

AUTOMOBILE PARKING COMMISSION MINUTES

April 16, 2009

Call to Order: Chairperson Haynes called the meeting to order at 8:00 am.

Attendance:

Members Present: Lisa Haynes (Chairperson), Commissioner Lumpkins, Monica Sekulich, Gerald Schildroth, Mike Ellis and Dwayne Moore.

Members Absent: David Leonard and John Tully

City Staff Present: Pam Ritsema, Kim Miller, Barb Singleton, Allen Ganic, and Henry Bouman.

Visitors Present: Jim Harger (Grand Rapids Press), Dave Czurak (Grand Rapids Business Journal), Tom Williams (ITP).

I. Review and Approval of March 12, 2009 Minutes:

Ms. Sekulich moved for the approval of the Minutes of March 12th 2009 and Commissioner Lumpkins supported. Motion passed unanimously.

II. CMAQ Grant Award:

Director Ritsema reported that Meter/Dash Supervisor Singleton has been working with the Michigan Department of Transportation (MDOT) to secure some federal Congestion Mitigation and Air Quality (CMAQ) grants. The request has been finalized. \$104,000 has been granted for the acquisition of two new Dash buses. The City Commission has an item on their Tuesday April 21, 2009 agenda to authorize the City to enter into the contract with MDOT to acquire the two Dash buses. The City will be working with ITP in deciding which buses to purchase since ITP will continue to provide all the maintenance on the City's buses.

Chairperson Haynes asked if Supervisor Singleton wrote the grant request.

Supervisor Barbra Singleton reported that, on behalf of Parking Services, the Traffic Safety Department submitted the request for a grant of federal funds.

Director Ritsema added that the Traffic Safety Department usually request CMAQ grants on behalf of the City.

Chairperson Haynes asked if the new busses will be the same cut-away style as the current Dash busses.

Director Ritsema agreed that the new busses will be similar to the existing Dash busses.

III. Action Item-Request for Free Parking for Veteran's and Memorial Day Parades:

Director Ritsema reported that there was a request from City Commissioner Jendrasiak, at a previous City Commission meeting, for free parking to be made available during the Veterans Day and Memorial Day parades. There is currently free parking on-street during both Memorial and Veterans' Day. This year's Memorial Day parade will be held on a Saturday and there is no enforcement of on-street parking on Saturdays. Director Ritsema added that she spoke with Kenneth Scott, a member of the Veterans' Council for Kent County. The nearest City parking ramp to the parade route is the Pearl/Ionia ramp. That lot is one block off of the parade route. On the day of the parades, the lot could be opened up for parade goers. There is one concern however, on Veterans Day in particular, business will be going on in certain areas of the City at that time. The time of the parade, being scheduled in the evening, should not lead to anyone being displaced that would typically use the parking facilities. The concern is mainly for those Veterans that may have difficulty walking to the parade route from the parking facilities. Director Ritsema's suggestion is to approach the Library and Park Church to see if their parking areas could be opened to the parade goers for free. Their locations would better facilitate the parade attendees.

Chairperson Haynes asked if they are looking for a standing approval for free parking or should it be addressed on a yearly basis.

Director Ritsema explained that the only free parking for parades currently is for the Santa Claus parade and for the Fourth of July parade on the West-side.

Chairperson Haynes asked if she is looking for action support of contacting the Library and Park Church.

Director Ritsema agreed that she is requesting that support. She will also be in contact with Mr. Scott as well.

Commissioner Lumpkins asked if there could be tracking of how many individuals used the program if instituted. Perhaps a survey with some feedback could be created.

Director Ritsema agreed that tracking could be done.

Mr. Schildroth moved to support the Director's recommendation. Motion supported by Commissioner Lumpkins. Motions carried unanimously.

