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February 25, 2018

Mr. Robert Rooney
Chief Financial Officer
Village of Ridgewood
131 N. Maple Avenue
Ridgewood, NJ 07450

Re: Preliminary Financial Analysis – FINAL REPORT
Proposed Hudson Street Garage

Dear Mr. Rooney,

Attached please find Walker's Preliminary Financial Analysis of the proposed garage to be constructed on the site of the Hudson Street parking lot. This study is an update of our original 2015 study; the new report includes updated occupancy counts, and incorporates recent financial information from the Village as well as the new proposed stall count for the garage.

We thank you for the opportunity to assist you in your planning, and remain available for questions that may arise.

Sincerely,

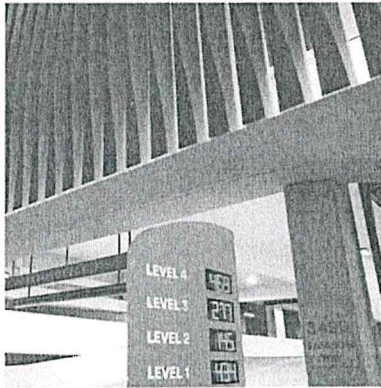
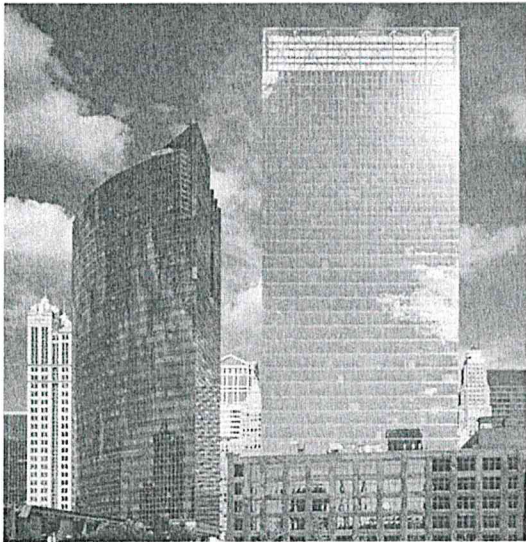
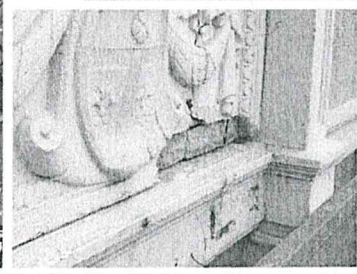
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A handwritten signature in cursive script, appearing to read "Carolyn H. Krasnow".

Carolyn H. Krasnow, Ph.D.
Vice President

A handwritten signature in cursive script, appearing to read "Brian J. Bartholomew".

Brian J. Bartholomew, CAPP
Senior Consultant



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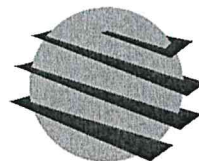
Preliminary Financial Analysis – FINAL REPORT

Proposed Hudson Street Garage

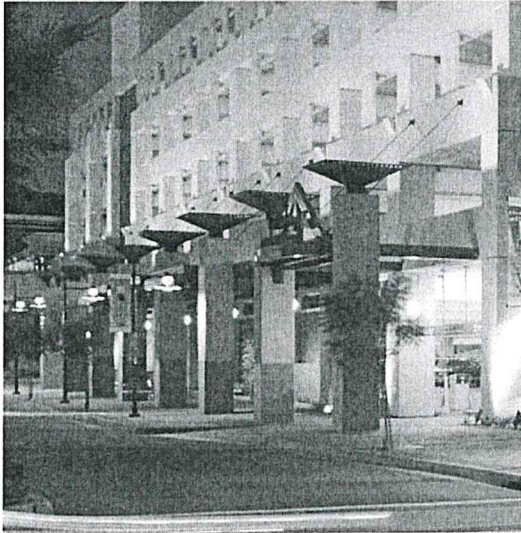
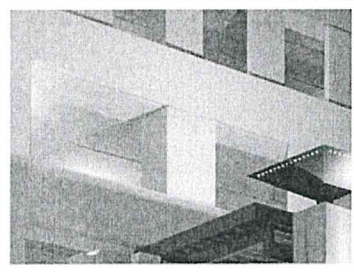
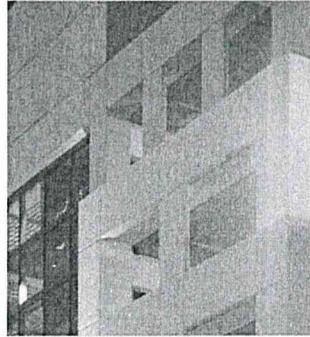
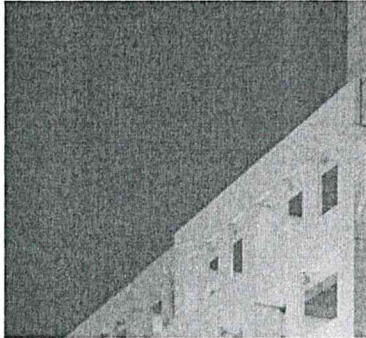
Ridgewood, NJ

February 25, 2018

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Village of Ridgewood



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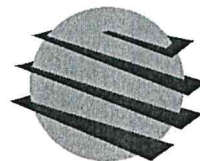
Preliminary Financial Analysis

Proposed Hudson Street Garage

Ridgewood, NJ

February 25, 2018

Prepared for:
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EXECUTIVE SUMMARY

The Village of Ridgewood retained Walker Consultants to prepare an update of a financial analysis for the planned Hudson Street Garage. Walker originally studied the garage's potential revenue stream and expenses in 2015. Our study found that the cost to build and operate the garage would be greater than the revenues from municipal parking in the Village, and that parking rate increases for public parking would be necessary to offset this deficit. The goal was to have the parking system be self-supporting. This 2018 update is intended to revisit revenue and expenses given the changes to the design plan (a smaller garage than originally planned – 240 spaces rather than the initial plan of 350 to 412) and changes in the Village's parking revenue stream that have occurred since the original study was completed.

Walker completed updated occupancy counts in the core area of the Village (bounded by Broad Street, Franklin Avenue, Walnut Street, and Dayton Street) on a weekday and Saturday. Occupancy rates were similar to those found in our initial 2015 study. Rates are unchanged within this core area. Perhaps the biggest change has been the success of the ParkMobile program, which has made parking more convenient for the public but at some cost to the Village since ParkMobile is paid a fee from each parking transaction. As a result, parking revenue has declined since the 2015 study.

