



PARKING SYSTEM PRO FORMA

# UNIVERSITY OF MASSACHUSETTS BOSTON

## FINAL REPORT

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Massachusetts Boston

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## UMB PARKING SYSTEM RECOMMENDATIONS AND PRO FORMA

This report presents Walker's recommended fee structures to support the expenses associated with providing parking in the UMB campus—but, also to maintain choice and equity for campus community members. Special attention was paid to mitigating the impact for continuing students, using a four-year "grandfathering" period to phase out less expensive pricing.

The parking fees illustrated in this document are adjusted to accommodate inflation and to account for the need for the University and its constituents to prepare for predictable changes over a ten-year planning horizon. The transient/short-term fees developed and proposed herein increase at 50-cent increments at longer intervals, while long-term permits are increased very gradually at one percent per year.

The shuttle system is integral to the function of the parking system—both connecting remote parking at Bayside to the central campus, and offering a transit alternative to parking (by providing access to the JFK/UMass T Station). Shuttle expenses have been included in the pro forma in Table 5 of this document as a "below-the-line" expenditure, with no concomitant revenue stream.

### SUMMARY RECOMMENDED FEE STRUCTURE (BASE YEAR FY2019)

#### BAYSIDE LOT

##### **Daily cash/credit card payment (currently \$6)**

- \$9/day flat fee (50% increase)
- The daily rate will be the same for all users (cash or credit card)
- Current rate of \$6 has not been increased in 14 years
- \$9 is the equivalent of cumulative increases of less than 3%/year during this period

##### **Monthly passes (currently \$96)**

- Faculty and staff: \$144 (50% increase); equivalent of 16 days at \$9/day
- New students: \$126 (31% increase); equivalent of 14 days at \$9/day
- Continuing students: \$115 (20% increase); equivalent of 14 days at \$8.21/day
- Year 1: 25% new students, 75% continuing
- Year 2: 50% new students, 50% continuing
- Year 3: 75% new students, 25% continuing
- Year 4: grandfathering sunsets

##### **Semester passes (Currently \$342) – 4 times the monthly rate for all but "grandfathered"**

- New students: \$504 (47% increase)
- Continuing students: \$410 grandfathered rate (20% increase)
- Faculty and staff: \$576 (68% increase)
- Year 1: 25% new students, 75% continuing



- Year 2: 50% new students, 50% continuing
- Year 3: 75% new students, 25% continuing
- Year 4: grandfathering sunsets

**GARAGES AND LOT D**

**Daily and hourly cash/credit card payment**

- 1 hour: \$9
- 2 hours: \$11
- 3 hours: \$13
- Daily maximum: \$15
- Evening/Weekend: \$10 (flat rate)

**Monthly passes**

- Faculty and staff: \$240; equivalent of 16 days at \$15/day
- Faculty and staff reserved: \$360; (50% premium); projected at 55, reserved by section not individual space
- Commuting students: \$210; equivalent of 14 days at \$15/day
- Resident students: \$315 (50% premium over commuting students, due to 24/7 use and access)

**Semester Passes**

As this parking is in the central campus (especially the new garage), we have not applied grandfathered rates.

- Commuting students: \$840 per semester; equivalent of four months at \$210/month
- Resident students: \$1,260 per semester; equivalent of four months at \$315/month
- Faculty/Staff: \$960 per semester; equivalent of four months at \$240/month

**Table 1: Sample Year 1 Parking Fees**

	1-hour	2-hour	3-hour	Daily	Evening/ Weekend	New Students Monthly	New Students Semester	Continuing Students Monthly*	Continuing Students Semester*	Resident Students Monthly	Resident Students Semester	Faculty/ Staff Monthly	Faculty/Staff Reserved Monthly
<b>Bayside</b>	N/A	N/A	N/A	\$9	N/A	\$126	\$504	\$115	\$410	\$126	\$504	\$144	N/A
<b>Central</b>	\$9	\$11	\$13	\$15	\$10	\$210	\$840	\$210	\$840	\$315	\$1,260	\$240	\$360

