

**Lynchburg Parking Authority Minutes**  
**City Hall – Second Floor, Training Room**  
**900 Church St., Lynchburg, VA, 24504**  
**Thursday, May 16, 2013**  
**3:00 P.M. – 4:00 P.M.**

**Members Present:** Chairman, Brandon Farmer  
Vice Chair, Ed Koepenick  
Council Member, Randy Nelson  
Thorne McCraw  
Tobi Jaeger  
Urs Gabathuler  
Jackie Wilkes

**Members Absent:**

**Staff Present:** Norman Hale, Ivetta Campbell, Anna Bentson, Don DeBerry, Gaynelle Hart, Kent White, Dave Owens, Danny Marks,

**Others Present:** Alicia Petska (News & Advance) and Dr. Charles Catalano (1001 Commerce St. LLC)

The meeting was called to order by Chairman, Farmer.

Tobi Jaeger requested corrections be made to the April 25, 2013 meeting minutes. "Church Street" should be changed to "Court Street" in the following sentence on page 2 of 4 - "Launching a pilot program on Church Street is feasible because those people have to be there." On page 3 of 4, Ms. Jaeger suggested "rescinding" might not be the correct term in the sentence, "Rescinding the Parking Authority could be an additional option." Ms. Jaeger suggested rephrasing the sentence. The April 25, 2013 meeting minutes were approved as amended, 7 to 0.

No Comments from the Public

No Comments from Authority Members

Informational Briefs & Updates

- Parking Manager, Norman Hale: Parking demands have increased in the area from 11<sup>th</sup> to 13<sup>th</sup> Street in the Central Business District. We have received some concerns (not complaints) of off-street parking availability in those areas, especially from residents. We are working with various private parking lot owners to open their facilities (if they have capacity) including 1001 Commerce St. LLC, which is on the agenda for consideration.
- Council Member, Randy Nelson: Other than low revenues, what is the biggest obstacle or reluctance for private owners to open their facilities to the public or allowing the City to manage those facilities?
- Most private parking lot owners have not responded whether or not if they willing to let the City Manage their parking facilities.
- Chairman, Brandon Farmer: The Bank of the James has two surface lots and a deck. If we open the lots for weekends/nights, and those people haven't left by the time our employees come into work in the morning then there would be no parking for our employees or customers.