Given the revenue decreases, our financial analysis finds that rates will have to increase according to the following schedule in order to achieve a debt service coverage of at least 1.0 when the garage opens in 2020:

- July 2018: Increase all meters by 25¢ to 75¢, and extend meter hours to 8 pm.
- January 2020: Increase all meters by 50¢ to \$1.25.
- January 2025: Increase all meters by 25¢ to \$1.50.

Additionally, we make limited adjustments to the RPP rates, increasing them by \$25 (\$5 for CBD stickers and hang tags) in 2020, 2023, 2026 and 2029.

Some key assumptions of our study include:

- ParkMobile usage will level off in the next few years, but that for the next few years its popularity will continue to grow.
- The new garage will attract roughly 50 commuters from outside Ridgewood, which it should be able to accommodate during weekday commuter hours without impacting Village businesses.
- The Village will earn revenue from parkers currently using the Brogan lot. This includes an estimated 46 commuters (based on occupancy counts in the lot) and some evening parkers since the lot is currently used by restaurants for valet parking. Seventy weekend parkers and 46 weekday parkers are projected.
- The employee parkers that have been using the Ken Smith lot will use the garage at a discount rate of \$80 per month. Based on occupancy counts, we project 78 such parkers.

The Net Operating Income projection is shown in the table below.



