easily be fully automated, it was anticipated that the City will desire a high level of service for the user that will require "parking ambassadors" and active management. In addition, the valet operation will add labor costs that are accounted for in this estimate. The next largest category of expense will be building power for lighting and the elevator system. The balance of the categories reflects typical experience in a building this size.

Since the previous study, the City has contractually retained third party management services (Denison Parking) for its overall parking operations, inclusive of the management of the parking citation program. In addition, the contractor submitted a bid for garage and valet management services, the proposed expenses for which have been incorporated in the following table. The contractual management expenses are fixed for three years, so the cash flows remain the same until the fourth year when they are escalated by the selected annual inflation rate. It is anticipated that the garage will be open May 2016 and as such garage management expenses have been prorated for that fiscal year. It is anticipated that the valet operations will not commence until fiscal year 2017 (January 1) when planned restaurants to be serviced by the valet services will come online.

EXPENSES:	Monthly	Pro Forma Baseline Annual Expense
Professional Services – Garage Management (Denison Parking)	\$13,964	\$167,568
Claims/Accidents	\$150	\$1,800
Facility Insurance Premiums	\$800	\$9,600
Supplies	\$600	\$7,200
Repairs and Maintenance	\$300	\$3,600
Licenses and Permits	\$100	\$1,200
Telecommunications	\$350	\$4,200
Sweeping/Power Washing	\$750	\$9,000
Professional Services (Other)	\$50	\$600
Printing and Copying	\$150	\$1,800
Signs	\$350	\$4,200
Credit Card Processing Fees	\$1,096	\$13,152
Building Power	\$1,666	\$19,992
Utilities (water/sewer)	\$500	\$6,000
Miscellaneous	\$1,000	\$12,000
Subtotal Expenses (without valet)	\$21,826	\$261,912
Professional Services (Valet-Denison Parking-to come online in FY 2017)	\$8,277	\$99,321
Total Expenses with valet		\$361,233

Cash Flow Projections

The above estimates of revenues and expenses were combined to develop long term cash flow projections for use in developing system operations plans and future debt service models. In consultation with the City's Finance Department, a compound annual growth rate of 3% was applied to both revenue (after the Pier Development Project five year lease up period) and Parking Enterprise Fund operating expenses (expenses after the first three years) to develop a 25 year model. This rate is not meant to predict an annual event regarding rates or expense experience, but rather to smooth out variations expected over the time horizon and provide a guide to planning future operations and financial commitments. The projected cash flows are illustrated below.

It should be noted that projections included herein represents assumptions and expectations in light of LMG's industry experience and reliance on currently available information. These projections are further based on industry trends, data specific to the City's experience and other factors, and they involve risks, variables and uncertainties. As a result, actual performance results may differ from those projected. Consequently, no guarantee is presented or implied as to the accuracy of specific projections contained herein.

Pier Parking Garage and Other Project Components (The Project)

Projections of Income and Expense

			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Adjusted Gross Revenue	CAGR	3%	none	\$475,113	\$1,281,761	\$1,574,617	\$1,794,214	\$1,979,614	\$2,039,003
Operating Expense	CAGR	3%	none	\$164,723	\$336,403	\$361,233	\$372,070	\$383,232	\$394,729
Net Revenue (The Project)			none	\$310,390	\$945,358	\$1,213,384	\$1,422,144	\$1,596,382	\$1,644,274
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Adjusted Gross Revenue	CAGR	3%	\$2,100,173	\$2,163,178	\$2,228,073	\$2,294,916	\$2,363,763	\$2,434,676	\$2,507,716
Operating Expense	CAGR	3%	\$406,571	\$418,768	\$431,331	\$444,271	\$457,599	\$471,327	\$485,467
Net Revenue (The Project)			\$1,693,602	\$1,744,410	\$1,796,742	\$1,850,645	\$1,906,164	\$1,963,349	\$2,022,249
			FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Adjusted Gross Revenue	CAGR	3%	\$2,582,948	\$2,660,436	\$2,740,249	\$2,822,457	\$2,907,131	\$2,994,344	\$3,084,175
Operating Expense	CAGR	3%	\$500,031	\$515,032	\$530,483	\$546,397	\$562,789	\$579,673	\$597,063
Net Revenue (The Project)			\$2,082,917	\$2,145,404	\$2,209,766	\$2,276,059	\$2,344,341	\$2,414,672	\$2,487,112
			FY 2036	FY 2037	FY 2038	FY 2039			
Adjusted Gross Revenue	CAGR	3%	\$3,176,700	\$3,272,001	\$3,370,161	\$3,471,266			
Operating Expense	CAGR	3%	\$614,975	\$633,424	\$652,427	\$672,000			
Net Revenue (The Project)			\$2,561,725	\$2,638,577	\$2,717,734	\$2,799,266			