\* Grandfathered rate at Bayside, sunsets over four years

**OTHER ASSUMPTIONS**

- All parking (except resident students choosing less expensive parking at Bayside, rather than in the garage) is assumed to be on-campus during evenings and weekends. This should reduce shuttle expenses. Shuttles would also serve the MBTA station.
- The only “passes” will be student and faculty/staff semester passes, and student and faculty/staff monthly passes. Most faculty and staff, eligible to do so, will likely choose to purchase their monthly parking via payroll deduction, using pre-tax money. Faculty/staff semester passes are assumed to be purchased lump sum, rather than via payroll deduction.
- No monthlies, evening or weekend parkers are projected in Lot D to reduce snow removal and security costs.
- Lot D and Campus Center revenue projections are calculated mathematically, based on number of spaces, but the pro forma assumes the shift of 20% of Lot D parkers to the new garage due to assumed preference for garage parking (until garages fill). This shifting of demand from one central campus location to another has no impact on projected revenue totals.
- Due to a lack of reliable historical baseline parking data, we were unable to separate event parkers. The revenue is therefore included in student/faculty/staff parking.
- We have projected 20% “new” parking revenue on-campus and a similar 20% increase during evenings and weekends due to:
  - Additional students, faculty, staff and visitors (including events) electing to drive due to new spaces and reduced construction (i.e., latent demand)
  - A reduction in lost revenue due to error, fraud, or “no money” violations—due to greater automation and built-in audit controls
- 60 “1-hr” parkers/day are assumed to park in central campus facilities, availing themselves of the increased convenience.
- Student growth was assumed using UMB projections:
  - Student population increase 2% in FY2019-FY20; 1.5% in FY2021; 1.6% in FY2022; 0.8% in FY2023; 2.0% in FY2024-2025; and, steady state beyond.
- Faculty/staff population increase 2% in FY2019-FY22; 2.5% in FY2023-26; and, steady state beyond.
- Assumed approximate 5% transient/short-term rate increases in 2023 and 2028. Rates are rounded to the nearest half-dollar.



Table 2: Short-Term Parking Rate Increases (Years 5 and 10)

		Bayside					
		Year 1	Year 5		Year 10		Total 10-Year
		Rate	Rate	% incr.	Rate	% incr.	% incr.
<b>Flat Rate</b>		\$9.00	\$9.50	5.56%	\$10.00	5.26%	11.11%

  

		Central Campus					
		Year 1	Year 5		Year 10		Total 10-Year
		Rate	Rate	% incr.	Rate	% incr.	% incr.
<b>1 hour</b>		\$9.00	\$9.50	5.56%	\$10.00	5.26%	11.11%
<b>2 hours</b>		\$11.00	\$11.50	4.55%	\$12.00	4.35%	9.09%
<b>3 hours</b>		\$13.00	\$13.50	3.85%	\$14.50	7.41%	11.54%
<b>Daily Max</b>		\$15.00	\$16.00	6.67%	\$16.50	3.13%	10.00%
<b>Evening/Weekends (flat rate)</b>		\$10.00	\$10.50	5.00%	\$11.00	4.76%	10.00%

- Long-term parking fees (i.e., monthly or longer) for faculty, staff, and students increase by 1% per year. A sample of monthly permits is illustrated in Table 3. These tables do not show residential student permits, grandfathered (current) student permits, semester permits, or faculty/staff reserved/premium permits.