PRELIMINARY FINANCIAL ANALYSIS
VILLAGE OF RIDGEWOOD PARKING

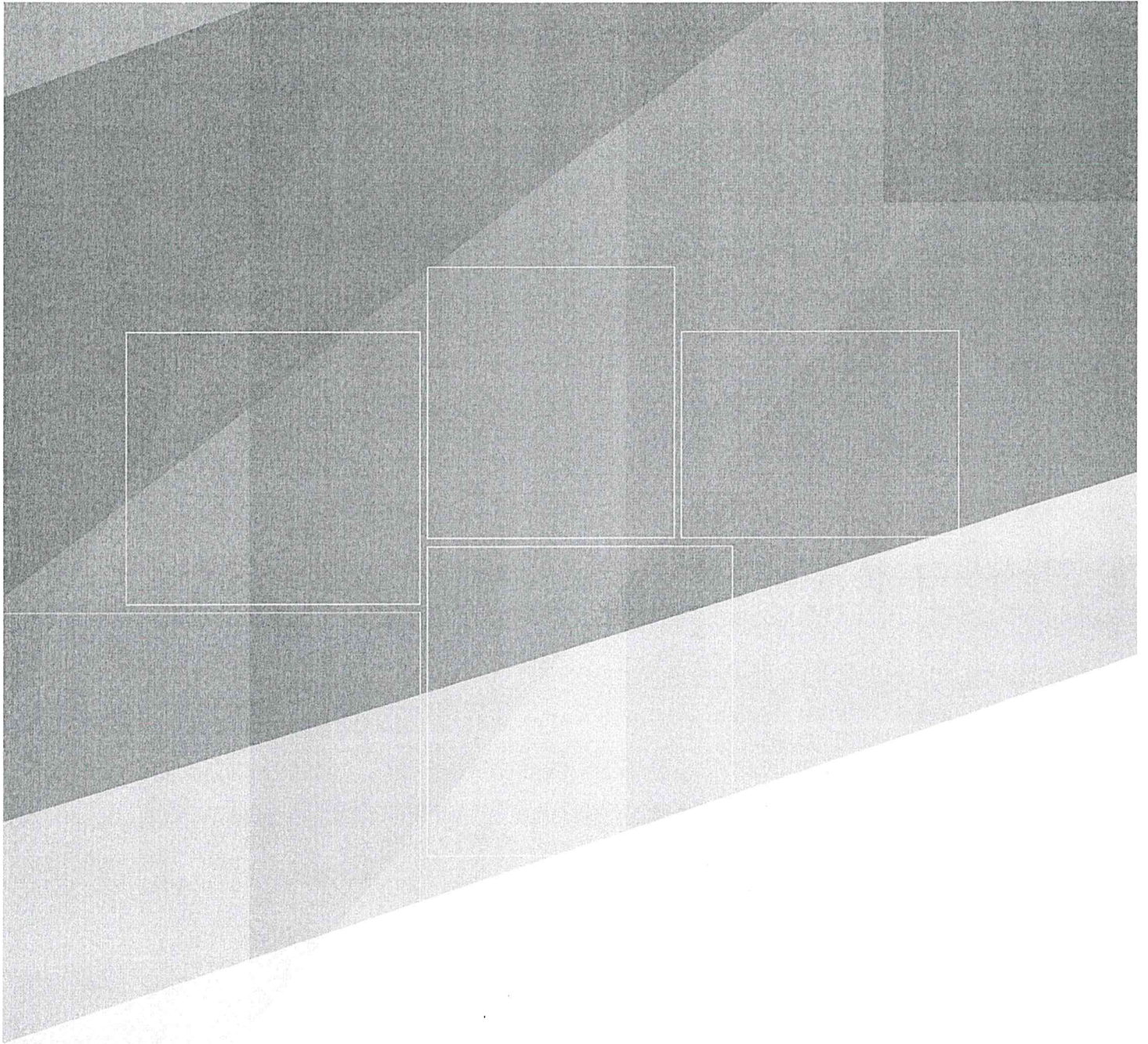
Projected Net Operating Income

	2017 ⁽³⁾	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenues											
Parking Meter and RPP Fees ⁽¹⁾	1,237,000	1,473,000	1,399,000	2,383,000	2,383,000	2,383,000	2,388,000	2,388,000	2,746,000	2,756,000	2,756,000
Other Income ⁽²⁾	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000
New Revenue		<u>80,000</u>	<u>117,000</u>	<u>160,000</u>	<u>163,000</u>	<u>163,000</u>	<u>163,000</u>	<u>165,000</u>	<u>168,000</u>	<u>168,000</u>	<u>182,000</u>
Revenue Subtotal	\$ 1,353,000	\$ 1,669,000	\$ 1,632,000	\$ 2,659,000	\$ 2,662,000	\$ 2,662,000	\$ 2,667,000	\$ 2,669,000	\$ 3,030,000	\$ 3,040,000	\$ 3,054,000
Expenses											
Salaries and Wages	628,150	647,000	666,000	686,000	707,000	728,000	750,000	773,000	796,000	820,000	845,000
Other Expenses	594,150	612,000	630,000	649,000	668,000	688,000	709,000	730,000	752,000	775,000	798,000
Capital Improvements Fund	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Statutory Expenses	81,200	83,636	86,000	89,000	92,000	95,000	98,000	101,000	104,000	107,000	110,000
Operating Expenses - New Garage				<u>259,000</u>	<u>266,800</u>	<u>274,800</u>	<u>283,000</u>	<u>291,500</u>	<u>300,200</u>	<u>309,200</u>	<u>318,500</u>
Expense Subtotal	\$ 1,328,500	\$ 1,367,636	\$ 1,407,000	\$ 1,708,000	\$ 1,758,800	\$ 1,810,800	\$ 1,865,000	\$ 1,920,500	\$ 1,977,200	\$ 2,036,200	\$ 2,096,500
Net Operating Income	\$ 24,500	\$ 301,364	\$ 225,000	\$ 951,000	\$ 903,200	\$ 851,200	\$ 802,000	\$ 748,500	\$ 1,052,800	\$ 1,003,800	\$ 957,500
Debt Service @ 3% (New Garage)			\$ -	\$ (689,000)	\$ (689,000)	\$ (689,000)	\$ (689,000)	\$ (689,000)	\$ (689,000)	\$ (689,000)	\$ (689,000)
Debt Service Coverage Ratio				1.38	1.31	1.24	1.16	1.09	1.53	1.46	1.39

(1) Meter Fees includes on-street, off-street, parkmobile

(2) Other income includes revenue from bagged meters, valet permits, park-and-ride leases, and other revenue sources not included in meter fees. Based on 2017 revenue excluding transfers.

(3) From 2017 Village of Ridgewood Revenue Report



01 Supply and Demand Analysis Section

SUPPLY AND DEMAND ANALYSIS

BACKGROUND

The Village of Ridgewood has been planning for the development of a parking garage on the Hudson Street parking lot on the northeast corner of Hudson and South Broad Streets. The garage is intended to serve the core downtown, which is busy with retail/restaurant activity and also accommodates commuter demand.

Walker studied the finances of the proposed garage in 2015. The study found that an increase in meter rates would be needed to generate enough revenue for the parking system to be self-sufficient while supporting debt service and operating costs of the garage. In this way, the garage would be supported by people driving and parking in the downtown. Walker recommended a series of rate increases over time to offset projected construction and operating costs.

Since that study was done, the garage plans have changed, with a smaller garage now planned. The original garage plan was for between 350 and 412 spaces; the new goal is 240 spaces. Another change that has occurred is the impact of ParkMobile on the Village's parking revenue stream. ParkMobile was new in Ridgewood when the original study was done, but is now more heavily used and in more areas of the Village. ParkMobile allows people to pay for parking using a cell phone, and thus provides a convenient alternative to putting coins in meters. However, ParkMobile charges the Village a percentage of each transaction, reducing the amount the Village gets from each use of a meter. Parking revenue dropped in 2016 and 2017.

The Village has commissioned this new study to update the 2015 study with new financial information from the parking system, and for the smaller garage plan. This study is a preliminary financial analysis that is intended to provide the Village with a conceptual level (order of magnitude) projection of net operating income for budget planning purposes and to help establish a plan for rate increases needed to support parking growth. It is not intended to provide the level of detail required for the process of obtaining financing, and should not be relied on for that purpose.

EXISTING CONDITIONS

The Village commercial district is a roughly 20-block area stretching east from the railroad tracks to Maple Avenue, with Franklin Avenue and Dayton Street forming north and south boundaries. There is public parking west of the railroad tracks, serving the train station. Most of the retail area west of the tracks is served by private, off-street parking lots.

The busiest part of the public parking system is the six-block area bounded by Franklin Avenue on the north, Walnut Street on the east, Dayton Street on the south, and Broad Street on the west. This is the area with the most constricted parking, and which the Village considers to be the market area for the parking analysis.

The study area is shown in Figure 1.

Figure 1 – Study Area



Source: Walker Consultants 2017

The Village is interested to provide public parking within the six-block study area; thus, per Village staff public parking beyond the study area boundary and private parking resources in and outside the study area are not considered in our occupancy analyses or demand projections.

PARKING SUPPLY

There are two categories of public parking in the Study Area:

- On-street parking is metered, with a 15-minute to three-hour time limit on most blocks. There are 254 spaces within the six-block study area. For the most part, on-street parking is signed and restrictions are clearly marked. On-street parking is enforced between 10 a.m. and 6 p.m. Monday through Saturday. The rate is 50¢ per hour.

- There are four public parking lots in the study area, totaling 292 spaces. All public parking is metered with a time limits ranging from three hours to eight hours. The rate is 50¢ per hour.

WEEKDAY CONDITIONS

Occupancy counts were conducted on Wednesday, September 13 between 9 am and 7 pm. The counts included all public lots and on-street spaces in the study area. The results of the survey are shown in Table 1. The overall peak hour occurred at noon, when commuter parking, office parking, and restaurant parking are all at peak. At noon, the parking system in the study area was at 96 percent of capacity. On-street parking was at 98 percent of capacity at this hour, while off-street parking was at 94 percent of capacity.

The high occupancy rate suggests that even though there are likely spaces outside the core blocks—at Cottage Place or farther along Village streets—parkers are willing to circle blocks looking for the last open space or waiting for something to open up, rather than park at a greater distance from their destination.