No Reports

## Action Items

### ➤ Parking Recommendations

- 1) Reorganize all Central Business District parking related activities under the Parking Management Department.
  - ◆ No further discussion.
  - ◆ Vice Chair, Ed Koepenick: Motion to present to Council as recommended.
  - ◆ Ms. Jaeger: Second the motion.
  - ◆ Parking Authority: Passed 6 to 0 and 1 abstention (Mr. Nelson abstained from voting).
- 2) Strengthen the Parking Authority through the creation of a Parking Enterprise Fund where all parking related revenues and expenses fall under their purview.
  - ◆ Further Discussion:
    - Mr. Farmer: Mr. Hale and I have discussed that this recommendation is not an immediate need rather a long-term goal for the Parking Authority. We would like to put this recommendation into place and pursue this goal as we mature as a group/entity.
    - Mr. Hale: In a previous meeting, the City Manager stated that there are procedures and legal requirements to satisfy before we establish the Parking Enterprise Fund.
    - Mr. Gabathuler: We need to present first how we're going to make the revenues. I believe recommendation #2 should be switched with recommendation #6.
    - Mr. Hale: As a note, this is not the exact order of how these recommendations will be presented to Council. The recommendations can be listed in any order the Parking Authority chooses.
  - ◆ Mr. Koepenick: Motion to present to Council as recommended.
  - ◆ Jackie Wilkes: Second the motion.
  - ◆ Ms. Jaeger: I'm opposed.
  - ◆ Ayes: Mr. Farmer, Mr. Koepenick, Mrs. Wilkes, Mr. McCraw, Mr. Gabathuler
  - ◆ Noes: Ms. Jaeger
  - ◆ Parking Authority: Passed 5 to 1 and 1 abstention (Mr. Nelson abstained from voting).
- 3) Increase monthly permit holder rates by \$10 in Mid-Town and Clay Street decks and \$5 in City surface lots and increase all resident monthly permits by \$5 per month.
  - ◆ Further Discussion:
    - Mr. Koepenick: Are the current resident and surface lot rates \$25 per month?
    - Mr. Hale: Residential rates are \$25 per month. Surface lots cost either \$25 or \$40 per month dependent on the location.
    - Mrs. Wilkes: Can we make this recommendation without City Council approval? Will this proposed change raise the parking permit fees to the market rate?
    - Mr. Hale: The proposed change would increase the City's rates closer to the market rate.
    - Mr. Farmer: In the Desman report it showed the City's rates were undervaluing the spaces.
    - Mrs. Wilkes: Should we put an effective date for this recommendation?
    - Mr. Hale: I recommend that any rate increases should occur after July 1, 2013 during the next Fiscal Year (FY). We have to give permit holders at least a 30 day notice.
    - Urs Gabathuler: If we haven't established an Enterprise Fund, then where are all the revenues being deposited?
    - Mr. Hale: Although we don't have an Enterprise Fund established, a Reserve for Parking has been created through our Finance Department. Each type of revenue (Holiday Inn Lease, Paid Hourly Parking, Permit Fees, and Parking Fines) has their own general ledger code so we can compare our actual revenues to budgeted revenues. FY 2012, Parking Management exceeded the budgeted revenues by approximately \$65,000. We are on target to exceed budgeted revenues for FY 2013. Parking generated revenues greater than the annual expenditures will be assigned to the Reserve for Parking.
    - Mr. Gabathuler: Can the Parking Authority spend that reserve as they deem fit such as new parking enforcement vehicles, etc.?
    - Mr. Hale: All revenue generated from parking downtown provides funding for the management and operation of parking facilities; maintenance, security, streetscape

improvements, and other downtown amenities. However, the Parking Authority should seek approval from City Council to spend those funds.

- o Mr. Nelson: The City could use the Reserve for parking funds for anything they deem appropriate as long as the operational and overhead costs for the Parking Management Department are being covered.
- o Mr. Hale: States that Resolution #R-06-030, dated March 28, 2006, amending the Articles of Incorporation of the Lynchburg Parking Authority, "All monies received by the Authority shall be deemed to be trust funds, to be held and applied as authorized under the 'Lynchburg Parking Authority Act'. The Authority shall designate a fiscal agent to act as a trustee of such monies who shall hold and apply the same as instructed by the Authority." Currently, the Finance Department acts the fiscal agent.
- o Mr. Gabathuler: I don't think we just need to increase the rates because it will increase the "pain level" too high. I think the Parking Authority needs to get control over on-street and off-street parking. Once we have all of our revenue options, then we can determine if we need to raise the parking fees.
- o Mr. Farmer: There are two reasons why we need to raise the parking fees. Even we exceed the budget annually \$65,000, we will need substantially more funds to start the Enterprise Fund process. We need millions to service debt, own realty, and maintain facilities. We are artificially depressing the prices and this is the reason most private owners do not want to take on this venture.
- o Mr. Gabathuler: I still think it makes sense to start with the on-street paid parking, which will encourage customers to take advantage of the lower rates in the lot. We cannot raise the off-street rate, and not have the on-street paid parking in place.
- o Mr. Nelson: You make a good point, Urs. By raising the off-street parking rates, you will drive more people on-street since on-street parking is free. Do you feel we should validate the rate increase, but start the rate increase at a later date or when another recommendation comes into effect?
- o Mr. Koepenick: I believe Urs is saying that we need to adopt recommendation 6. Once the City gives us the authority over on-street and off-street then we can launch the pilot program, review the revenues, and determine whether or not the rates need to be raised.
- o Mr. Gabathuler: As of right now, I do not approve of increasing any of the rates. We need to have on-street and off-street authority first.
- o Ms. Jaeger: I agree with Urs. We are going to add more spaces to our parking inventory if we begin managing the SunTrust Parking Deck. If we increase our supply, then we will not have excessive demand for parking to validate the higher parking permit fees.
- o Mr. Hale: If there are no controls over on-street parking, then off-street facilities will not generate enough revenues to cover operational costs. People will continue to park on-street longer than time limits allow.
- o Ms. Jaeger: I believe we all have somewhat agreed that some sort of on-street paid parking must be implemented. The extent of how much on-street paid parking needed is debatable. I think the permit rates are undervalued. However, we should recommend raising the rates when City Council approves the construction of the new deck or at a later date to be determined by the Parking Authority.
- o Mr. Hale: One goal of today's meeting is for the Authority to vote on the recommendations in order to include that information in the report to City Council. The Authority has thoroughly discussed these items during previous meetings.
- o Mr. Nelson: The Parking Authority can make the recommendations and present them as a package to address the parking problem, but not implement them until approved by Council.
- o Mr. Gabathuler: Are you saying that we should recommend increasing the rates but not specify the dollar amount?
- o Mr. Nelson: My understanding is that the Parking Authority deems the recommendation as appropriate, but the dollar amount may not be appropriate a year or two from now. The recommendation is made and it is stated that the recommendation will not be put into effect until approved by Council.