Note: Operating expenses exclude valet operational expenses in 2016 as valet starts 1/1/17. Garage mgmt. expenses prorated as of opening 5/1/16. Expenses are inflated starting in 2019 by 3% and Revenues by 3% starting in 2021.

CAGR=Compound Annual Growth Rate

Parking Enterprise Fund Projected Cash Flows	FISCAL YEAR						
	2015	2016	2017	2018	2019	2020	2021
NET REVENUES (THE PROJECT)	-	310,390	945,358	1,213,38	1,422,14	1,596,38	1,644,27
CURRENT PARKING (NON PROJECT) NET REVENUES	500,000	500,000	500,000	500,000	500,000	500,000	500,000
SURPLUS FUNDS	500,000	810,390	1,445,35	1,713,38	1,922,14	2,096,38	2,144,27
	FISCAL YEAR						
	2022	2023	2024	2025	2026	2027	2028
NET REVENUES (THE PROJECT)	1,693,602	1,744,410	1,796,742	1,850,645	1,906,164	1,963,349	2,022,249
CURRENT PARKING (NON PROJECT) NET REVENUES	500,000	500,000	500,000	500,000	500,000	500,000	500,000
SURPLUS FUNDS	2,193,602	2,244,410	2,296,742	2,350,645	2,406,164	2,463,349	2,522,249
	FISCAL YEAR						
	2029	2030	2031	2032	2033	2034	2035
NET REVENUES (THE PROJECT)	2,082,917	2,145,404	2,209,766	2,276,059	2,344,341	2,414,672	2,487,112
CURRENT PARKING (NON PROJECT) NET REVENUES	500,000	500,000	500,000	500,000	500,000	500,000	500,000
SURPLUS FUNDS	2,582,917	2,645,404	2,709,766	2,776,059	2,844,341	2,914,672	2,987,112
	FISCAL YEAR						
	2036	2037	2038	2039	2040		
NET REVENUES (THE PROJECT)	2,561,725	2,638,577	2,717,734	2,799,266	2,883,244		
CURRENT PARKING (NON PROJECT) NET REVENUES	500,000	500,000	500,000	500,000	500,000		
SURPLUS FUNDS	3,061,725	3,138,577	3,217,734	3,299,266	3,383,244		

Note: This table reflects projected “Project” and current parking system net revenues (as they exist today) that may provide an additional source of non-ad valorem revenue available as a source of repayment for financing obtained for The Project.

CITY OF POMPANO BEACH

ESTIMATED PARKING SYSTEM NET REVENUES AVAILABLE FOR ESTIMATED ANNUAL RENT PAYMENTS

Certificates of Participation (Taxable) "Preliminary" Assumptions:

Amount Financed - \$19.8 million (includes costs of issuance and capitalized interest components)

Interest Rate - 4.2%

Lease Term - 25 years

	FISCAL YEAR						
	2015	2016	2017	2018	2019	2020	2021
GARAGE (PROJECT) NET REVENUES ⁽¹⁾	-	310,390	945,358	1,213,384	1,422,144	1,596,382	1,644,274
CURRENT PARKING (NON GARAGE) NET REVENUES ⁽²⁾	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Parking System Reserve Funds ⁽³⁾	-	356,896	362,328	1,002,728	1,701,154	2,462,939	3,473,791
Total Surplus Funds Available for Annual Rent Payments	500,000	1,167,286	1,807,686	2,716,112	3,623,298	4,559,322	5,618,065
Less: Annual Rent Payment	(143,104)	(804,958)	(804,958)	(1,014,958)	(1,160,359)	(1,085,531)	(1,101,150)
Carryforward	356,896	362,328	1,002,728	1,701,154	2,462,939	3,473,791	4,516,915
Net Revenues & Reserve Funds Coverage of Annual Rent Payment	3.49	1.45	2.25	2.68	3.12	4.20	5.10