Table 1: Weekday Parking Occupancy

Block	Location	Inventory	WEEKDAY Occupancy				Peak Hour Occupancy %
			9:00 AM	12:00 PM	2:00 PM	6:00 PM	
OFF-STREET							
3	Walnut Street Lot	88	56	81	79	46	92%
4	Chestnut Street Lot	68	54	68	63	60	100%
10	Hudson Street Lot	76	62	72	73	59	95%
11	Prospect Street Lot	60	23	53	59	43	88%
Subtotal - Off-Street		292	195	274	274	208	94%
ON-STREET							
3	East Ridgewood Ave	9	5	9	9	8	100%
3	Oak Street	20	14	20	20	18	100%
3	North Walnut Street	10	4	10	7	9	100%
4	East Ridgewood Ave	8	6	8	8	8	100%
4	Chestnut Street	18	14	18	16	18	100%
4	Oak Street	11	9	11	10	11	100%
4	Franklin Ave	7	1	7	6	6	100%
5	North Broad St	30	26	30	30	30	100%
5	East Ridgewood Ave	5	3	5	5	4	100%
5	Chestnut Street	16	11	16	14	16	100%
5	Franklin Ave	4	1	4	4	4	100%
10	East Ridgewood Ave	6	4	6	5	6	100%
10	Prospect Street	9	3	9	9	8	100%
10	Hudson Street	10	6	10	9	6	100%
11	East Ridgewood Ave	8	6	8	8	7	100%
11	Prospect Street	7	4	7	7	5	100%
12	East Ridgewood Ave	7	1	7	7	5	100%
12	Dayton Street	13	3	10	8	2	77%
12	Van Neste Sq	46	13	44	37	11	96%
12	South Walnut Street	10	1	10	6	3	100%
Subtotal - On-Street		254	135	249	225	185	98%
Total On- and Off-Street		546	330	523	499	393	96%

Source: Walker Consultants 2017

WEEKEND CONDITIONS

On Saturday September 9, the parking system in the study area was similarly constricted, with 95 percent occupancy off-street, 98 percent occupancy on-street, and 96 percent occupancy overall. Again, this does not mean that no spaces are available within the downtown, but it does suggest that people are crowding the most convenient resources rather than walking farther.



Table 2: Saturday Parking Occupancy

Block	Location	Inventory	Saturday Occupancy				Peak Hour Occupancy %
			11:00 AM	1:00 PM	3:00 PM	7:00 PM	
OFF-STREET							
3	Walnut Street Lot	88	59	61	75	86	98%
4	Chestnut Street Lot	68	41	53	42	68	100%
10	Hudson Street Lot	76	46	57	34	64	84%
11	Prospect Street Lot	60	50	51	58	59	98%
Subtotal - Off-Street		292	196	222	209	277	95%
ON-STREET							
3	East Ridgewood Ave	9	8	9	9	9	100%
3	Oak Street	20	20	20	20	20	100%
3	North Walnut Street	10	10	9	10	10	100%
4	East Ridgewood Ave	8	8	8	8	8	100%
4	Chestnut Street	18	18	17	18	18	100%
4	Oak Street	11	8	10	11	11	100%
4	Franklin Ave	7	7	7	7	7	100%
5	North Broad St	30	29	28	30	30	100%
5	East Ridgewood Ave	5	5	5	5	5	100%
5	Chestnut Street	16	15	16	16	16	100%
5	Franklin Ave	4	4	4	4	4	100%
10	East Ridgewood Ave	6	4	6	6	6	100%
10	Prospect Street	9	7	9	9	9	100%
10	Hudson Street	10	5	9	10	10	100%
11	East Ridgewood Ave	8	4	7	8	8	100%
11	Prospect Street	7	6	7	7	7	100%
12	East Ridgewood Ave	7	7	6	7	7	100%
12	Dayton Street	13	9	11	13	7	54%
12	Van Neste Sq	46	23	31	45	46	100%
12	South Walnut Street	10	8	9	10	10	100%
Subtotal - On-Street		254	205	228	253	248	98%
Total On- and Off-Street		546	401	450	462	525	96%

Source: Walker Consultants 2017

SUMMARY OF FINDINGS

EFFECTIVE PARKING SUPPLY

In evaluating the adequacy of a parking system to accommodate demand, we consider the parking system's "effective supply." It is generally recognized that a parking system does not operate efficiently when streets and lots are too close to capacity. Very high utilization rates result in people circling blocks looking for a space to open up, resulting in excess traffic on the roads and a wasteful level of emissions. Very crowded parking systems also suffer when spaces go out of service due to temporary construction, temporary obstructions such as broken glass or oil slicks, misparked cars, and other factors that constrict the already-busy supply.

The concept of effective supply is that a parking supply operates at peak efficiency when parking occupancy is 85 percent to 95 percent of the supply. Thus, the effective supply is the full inventory reduced to create that five- to 15 percent cushion that supports better circulation.

From this perspective, the public parking within this core area is already operating inefficiently. Table 3 analyzes the parking resources within the study area, using effective supply to evaluate the adequacy of the system to meet peak-hour conditions.

Table 3: Effective Supply Summary

Block	Location	Inventory	Effective Supply	Weekday		Weekend	
				12:00 PM	Adequacy	7:00 PM	Adequacy
OFF-STREET							
3	Walnut Street Lot	88	79	81	-2	86	-7
4	Chestnut Street Lot	68	61	68	-7	68	-7
10	Hudson Street Lot	76	68	72	-4	64	4
11	Prospect Street Lot	60	54	53	1	59	-5
Subtotal - Off-Street		292	262	274	-12	277	-15
ON-STREET							
3	East Ridgewood Ave	9	8	9	-1	9	-1
3	Oak Street	20	17	20	-3	20	-3
3	North Walnut Street	10	9	10	-1	10	-1
4	East Ridgewood Ave	8	7	8	-1	8	-1
4	Chestnut Street	18	15	18	-3	18	-3
4	Oak Street	11	9	11	-2	11	-2
4	Franklin Ave	7	6	7	-1	7	-1
5	North Broad St	30	26	30	-4	30	-4
5	East Ridgewood Ave	5	4	5	-1	5	-1
5	Chestnut Street	16	14	16	-2	16	-2
5	Franklin Ave	4	3	4	-1	4	-1
10	East Ridgewood Ave	6	5	6	-1	6	-1
10	Prospect Street	9	8	9	-1	9	-1
10	Hudson Street	10	9	10	-1	10	-1
11	East Ridgewood Ave	8	7	8	-1	8	-1
11	Prospect Street	7	6	7	-1	7	-1
12	East Ridgewood Ave	7	6	7	-1	7	-1
12	Dayton Street	13	11	10	1	7	4
12	Van Neste Sq	46	39	44	-5	46	-7
12	South Walnut Street	10	9	10	-1	10	-1
Subtotal - On-Street		254	218	249	-31	248	-30
Total On- and Off-Street		546	480	523	-43	525	-45

Source: Walker Consultants 2017

Given the high occupancy rates and the local emphasis on convenience, it is projected that the proposed garage can ease conditions in the study area. However, since this revenue is already included in the Village's revenue stream, it is not included as new revenue for the parking system when the garage is built.