IV. Financial Operations Update:

Director Ritsema reported that a memo that is submitted to the City Manager with the Annual Budget is included in the packet for review. The parking rates have bearing on what the budget request looks like for the coming year. The budget request gives a snapshot of how Parking Services is doing operationally and financially as well as points out some situations that are affecting the department. There has been work towards adding automated pay options to the parking facilities. Parking Services is in the process of acquiring several “pay-in-the-exit-lane” machines that will go into all of the parking ramps. The goal is to add additional lanes for visitor payment while removing the need for having booth attendants in every lot. The technology will actually make it possible to support fewer booth attendants while increasing service. There will always be a need for booth attendants during large events. Currently there are seven full time booth attendants and they will continue to have jobs. Seasonal booth attendants are used to supplement the full time staff numbers during the busier times. The goal is to move towards having a full time employee from 10 am to 6 pm and allow machines to support the off-hours times. Any time someone would need help in a “pay-in-the-exit-lane”, there will be two-way voice communication with an attendant. The attendant would be able to see the customer and voice communication would be two-way. There will also be the ability for the attendant to remotely view the transaction and assist in problem resolution. The ability to remotely operate the parking gate is also a function of the new technology. The intent is to move towards 24 hours per day operation six days per week. The change will be made away from having a booth attendant in a facility at all times to having a call monitoring center with one attendant able to monitor more than one facility at a time. The City has recently settled some of their union contract issues. Union members eligible for retirement will be more apt to retire under the new agreement. Between two and five Parking employees are most likely going to be retiring in the near future. Departments have been directed to cut staffing in this difficult economic time. Parking submitted a recommendation to eliminate two positions for Fiscal Year 2010. A Meter Service Worker position that has been vacant for an entire year was recommended to be eliminated as was an Office Assistant position. That amendment has been approved through City Commission. The purchasing process has been gone through and the equipment has been ordered. The equipment has not yet been delivered. The “pay-in-the-exit-lane” machine is the same item currently being used by the City of Lansing as well as locally at Ellis Parking. The technology is not new. Lansing has had fully automated parking ramps for over a year. The ramp on Michigan Hill has “pay-on-foot” capability - wherein payment made via walk-up rather than drive-up. Parking for the JW Marriot is also “pay-on-foot” as well. Director Ritsema further explained that additional fiber lines were required and have been run to support the new cameras, voice communications, and data transfers. The IT approved CISCO switches have been purchased to attach all of the equipment. By June 30, 2009 the equipment should be installed and working. There will be a period time required for installation and customer familiarity building. By the time the expected retirements occur, the system should be fully operational, well tested and familiar to the community.

Chairperson Haynes asked when to expect the installation of the first machine.

Mr. Allen Ganic responded that the first machine should arrive in two or three weeks.

Chairperson Haynes asked if a first location has been decided upon.

Mr. Ganic responded that his recommendation is the City Government Center should receive the new technology first.

Chairperson Haynes asked where the attendant will be located when they are supporting several parking facilities at once. Will they be located in the front office or will there be a back office created.

Director Ritsema explained that there is already a back office operation where the security camera feeds terminate. The transaction software will also terminate at that office. The remote control for the gates is not only controllable from the office but it can also be set to a cell phone. Occasionally a call will come in during the off hours from a lot such as Cherry/Commerce. Those calls are forwarded along via the cell phone for assistance in those situations. Shift Supervisor hours have recently been changed to accommodate calls of that nature more easily.

Mr. Ellis asked what the total capital outlay is for the project.

Director Ritsema responded that the eight "Pay-in-the-lane" machines cost approximately \$240,000. There is an additional cost for developing the infrastructure as well.

Mr. Ellis added that he has enjoyed the new technology and sees it as a very positive step for the City of Grand Rapids. His company will have six or seven machines installed in the near future and the results have been very positive so far.

Commissioner Lumpkins added that the remote control works well as he was once in need of the service at the Cherry/Commerce lot.

Director Ritsema reported that the ultimate goal is to reduce operating expenses as we go forward. As far as the financial aspects, Parking Services is doing okay. Fiscal Year 2009 year-to-date revenues are about equal to a year ago. Monthly reports have not shown a large negative impact even with the current economic climate being as it is. However, monthly parking fees were raised last year, so typically there would be a slight increase in revenue. In addition, the Cherry/Commerce ramp was also opened this past year. Again, this would typically lead to an increase in revenue. A facility to facility comparison shows that revenues are down but the overall comparison shows change to be relatively flat in the past year. FY10 will have significant expansion and debt taken on. Interest on debt in 2009 is just over \$1 million. FY10 shows an increase of interest on debt climbing to \$1.4 million and FY11 climbs even further to \$1.7 million. There is a drop-off in the years following as some existing debts are paid off. Parking can afford to

take on the current debt but any future plans should be considered very closely. Director Ritsema suggested completing the current tasks and allowing a period of operation before undergoing further expansion. Given the long lead time, that is not always possible. Strategic expansion in the future will be critical. The budget submitted to the City Manger has gone through budget review and will be taken before the City Commission soon.

Chairperson Haynes inquired if the adjustments have already been approved and the overall budget is yet to go before the City Commission.

Director Ritsema explained that for Fiscal Year 09, the reductions in staffing have been approved. Fiscal Year 2010 has yet to be adopted.