- o Mrs. Wilkes: When was the last time the rates were increased?
  - o Mr. Hale: The rates were raised about 5 years ago. I agree with Tobi. Vote to recommend raising the rates at a date to later be determined by the Parking Authority.
  - o Mrs. Wilkes: Would it not send the proper message to City Council, that we are willing to do our part and raise the rates to market value to the earn revenue to build the deck? I think that bears consideration.
  - o Mr. Farmer: Council asked us to discuss the study in its entirety, address the recommendations and create a complete report.
  - ◆ Mr. Koepenick: Motion to present to Council as recommended.
  - ◆ Thorne McCraw: Second the motion.
  - ◆ Ayes: Mr. Farmer, Mr. Koepenick, Mrs. Wilkes, Mr. McCraw, Ms. Jaeger
  - ◆ Noes: Mr. Gabathuler
  - ◆ Parking Authority: Passed 5 to 1 and 1 abstention (Mr. Nelson abstained from voting).
- 4) Increase hourly parking rates from \$0.25 to \$0.50 in the Mid-Town Parking Deck.
- ◆ Further Discussion:
    - o Mr. Gabathuler: I think that we are going to make people angry before we get them on our side for the on-street paid parking.
    - o Mr. Nelson: These are parking strategies being recommended. These are ideas being proposed, not enacted.
  - ◆ Mr. Koepenick: Motion to present to Council as recommended.
  - ◆ Mr. McCraw: Second the motion.
  - ◆ Ayes: Mr. Farmer, Mr. Koepenick, Mrs. Wilkes, Mr. McCraw, Ms. Jaeger
  - ◆ Noes: Mr. Gabathuler
  - ◆ Parking Authority: Passed 5 to 1 and 1 abstention (Mr. Nelson abstained from voting).
- 5) Test the operational requirements and merits of an on-street fee-based parking management strategy (multi-space or single-space meters) in selected areas through a pilot program.
- ◆ Further Discussion:
    - o Mr. Farmer: I would like to see recommendations #5 & #6 combined. If we are provided on-street oversight, then our plan would be to first pilot the program in a specific area to test functionality, responsiveness, usability, etc.
  - ◆ Mr. Koepenick: Motion to combine recommendations #5 & #6 to present to Council.
  - ◆ Ms. Jaeger: Second the motion.
  - ◆ Ayes: Mr. Farmer, Mr. Koepenick, Mrs. Wilkes, Ms. Jaeger, Mr. Gabathuler
  - ◆ Noes: Mr. McCraw
  - ◆ Parking Authority: Passed 5 to 1 and 1 abstention (Mr. Nelson abstained from voting).
- 6) Recommend Council to delegate the Parking Authority oversight of on-street and off -street operations.
- ◆ See Recommendation #5.
- Management of the SunTrust Deck (1001 Commerce St. LLC)
- 1) Maintenance Issues
- ◆ Mr. Koepenick: From what I understand, the reason why we are having an issue with taking over management of this deck is for the number of maintenance issues. Have these issues been resolved?
  - ◆ Mr. Hale: We are currently working with 1001 Commerce St. LLC and its partners. The City identified 5 items as concerns that need to be resolved before the Parking Authority can manage the deck. Dr. Charles Catalano is here today if he would like to speak on the progress. We are waiting on some additional information that needs to be included in the Engineering Report, however, this process is moving forward.
- 2) Progress
- ◆ Dr. Catalano: At the first meeting when I offered this agreement, I said it would be a temporary arrangement (meaning if it did not work out). Since then, the partners and I have really reflected on this project, and feel the best arrangement is to allow the City to manage the SunTrust Deck. I expect it to be a long-term relationship, especially if it provides an