FUTURE CONDITIONS

NEW REVENUE STREAMS

In general, sources of demand for a new parking facility fall into one of the following categories:

- New development that replaces vacant lots or underutilized land uses
- Loss of surface parking lots to new development or other purposes
- An increase in the parking generation rates of existing land uses, such as when a retail-oriented downtown sees vacant spaces leased out to restaurants. Industry research (from organizations such as the Institute of Transportation Engineers, Urban Land Institute) suggests that restaurants can generate five times the number of cars that retail does.
- Shifting of demand from another location to a new facility.

New Development: Based on our discussions with Village staff, we do not project demand from any new developments. The new developments proposed for the Village are residential ones, and these will have parking on site for their tenants. There will likely be additional demand generated by visitors, on-site staff, and (in the case of the development on the Ken Smith parcel) retail. We do not have sufficient information to project these potential additional revenue streams and have thus omitted them.

Loss of surface parking: At least two surface lots will be demolished to create residential developments. The two currently planned are the 72-space Brogan Cadillac lot on South Broad Street at Essex Street, and the 92-space Ken Smith Motors lot just east of the train tracks and north of Franklin Avenue. Both dealerships have closed and lease out their parking.

The Brogan Lot leases spaces to commuters during the weekdays, and to a nearby restaurant for valet parking at night. There are also cars parked during the day on weekends; these appear to be individual leases as well. We project that the new garage could capture the weekday commuter parking and the valet parking. The small number of cars parked on the weekends might go elsewhere for a cheap storage solution. Construction of the new building is expected to begin in mid-2018, with the project opening in late 2019. As the parking system is already crowded, we do not project the public parking system absorbing the commuter cars that currently park there until 2020 when the garage opens.

Chestnut Village, a residential development, is planned for a site north of Franklin and west of Chestnut that includes the Ken Smith Motors lot. The lot is currently leased for downtown employee parking. We understand that the monthly rate is \$80. We project that this demand would shift to the garage, with the Village getting the \$80 monthly fee. Any other existing parking on that site that is demolished for Chestnut Village is assumed to serve existing private buildings that will also be demolished; we do not project any revenue from existing private



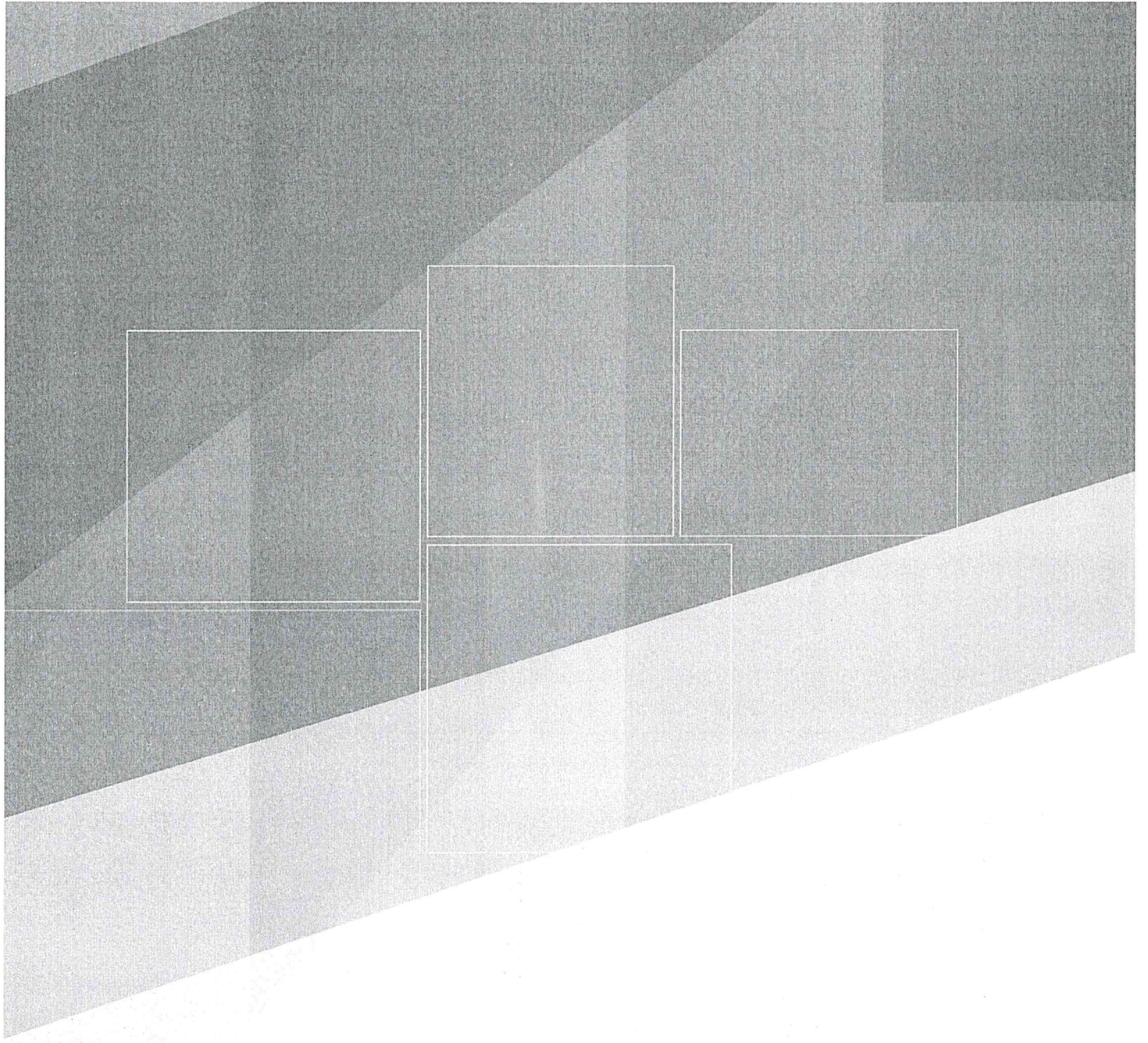
PRELIMINARY FINANCIAL ANALYSIS
VILLAGE OF RIDGEWOOD PARKING

lots on the Chestnut Village site. Assuming Chestnut Village is approved shortly, we assume the lot will go out of service in the middle of 2018.

