

**TOWN OF LAUDERDALE-BY-THE-SEA
TOWN COMMISSION
SPECIAL MEETING
Jarvis Hall
4505 Ocean Drive
Tuesday, December 9, 2014
5:00 PM**

1. CALL TO ORDER

Mayor Scot Sasser called the meeting to order at 5:00 p.m. Also present were Vice Mayor Chris Vincent, Commissioner Mark Brown, Commissioner Stuart Dodd, Commissioner Elliot Sokolow, Town Manager Connie Hoffmann, Assistant Town Manager Bud Bentley, Assistant to the Town Manager Pat Himmelberger, Town Attorney Susan L. Trevarthen, Assistant Development Services Director/Town Planner Linda Connors, Municipal Services Director Don Prince, Public Information Officer Steve d'Oliveira, and Town Clerk Tedra Smith.

2. DISCUSSION ITEM

a. Presentation of Parking Study Results & Recommendations (Connie Hoffmann, Town Manager)

Mayor Sasser noted that public comments will be taken following the presentation.

Christian Luz of Desman Associates advised that the presentation will include preliminary findings and recommendations for the Parking Strategic Plan (PSP). Mr. Luz emphasized that none of the recommendations are concrete at this point, as there are a number of options to be reviewed. The goal of the PSP is to meet the Town's parking needs over the next five to ten years while maintaining the Town's existing character, resolving an undersupply of parking in a financially feasible manner, and supporting the Town Commission's view of the role public parking plays in business development.

Mr. Luz reviewed elements of the PSP, which are as follows:

- A review of existing parking conditions;
- Future land use scenarios;
- A parking rate survey and recommended rates;
- Investment of parking revenue;
- Determination of whether or not additional parking is necessary;
- The restaurant exemption program;
- The feasibility of a parking garage.

The Parking Strategic Plan is organized into categories that address these issues. One category is supply and demand, which analyzes existing conditions, including peak season occupancy. Mr. Luz explained that occupancy studies during this period focused

on different parking areas: beach parking, surface lot and on-street parking, and parking within the commercial business district (CBD), which was identified as the area moving away from the ocean along Commercial Boulevard. He reviewed the findings of the PSP during the peak season, which did not reach 85%, or capacity, through the week but approached this percentage on weekends, primarily due to beach parking.

Mr. Luz advised that the study seeks to understand how often the parking system is at capacity. This was determined by reviewing pay station data for the largest lots in the beach area: El Mar, A1A, El Prado, and Minto. The data showed the number of days when each lot was at or above 85% occupancy for three or more hours during the day, which ranged from 288 to 58 days for the four lots. Data gathered during the evenings was consistent with these findings as well.

The study considers two potential scenarios. One of these is a no-build scenario, which manages demand rather than creating more supply. This may be accomplished by rate differentials, expansion of Fort Lauderdale's Sun Trolley system into Lauderdale-By-The-Sea, as well as other non-construction methods. The alternate scenario would build a parking garage, although Mr. Luz pointed out that this may not be necessary, as the study does not show the Town at full capacity. A garage would include up to 300 spaces, for which there is not current demand. It is financially feasible to support a parking garage through the Town's parking fund, although this would require rate increases.

Mr. Luz moved on to the restaurant exemption program, noting that its drawbacks include an increase in demand for a limited number of spaces during the peak season, effects on the commercial district as restaurant customers use parking in front of storefronts, and overall cost. If the exemption program continues, it is likely the Town will need to purchase property on which a surface lot can be built. Mr. Luz concluded that the program serves a limited group of property owners at an expense of between \$33,000 and \$44,000 per space exempted, and recommended that it be allowed to sunset.

The PSP also considers managing parking through pricing. The daily and hourly rates of peer communities, including Boca Raton, Delray Beach, Pompano Beach, Hollywood, and Fort Lauderdale, were evaluated for this portion of the study. It was determined that Lauderdale-By-The-Sea's rates are near the median or below most of these cities, which means there is room for the Town to increase its rates. This would encourage a shift from on-street to more remote locations for longer-term parking. It was recommended that lower rates be maintained for off-street parking.

He moved on to discuss uses of parking revenue, noting that the Town's parking fund is currently strong and self-supporting. If the Town decides to construct a parking garage in the future, reserves from the parking fund may be used toward this goal; another option would be using these reserves for other improvements in the community.

Lauderdale-By-The-Sea
Parking Presentation and Public Meeting
December 9, 2014

The recommended rate schedule would implement the first increase from \$1.50 to \$2 for the beach district on March 1, 2015. Most other rates would be no more than \$1.75, with fees decreasing farther from the beach and closer to the CBD. Daily rates would remain the same.

Another potential factor is the impact of land use conversion from retail to restaurant use in the Downtown area, which would result in a need for 37 additional spaces. The Town would need to consider ways to add these spaces through an economic development mechanism. It was recommended that no land use changes be made without a corresponding change in parking.

Another possibility that has been suggested in the past is private sector ownership of parking. Mr. Luz advised that this would not be a financially viable application in the Town due to land costs, the Town's height limitation, and low density.

He reviewed the positive and negative aspects of the Town's existing lots and facilities, as well as the feasibility of building a garage on the A1A lot and the estimated cost of parking spaces. Constructing a garage on the existing lot would mean the loss of the surface parking spaces and their revenue during construction. Other surface lot options include purchasing an existing building, demolishing it, and constructing a lot on the site, which would also be an expensive option.