⁽¹⁾ Source: Lansing Melbourne Group LLC Pier Parking Garage Demand & Revenue Study (March 2015)

⁽²⁾ Illustrated as remaining flat to be conservative

⁽³⁾ Represents Parking Enterprise Fund Reserve Funds to be utilized to cover Annual Rent Payments as Garage (Project) revenues ramp up following development of parcels by the Pier Developer. Only anticipated to be needed in fiscal year 2015 & possibly fiscal year 2016.

	FISCAL YEAR						
	2022	2023	2024	2025	2026	2027	2028
GARAGE (PROJECT) NET REVENUES ⁽¹⁾	1,693,602	1,744,410	1,796,742	1,850,645	1,906,164	1,963,349	2,022,249
CURRENT PARKING (NON GARAGE) NET REVENUES ⁽²⁾	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Parking System Reserve Funds ⁽³⁾	4,516,915	5,573,967	6,648,945	7,740,482	8,852,574	9,979,157	11,129,699
Total Surplus Funds Available for Annual Rent Payments	6,710,517	7,818,377	8,945,687	10,091,127	11,258,738	12,442,506	13,651,948
Less: Annual Rent Payment	(1,136,550)	(1,169,432)	(1,205,205)	(1,238,553)	(1,279,581)	(1,312,807)	(1,353,307)
Carryforward	5,573,967	6,648,945	7,740,482	8,852,574	9,979,157	11,129,699	12,298,641
Net Revenues & Reserve Funds Coverage of Annual Rent Payment	3.97	4.77	5.52	6.25	6.92	7.60	8.22

	2029	2030	2031	2032	2033	2034	2035
	GARAGE (PROJECT) NET REVENUES ⁽¹⁾	2,082,917	2,145,404	2,209,766	2,276,059	2,344,341	2,414,672
CURRENT PARKING (NON GARAGE) NET REVENUES ⁽²⁾	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Parking System Reserve Funds ⁽³⁾	12,298,641	13,485,989	14,692,136	15,920,044	17,170,462	18,444,555	19,743,912
Total Surplus Funds Available for Annual Rent Payments	14,881,558	16,131,393	17,401,903	18,696,103	20,014,804	21,359,226	22,731,024
Less: Annual Rent Payment	(1,395,569)	(1,439,257)	(1,481,859)	(1,525,641)	(1,570,249)	(1,615,314)	(1,665,452)
Carryforward	13,485,989	14,692,136	15,920,044	17,170,462	18,444,555	19,743,912	21,065,572
Net Revenues & Reserve Funds Coverage of Annual Rent Payment	10.66	11.21	11.74	12.25	12.75	13.22	13.65

	FISCAL YEAR				
	2036	2037	2038	2039	2040
GARAGE (PROJECT) NET REVENUES ⁽¹⁾	2,561,725	2,638,577	2,717,734	2,799,266	2,883,244
CURRENT PARKING (NON GARAGE) NET REVENUES ⁽²⁾	500,000	500,000	500,000	500,000	500,000
Parking System Reserve Funds ⁽³⁾	21,065,572	22,411,114	23,782,417	25,181,667	26,606,352
Total Surplus Funds Available for Annual Rent Payments	24,127,297	25,549,690	27,000,152	28,480,933	29,989,596
Less: Annual Rent Payment	(1,716,183)	(1,767,273)	(1,818,485)	(1,874,581)	(1,930,105)
Carryforward	22,411,114	23,782,417	25,181,667	26,606,352	28,059,491
Net Revenues & Reserve Funds Coverage of Annual Rent Payment	14.06	14.46	14.85	15.19	15.54