Increase in parking generation rates: The Village core is already built out, so we don't project an increase in square footage for commercial uses with the exception of new retail space at the mixed-use development on the Ken Smith site. For existing square footages, the retail is successful and restaurants are already a large component of commercial space, so we do not project a significant shift away from retail and towards dining.

Shifting demand from other locations: A convenient new resource can attract parkers from less convenient areas, but this is not necessarily revenue positive. If it attracts parkers who were previously paying a competitor (a privately-owned lot, for example), this is a new revenue stream for the owner. But in Ridgewood, where the private competition is free and generally convenient, there is little reason to assume that demand will shift to the garage. Demand shifting from publicly-owned facilities or crowded on-street areas would be revenue neutral.

A quantification of likely new income streams for the Village is provided in the next section of the report.



02 Financial Analysis Section

REVENUE ANALYSIS

NEW REVENUE STREAMS

The garage is intended to serve three functions:

1. Reduce crowding in the core downtown that frustrates customers and business owners.
2. Support an increase in business downtown by attracting customers who currently go elsewhere to eat and shop because they consider downtown Ridgewood a hassle.
3. Provide a resource to replace lots that are going out of service for redevelopment.

As discussed previously, the use of the garage to reduce crowding and traffic in the Village core will not increase parking revenue for the Village, as the shift in demand to the new garage would be just that – a shift. It is not a net new demand/revenue stream.

The ability of the downtown to see an increase in customers is a potential that we cannot quantify. The scenario is likely; anecdotally we understand that Village staff hear complaints that people avoid downtown Ridgewood because parking is difficult. But whether that is a handful of people or a large number is beyond our ability to project. In the interest of a conservative projection, we assume no new revenue from people changing their shopping and dining habits once a garage is built.

Although we are not able to quantify potential gains of customers due to more space being available, we do quantify (albeit broadly) an increase in commuter demand from non-Ridgewood residents looking for parking near the train station. In the past Ridgewood had upwards of 120 out-of-towners using the Ridgewood train station. With parking in short supply, the Village raised rates for non-residents and demand decreased. The out of town permit rate has decreased again and there is a small amount of demand. With supply available on weekdays once the garage is built, we project about 50 new permits.

The use of the garage to replace lots that are going out of service has been discussed above. We do project limited revenue from restaurants that have indicated they would be interested to cease private valet operations once the parking supply is larger.

The projected net new revenue associated with these developments is shown in Table 4.

Table 4: Summary of New Revenue Potential

	Number	Rate	2018	2019	2020
Non-Ridgewood Commuters ⁽¹⁾	50	750 /year	\$ 37,500	\$ 37,500	\$ 37,500
Brogan Weekday (Commuters)	46	750 /year			\$ 34,500
Brogan Night (Restaurant) ⁽²⁾	10	0.75 /hour			\$ 5,540
Restaurants (current valet) weekend ⁽²⁾	35	0.75 /hour	\$ 4,654	\$ 4,654	\$ 7,756
Ken Smith Lot (Downtown Employees) ⁽³⁾	78	80 /month	\$ 37,440	\$ 74,880	\$ 74,880
			\$ 79,594	\$ 117,034	\$ 160,176

Notes:

1. Commuter number was 120 previously at a lower monthly rate. Fewer space constraints will draw parkers, but higher rate will limit number of new parkers.
2. Restaurant parking includes Brogan lot, which will be demolished, plus two other lots that are being used by restaurants for valet parking; per information from the Village we understand that restaurants are interested to revert to self-park once garage is built. Projection assumes some loss to free residential street parking. Assumes 2 turns, 5 days per week for Brogan (valet Tuesday through Saturday) and 2 days per week for others (Friday, Saturday currently).
3. Ken Smith lot permits are \$80.

Source: Walker Consultants 2017

RATE INCREASES

Given that the net new revenue stream is not projected to be robust enough to support garage construction and operating costs, it will be necessary to increase parking rates throughout the downtown if the parking system is to be self-supporting. The benefit of a self-supporting parking system is that only people who make use of it are supporting its costs. This includes visitors from outside Ridgewood. Conversely, Ridgewood residents who choose not to drive or who are unable to, are not saddled with supporting an amenity they don't use.

Rate increases were projected to be necessary when Walker did our original study in 2015. Since then, ParkMobile has been instituted more widely in Ridgewood. While it provides a high level of convenience, it also comes at a price – the Village pays a fee for each transaction. As a result, revenue has dropped three percent annually since 2015.

Walker tested options for rate increases to offset increased costs to operate the parking system. Our model of demand and revenue is based on occupancy counts through the downtown (i.e., all the revenue-generating meters, not just within the six-block current study area). Counts outside the current study area were conducted in 2015, but based on our comparison of the 2015 and 2017 counts within the six-block area, which were very similar, the use of 2015 data seems reasonable. We did recount Cottage Place since meter rates have changed there, resulting in a change in demand as well.

The following outlines the set of increases needed to offset the deficit and produce a debt service coverage ratio of 1.0 every year covered in our pro forma.

- July 2018: Increase all meters by 25¢ to 75¢, and extend meter hours to 8 pm.

- January 2020: Increase all meters by 50¢ to \$1.25.
- January 2025: Increase all meters by 25¢ to \$1.50.

Our revenue projections are based on this escalation. It should be noted that each increase is accompanied by a five percent drop to account for the potential that some customers will look for other places to park (unmetered streets, or private, free lots) or go elsewhere.

Our revenue projections also account for continued impacts from ParkMobile. Anecdotal information suggests that ParkMobile is likely to level off at 35 percent of transactions (typically it is 25 to 35 percent, so we are using a conservatively high assumption), and that this typically occurs within several years of introducing the service. Currently ParkMobile accounts for roughly 15 percent of revenues. With this in mind, we reduce revenues by seven percent for each of the next three years, bringing the total ParkMobile share to 35 percent by the end of 2020. It is important to note that the assumption about the 35 percent cap is from anecdotal information. While Walker has reason to trust the information obtained, we note that we do not have concrete data to support the assumption; utilization of services like ParkMobile varies.

Finally, we make limited adjustments to the RPP rates, increasing them by \$25 (\$5 for CBD stickers and hang tags) in 2020, 2023, 2026 and 2029.

We understand that there may be changes to leases on the park-and-ride lot. Changes to the Village's revenue stream from these lots is not projected in our revenue. The pro forma does include revenue from other sources (park-and-ride, valet agreements, bagged meter fees, etc.) but keeps these constant.