In comparison to the build alternative, Mr. Luz observed that an adjusted existing condition pro forma showed that rate increases of approximately 50 cents would be unlikely to dissuade potential customers, while simultaneously increasing revenue per space by 50%. This was compared to the estimated costs, including operations, of a garage on the A1A lot. Parking fund cash would be sufficient to cover about \$3 million of the cost of a garage, as well as reducing the amount of funds to be borrowed. That would leave roughly \$6.2 million in remaining costs to borrow, which was modeled at an interest rate of 4% over 10 or 15 years. Over a 10-year term, the cost of a garage would total roughly \$21 million with principal, interest, and operating costs. If financed over a 15-year term, the cost of building, financing and operating the garage would come to approximately \$28.6 million.

In summary, based on Desman Associates' pro formas, the consultants believed the Town's parking fund should be able to support the development and operating costs associated with a new garage, although this would place significant stress on the system and would require that all parking fund revenue be dedicated toward the garage. Mr. Luz emphasized that none of the scenarios presented to the Town would prevent them from building a garage on the A1A lot in the future. He noted that there are multiple financing alternatives available to the Town, including payment in lieu of parking, which allows payment to be made by a business in lieu of providing its own parking as required by Code. Other options include general obligation bonds, utility assessment districts, tax increment financing, revenue bonds, and public-private

partnerships. The PSP's recommendation is for the Town to institute a payment in lieu of parking to help fund the construction of new parking.

Town Manager Connie Hoffmann observed that the Town's record of accumulating money in its parking fund is relatively recent, which means the Town does not have sufficient history to earn a good interest rate on revenue bonds. By comparison, a general obligation bond would require the Town's voters to approve the debt; however, if insufficient revenue is generated by the parking system, the Town would be able to raise taxes to cover this debt.

Mr. Luz continued that in order to establish a payment in lieu policy, the PSP must include the cost of expanding infrastructure, a reasonable time frame in which the Town must make investment in creating parking, and a payment in lieu fee that correlates with the cost of expanding the parking system. In Lauderdale-By-The-Sea, the cost of providing additional parking spaces is approximately \$33,000 per space for a new surface parking lot, or \$44,000 per net new space in a garage built on the A1A parking lot site. The payments in lieu would be used to help the Town fund parking expansion.

At this time Mayor Sasser opened the floor to public comment.

Edmund Malkoon, resident, suggested that more of the western spaces in the parking exemption program could be used if the Pelican Hopper operates on the weekends as a parking trolley system, which could be advertised in restaurants. With regard to the rate structure, he pointed out that if spaces on the east side are more expensive than on the west side, customers will not necessarily know there is a difference in rates.

Ron Piersante, resident, agreed that rates should be used as an incentive for beachgoers to park in the Town's lots rather than in the Downtown area. Mayor Sasser acknowledged that this incentive would need to be clearly communicated to both customers and beachgoers.

Mr. Luz addressed the suggestion of modular parking, advising that it can be challenging to implement this system on a small lot. In addition, Florida building Code requires that these structures have a foundation instead of being bolted down.

Peter Flotz of the Lansing Melbourne Group advised that the garage being constructed in Pompano Beach is being done in part to create an active entertainment district in addition to its beaches. He also noted that while there is a tipping point after which visitors would be unwilling to pay parking rates, an increase of 25 to 75 cents would make little difference to the customer.

Commissioner Sokolow commented that the presentation seemed to show that, without additional surface parking or a garage, the Town would not be able to accommodate new restaurants. He advised against discontinuing the restaurant exemption program without first clearly reviewing and understanding the ramifications of such an action.

Commissioner Brown stated that while the PSP may show there is no parking shortage, the public perception remains that parking in Lauderdale-By-The-Sea is difficult. He recommended the short-term goal of adding a few parking spaces where possible. He was not supportive of building a garage at this time, pointing out that the A1A lot's irregular shape would make this a difficult location for a parking structure.

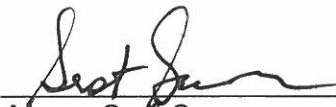
The Commissioners also discussed the possible role of land acquisition to expand parking, which Vice Mayor Vincent felt was the most strategic approach. He also agreed with Commissioner Brown that the expense of a parking garage would be too great for the Town.

Commissioner Dodd added that there was no guarantee that there would be sufficiently increased demand for parking to allow the Town to recoup the expense of building a garage. He spoke in favor of suspending the restaurant exemption program due to its cost.

Mayor Sasser concluded that the Town should take great care in how it wished to expand, as too much parking could have an unwanted effect on the Downtown area. He thanked Mr. Luz, Mr. Flotz, and Finance Director Tony Bryan for their work on the PSP.

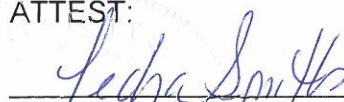
3. ADJOURNMENT

With no further business at this time, the meeting was adjourned at 6:54 p.m.

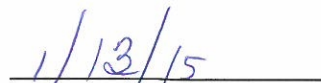


Mayor Scot Sasser

ATTEST:



Town Clerk Tedra Smith



Date