Table 3: Monthly Parking Rate Increases

Students*	Year 1 Rate	Year 2 Rate	Year 3 Rate	Year 4 Rate	Year 5 Rate	Year 6 Rate	Year 7 Rate	Year 8 Rate	Year 9 Rate	Year 10 Rate
<b>Bayside</b>	\$126.00	\$127.26	\$128.53	\$129.82	\$131.12	\$132.43	\$133.75	\$135.09	\$136.44	\$137.80
<b>Central Campus</b>	\$210.00	\$212.10	\$214.22	\$216.36	\$218.53	\$220.71	\$222.92	\$225.15	\$227.40	\$229.67

\*Commuting, New (non-grandfathered)

Faculty/Staff	Year 1 Rate	Year 2 Rate	Year 3 Rate	Year 4 Rate	Year 5 Rate	Year 6 Rate	Year 7 Rate	Year 8 Rate	Year 9 Rate	Year 10 Rate
<b>Bayside</b>	\$144.00	\$145.44	\$146.89	\$148.36	\$149.85	\$151.35	\$152.86	\$154.39	\$155.93	\$157.49
<b>Central Campus</b>	\$240.00	\$242.40	\$244.82	\$247.27	\$249.74	\$252.24	\$254.76	\$257.31	\$259.89	\$262.48

- In addition to the sample fees shown in the table above, Table 6 (at the end of this document) shows all proposed long-term fees (including semester permits, premium permits, resident permits, etc.)
- Student grandfather rates sunset in four years, yielding additional, gradual revenue increases.



- Monthly permits are the equivalent of 14 days of parking (at the daily maximum) for students and 16 days for faculty/staff. Individuals who park three or fewer days per week may do better to purchase parking on a daily basis, rather than monthly or by the semester.
- Estimated costs for new parking access and revenue control systems (PARCS), including a pay-on-foot system (supplemented by pay-in-lane equipment) for all locations is projected at approximately \$1M, amortized at \$80K/year at 5% for 20 years.
- New staff is assumed to cover all locations on days and evenings. Security to cover overnights.
  - Two FT supervisors (one weekdays/one weekday evenings)
  - Two FT attendants (one weekdays/one weekday evenings)
  - Two PT attendants (one weekend days/one weekend evenings)

**PARKING SYSTEM PRO FORMA**

The pro forma below illustrates the UMB parking system revenues and expenses as described in the preceding sections. Please note that shuttle expenses have been removed from the pro forma.

Tables 4 and 5 (below), show the first ten years of variable annual debt service payments, including capitalized interest and deferred principle. These tables are consistent with the repayment schedule provided by UMB.

**Note:** The debt payment increases from between \$3M and \$4M per year to approximately \$7.5M annually in Year 19.

**SUMMARY TABLE**

**Table 4: Summary Revenues, Expenses, and NOI**

	1	2	3	4	5	6	7	8	9	10
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
<b>TOTAL REVENUE</b>	\$6,911,551	\$7,082,025	\$7,260,401	\$7,412,417	\$8,101,725	\$8,256,230	\$9,023,566	\$9,048,254	\$9,074,098	\$9,398,577
<b>TOTAL EXPENSES</b>	\$6,214,542	\$5,896,987	\$5,945,704	\$5,617,870	\$5,669,495	\$5,722,422	\$5,776,705	\$6,062,362	\$6,115,339	\$6,169,682
<b>NET OPERATING INCOME</b>	\$697,009	\$1,185,038	\$1,314,697	\$1,794,548	\$2,432,230	\$2,533,808	\$3,246,861	\$2,985,892	\$2,958,759	\$3,228,895
Reserve for Repairs (Sinking Fund) Expense	\$317,272	\$323,617	\$330,090	\$336,692	\$343,425	\$350,294	\$357,300	\$364,446	\$371,735	\$379,169
<b>Parking Surplus/Deficit</b>	\$379,737	\$861,421	\$984,607	\$1,457,856	\$2,088,804	\$2,183,514	\$2,889,561	\$2,621,446	\$2,587,024	\$2,849,726

A sinking fund for routine maintenance and repairs, of \$317K, is subtracted below the line. This amount increases by two percent per year. This is illustrated in the full pro forma (Table 5, below). This table shows projected capital reserves for the ten-year planning horizon; these funds can be invested in the shuttle service and TDM programs as the campus continues to grow, thrive, and develop.