Table 5: Revenue Summary - Meters and Permits

	2017	2018	2019	2020	2021	2022	2023	2024	2025
On-Street	\$ 580,924	\$ 744,685	\$ 692,557	\$ 1,366,454	\$ 1,366,454	\$ 1,366,454	\$ 1,366,454	\$ 1,366,454	\$ 1,586,850
Off-Street	\$ 232,278	\$ 304,986	\$ 283,637	\$ 587,258	\$ 587,258	\$ 587,258	\$ 587,258	\$ 587,258	\$ 725,731
Park-n-ride Parkmobile	\$ 35,756	\$ 35,756	\$ 35,756	\$ 35,756	\$ 35,756	\$ 35,756	\$ 35,756	\$ 35,756	\$ 35,756
Park-n-ride Meters	\$ 7,478	\$ 7,478	\$ 7,478	\$ 7,478	\$ 7,478	\$ 7,478	\$ 7,478	\$ 7,478	\$ 7,478
Total Meters	\$ 856,436	\$ 1,092,905	\$ 1,019,428	\$ 1,996,946	\$ 1,996,946	\$ 1,996,946	\$ 1,996,946	\$ 1,996,946	\$ 2,355,815
RPP	\$ 379,690	\$ 379,690	\$ 379,690	\$ 386,527	\$ 386,527	\$ 386,527	\$ 390,570	\$ 390,570	\$ 390,570
Total	\$ 1,236,126	\$ 1,472,596	\$ 1,399,119	\$ 2,383,473	\$ 2,383,473	\$ 2,383,473	\$ 2,387,516	\$ 2,387,516	\$ 2,746,385

*Please note that 2017 breakdown into on-street is based on analysis by Walker; Village records do not include ParkMobile in on-street and off-street breakouts. Rounding and other minor variations in the analysis results in a minor difference in the 2017 total from that shown in the NOI statement in Table 7.

Source: Village of Ridgewood and Walker Parking Consultants, 2017.

EXPENSE AND NOI ANALYSIS

OPERATING EXPENSES

Operating Expense projections for the garage are based on a Village-run, 240-space structure. Interdepartmental charges are included for labor needed for enforcement, revenue collection, and associated services. Security is assumed to be provided as part of regular patrol routes and is not shown as an added charge.

Table 6: Projected Operating Costs (2017\$)

SALARIES

Security Service (Assume Police Patrols)	0
Professional Services (Interdepartmental Charges)	75,000
Services Total	75,000

REPAIR & MAINTENANCE

Snow/Ice Removal (Sweeping/Striping)	10,000
Repair & Maintenance (Wear & Tear)	22,500
Maintenance Reserve (Structural)	18,000
Equipment Maintenance	45,000
Repair & Maintenance Total:	95,500

OTHER OPERATIONAL EXPENSES

Electric Service	56,400
Water Service	2,820
Sewer Service	1,750
Waste Disposal Service	2,500
Telephone / Internet Service	1,500
Insurance (Assumes Self-Insured)	0
Printing (Parking Meter Receipts)	550
Office Supplies	1,000
Other Operational Expenses Total:	66,520

Grand Total Operating Expenses	\$237,020
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Source: Walker Consultants 2017

The following table shows the potential financial performance of the garage based on the revenue scenarios discussed above.

Expenses for the existing system are per information from Village operating budgets for 2016 and 2017. Expenses are projected to increase at 3% annually. The Village is looking at adding valet service in the Village core. This would add expense. We have not included this potential new cost, as it is not a certainty (likewise, our revenue projections do not include added revenues from a valet service). We understand that the Village is considering, as an alternative, car-share service or jitney service. Discounted alternative transportation programs like car share service could impact the projected revenues by lower demand.

NET OPERATING INCOME

Per discussion with Village staff, debt service is calculated as follows:

- Garage construction cost of \$12,000,000 including soft costs.
- 25-year bond period.
- Interest rate of three percent.
- Bond issued for full construction cost.

The pro forma includes the revenue projections for meters and the RPP program. Other income includes all non-meter, non-RPP revenue in the parking system such as bagged meters, valet permits, park-and-ride leases, etc. The total is based on 2016 revenue (excluding transfers). We do not have information on increases in these types of revenue and have not escalated them.

The expense projections for the new garage are as outlined above, escalated from 2017 dollars to 2020 dollars. All other expenses are based on historical data from the Village, escalated at three percent annually. Statutory expenses exclude surpluses shown in the 2016 budget and projected for 2017.