- economic benefit to both parties. We are not in this business to provide a public service rather we want a return on our investment. Neither partner is interested in the business of deck management. The deck was purchased in conjunction with other development projects.
- o Master's Engineering who performed the 2006 & 2009 appraisal of the deck stated the deck is structurally sound but there were some repair issues. 1001 Commerce St. LLC is currently on their docket. The Engineering Report will be completed soon in conjunction with the J.E. Jamerson Report which will detail the cost analysis of their recommendation.
  - o 1001 Commerce St. LLC is in the process of applying for a loan with the Department of Economic Development. Unfortunately, there's a bottleneck because we need the Engineering Report in order to move forward with the loan process.
- ◆ Dr. Catalano: We would be more than happy to enter into some type of temporary arrangement while we are working on these issues. Long-term, the City may want to consider purchasing the SunTrust Deck. I believe that this deck will be integral to downtown revitalization.
  - ◆ Mr. Nelson notified the Parking Authority that he has represented 1001 Commerce St. LLC long before he was voted to Council. He will abstain from voting or speaking on this issue because it would be a conflict of interest.
  - ◆ Mr. Hale: The 5 items need to be completed before the City will move forward with the project. However, once the Engineering Report is received by the City and shows that the deck is structurally sound or up to code, there shouldn't be any objection why the Parking Authority cannot move forward with an agreement while the repairs are being completed. The biggest hold up is the Engineering Report.
  - ◆ Ms. Jaeger: I don't want to agree to anything unless we're going to make a profit. If we put a flat fee on each space to manage it, what does it cost us per space to manage the facility and what is the estimated net profit per space?
  - ◆ Mr. Hale: Previously, I provided some revenue scenarios to the Parking Authority, but we would be more than happy to provide that information again. We don't create a management agreement based on per space costs. We calculate the upstart: signs, pay stations, and permits, etcetera. We can provide you with the estimated startup costs, the projected profit, and how we derived those figures.
  - ◆ Ms. Jaeger: I haven't examined both decks, but I would presume that the SunTrust Deck is similar to the Mid-Town Deck. I would presume that you have the Mid-Town revenues and expenses per space already. If we don't know the cost per space, then we can't determine the appropriateness of receiving 20% of net revenues. I think you can quantify cost of the signs, equipment, labor, etc., in order to determine a cost per space.
  - ◆ Mr. Farmer: We are out of time and the Engineering Report is an important piece of this agreement. Let's table this discussion until the next meeting. Norman, please have the expenses for us to review at the next meeting.

#### No Old Business Items to Discuss

#### No New Business Items

Chairman, Brandon Farmer adjourned the meeting.

#### Next Steps

- Next meeting will be held on June 11, 2013 at 3:00 P.M., City Hall, 2<sup>nd</sup> Floor, Training Room