As noted earlier in this document, the shuttle system which connects remote parking at Bayside to the central campus, and which offers a transit alternative to parking (by providing access to the JFK/UMass T Station). Shuttle expenses have been included in the pro forma in Figure 5 of this document as a “below-the-line” expenditure, with no concomitant revenue stream.







FULL PROPOSED 10-YEAR PARKING FEE TABLE

The table below illustrates all long-term (i.e., not hourly or daily) parking rates over the ten-year planning horizon.

Table 6: Parking Fee Table

New Commuting Student <sup>1</sup>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Monthly Rate									
Bayside	\$126.00	\$127.26	\$128.53	\$129.82	\$131.12	\$132.43	\$133.75	\$135.09	\$136.44	\$137.80
Central Campus	\$210.00	\$212.10	\$214.22	\$216.36	\$218.53	\$220.71	\$222.92	\$225.15	\$227.40	\$229.67
	Semester Rate									
Bayside	\$504.00	\$509.04	\$514.13	\$519.27	\$524.46	\$529.71	\$535.01	\$540.36	\$545.76	\$551.22
Central Campus	\$840.00	\$848.40	\$856.88	\$865.45	\$874.11	\$882.85	\$891.68	\$900.59	\$909.60	\$918.70

<sup>1</sup> Non-grandfathered

Current Commuting Students <sup>2</sup>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Monthly Rate									
Bayside	\$115.00	\$116.15	\$117.31	\$129.82	\$131.12	\$132.43	\$133.75	\$135.09	\$136.44	\$137.80
Central Campus	\$210.00	\$212.10	\$214.22	\$216.36	\$218.53	\$220.71	\$222.92	\$225.15	\$227.40	\$229.67
	Semester Rate									
Bayside	\$410.00	\$414.10	\$418.24	\$519.27	\$524.46	\$529.71	\$535.01	\$540.36	\$545.76	\$551.22
Central Campus	\$840.00	\$848.40	\$856.88	\$865.45	\$874.11	\$882.85	\$891.68	\$900.59	\$909.60	\$918.70

<sup>2</sup> Grandfathered (Bayside only)

Resident Students	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Monthly Rate									
Bayside	\$126.00	\$127.26	\$128.53	\$129.82	\$131.12	\$132.43	\$133.75	\$135.09	\$136.44	\$137.80
Central Campus	\$315.00	\$318.15	\$321.33	\$324.54	\$327.79	\$331.07	\$334.38	\$337.72	\$341.10	\$344.51
	Semester Rate									
Bayside	\$504.00	\$509.04	\$514.13	\$519.27	\$524.46	\$529.71	\$535.01	\$540.36	\$545.76	\$551.22
Central Campus	\$1,260.00	\$1,272.60	\$1,285.33	\$1,298.18	\$1,311.16	\$1,324.27	\$1,337.52	\$1,350.89	\$1,364.40	\$1,378.04

Faculty/Staff	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Monthly Rate <sup>3</sup>									
Bayside	\$144.00	\$145.44	\$146.89	\$148.36	\$149.85	\$151.35	\$152.86	\$154.39	\$155.93	\$157.49
Central Campus	\$240.00	\$242.40	\$244.82	\$247.27	\$249.74	\$252.24	\$254.76	\$257.31	\$259.89	\$262.48
Central Campus (Reserved)	\$360.00	\$363.60	\$367.24	\$370.91	\$374.62	\$378.36	\$382.15	\$385.97	\$389.83	\$393.73
	Semester Rate <sup>4</sup>									
Bayside	\$576.00	\$581.76	\$587.58	\$593.45	\$599.39	\$605.38	\$611.44	\$617.55	\$623.73	\$629.96
Central Campus	\$960.00	\$969.60	\$979.30	\$989.09	\$998.98	\$1,008.97	\$1,019.06	\$1,029.25	\$1,039.54	\$1,049.94

<sup>3</sup> Payroll deduct (pre-tax) or lump sum

<sup>4</sup> Lump sum only