Table 7: Projected NOI

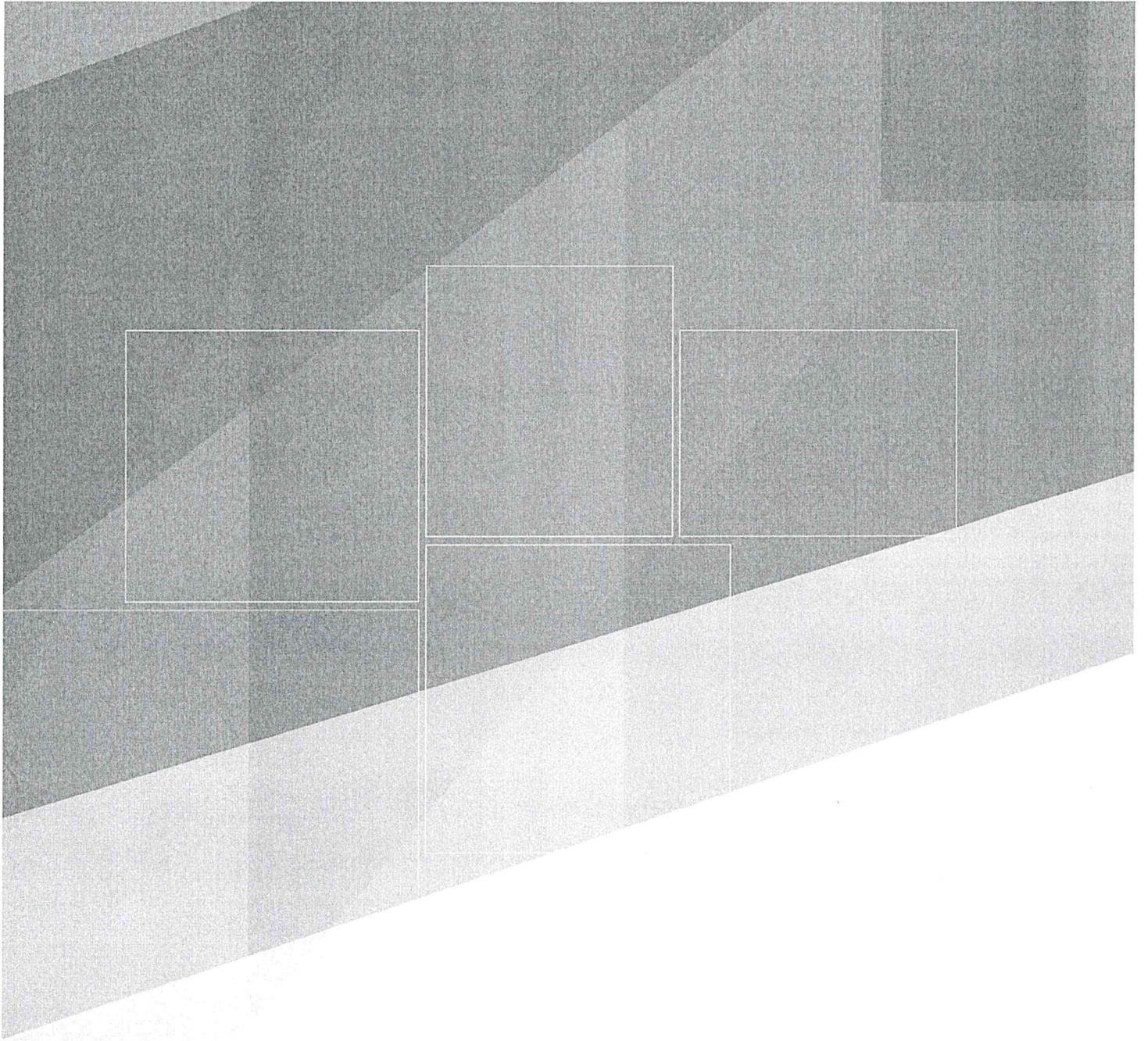
	2017 ⁽³⁾	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenues											
Parking Meter and RPP Fees ⁽¹⁾	1,237,000	1,473,000	1,399,000	2,383,000	2,383,000	2,383,000	2,388,000	2,388,000	2,746,000	2,756,000	2,756,000
Other Income ⁽²⁾	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000
New Revenue		<u>80,000</u>	<u>117,000</u>	<u>160,000</u>	<u>163,000</u>	<u>163,000</u>	<u>163,000</u>	<u>165,000</u>	<u>168,000</u>	<u>168,000</u>	<u>182,000</u>
Revenue Subtotal	\$ 1,353,000	\$ 1,669,000	\$ 1,632,000	\$ 2,659,000	\$ 2,662,000	\$ 2,662,000	\$ 2,667,000	\$ 2,669,000	\$ 3,030,000	\$ 3,040,000	\$ 3,054,000
Expenses											
Salaries and Wages	628,150	647,000	666,000	686,000	707,000	728,000	750,000	773,000	796,000	820,000	845,000
Other Expenses	594,150	612,000	630,000	649,000	668,000	688,000	709,000	730,000	752,000	775,000	798,000
Capital Improvements Fund	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Statutory Expenses	81,200	83,636	86,000	89,000	92,000	95,000	98,000	101,000	104,000	107,000	110,000
Operating Expenses - New Garage				<u>259,000</u>	<u>266,800</u>	<u>274,800</u>	<u>283,000</u>	<u>291,500</u>	<u>300,200</u>	<u>309,200</u>	<u>318,500</u>
Expense Subtotal	\$ 1,328,500	\$ 1,367,636	\$ 1,407,000	\$ 1,708,000	\$ 1,758,800	\$ 1,810,800	\$ 1,865,000	\$ 1,920,500	\$ 1,977,200	\$ 2,036,200	\$ 2,096,500
Net Operating Income	\$ 24,500	\$ 301,364	\$ 225,000	\$ 951,000	\$ 903,200	\$ 851,200	\$ 802,000	\$ 748,500	\$ 1,052,800	\$ 1,003,800	\$ 957,500
Debt Service @ 3% (New Garage)		\$ -	\$ -	\$ (689,000)	\$ (689,000)	\$ (689,000)	\$ (689,000)	\$ (689,000)	\$ (689,000)	\$ (689,000)	\$ (689,000)
Debt Service Coverage Ratio				1.38	1.31	1.24	1.16	1.09	1.53	1.46	1.39

(1) Meter Fees includes on-street, off-street, parkmobile

(2) Other income includes revenue from bagged meters, valet permits, park-and-ride leases, and other revenue sources not included in meter fees. Based on 2017 revenue excluding transfers.

(3) From 2017 Village of Ridgewood Revenue Report

Source: Walker Consultants 2017



A Scope and Terms of Study
Appendix

SCOPE OF SERVICES

1. Update parking occupancy counts. Counts will be several times over the course of one weekday and one Saturday. The counts will focus on the six-block study area used in the 2015 study (Broad Street on the west, Franklin Avenue on the north, Walnut Street on the east, and Dayton Street on the south), but will also spot-check demand in other municipal lots and on street so that our financial model can be updated.
2. Obtain updated financial information from the Village for the parking system, including payroll, other expenses, and revenues.
3. Update the financial model to reflect changes in parking patterns since the 2015 study was done, estimating daily volume of cars based on occupancy counts and revenues.
4. Using information provided by the Village, update the projections of net new parkers to be generated by new development and/or existing lots going out of service.
5. Update operations and maintenance budget projections based on the new garage size, the recent budget for parking system operations, and any proposed changes in operating plan for the new garage.
6. Obtain updated garage cost and financing assumptions from the Village, and project debt service.
7. Create a pro forma for the garage that takes into account system-wide revenues, expenses, and debt service.
8. If the pro forma suggests a shortfall or a failure to meet debt service coverage ratio requirements, model rate structure changes that should bring revenue numbers up enough to solve the shortage.
9. Prepare a report that outlines study research and findings.
10. Meet with Village staff to review the report.
11. Incorporate one consolidated set of comments on the report and issue a final document.

It is not assumed that a presentation to Village Council or other public meetings are required. If such meetings are required they can be provided as an additional service.

SCOPE OF SERVICES/TERMS OF STUDY

TERMS OF SERVICE

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