V. Quarterly Occupancy Report:

Director Ritsema reported that parking has continued its downward trend and is slightly down from a year ago. There has been a slight decline in monthly parking cards; however, the decline is relatively unchanged from last quarter. There has not been much of a decline in the past three months. Smart Auto Meters numbers have increased from 178 in July of 2008 to 324 as of the time of the report. An additional six were sold yesterday to two local companies bringing the total to 330. Director Ritsema asked if there were any questions in regards to the report.

There were no questions or comments.

VI. Action Item-Annual Rate Review Part II:

Director Ritsema explained that the Parking Commission is charged with annually reviewing parking rates and making recommendations to City Commission regarding those rates. Typically, parking rates rise along with CPI for urban areas. The twelve month period ending in March showed a slightly negative CPI for the first time since 1955. The fluctuating in energy and food costs has lead to the negative CPI. Previously, the budget recommendation had factored in a 3% increase in parking fees. The question was raised at the pervious Parking Commission meeting, "What would happen if the 3% increase in parking fee did not happen?" The impact would be about \$140,000 less to the Parking Enterprise fund and an additional \$30,000 less to the General Fund. The Fiscal Year 2009 budget amendment not only called for position elimination but also a reduction in the 818 Contractual Services – The Dash bus service. At the time of the budget, it was unknown what the new parking rates were going to be. There will be less money spent there than was budgeted. The bi-annual inspection year and repair year for Maintenance Services is also under review. There was a bid submitted and subsequently a new inspection company, NTH, is in place. While working through the bid process, a year was skipped. There will be additional money in the 930 account due to the year being taken off. There is no risk from deferred maintenance. The process of bidding and changing to NTH has lead to the idea of switching to a three year cycle instead of the

traditional two year cycle. There would be less money spent with no negative effect to the facilities. FY09 shows a total reduction of over \$400,000 in expenses. In light of all factors, it is the Parking staff's recommendation to have no increase in off-street parking rates for FY10. Parking rates, however, do need to be set for those lots that are scheduled to come into operation in FY10. The lot at Weston/Commerce will most likely be complete and operational in about twelve months and a rate of \$120 per month is suggested by Parking staff. The Gallery on Fulton may take slightly longer to complete and require a rate in place for FY10. The rate suggested by Parking staff is also \$120 for a monthly rate. The surface lot on Ionia/Mason will be completed either this summer or early spring of 2010 and the suggested rate is \$60 per month. The half-hour rates for Weston/Commerce and Gallery on Fulton is \$1, and that is in line with the rate for other City parking structures. The daily maximums and evening rates are typically set based on proximity to Van Andel Arena and occupancy numbers.

Director Ritsema also reported that there is a recommendation to increase parking violation fees from \$15 to \$16. Over 85% of tickets are for expired meter violations. Parking Commission does not need to make a recommendation now that parking violations are now part of the General fund. Parking Services will continue to encourage use of the "60 Minutes Free Parking" program as well as the SAMS as parking options.

Commissioner Lumpkins asked if the expertise of the Parking Commission might be valuable in the form of a recommendation to the City Commission.

Director Ritsema responded that she would be happy to deliver any recommendation in regards to parking fines to the City Commission.

Chairperson Haynes asked if the proposal is to make the recommendation for an increase from \$15 to \$16.

Director Ritsema explained that it has not been submitted yet, but the proposal is to make the increase from \$15 to \$16. The City Manager would like to see the increase. There is the desire to increase fines to encourage behavior. It would be better to increase fines as a punitive measure than increase rates for those that are following the rules.

Chairperson Haynes expressed that there are two items that need to be addressed. First, the proposed rate schedule needs to be addressed. Secondly, the review of parking fines can be discussed. Chairperson Haynes asked for a motion on the purposed rate schedule.

Commissioner Lumpkins asked for clarification on the recommendation.

Director Ritsema explained that the recommendation is to have no change to existing off-street parking rates. Also there are rates that need to be set for the new facilities.

Ms. Sekulich inquired about the purposed monthly rates of Weston/Commerce and Gallery on Fulton. She asked for a rationale on how the purposed rates were established and how they compare to Cherry/Commerce. Perhaps Cherry/Commerce should be increased to match the rate of \$120 per month.

Director Ritsema explained that a rate was chosen that fell in between Cherry/Commerce and Ottawa/Fulton was selected for Weston/Commerce and the Gallery on Fulton. Changes of 5% will most likely not change behavior but it will lead to complaints. There would likely be very limited change in the number of parking spaces being used. Closer to the central core generally results in higher cost. The City Center ramp was always quite a bit less expensive than the other lots and occupancy was generally less. It is expected that it will be the facility of last choice for Van Andel arena parking. New business and government destinations should lead to increases in demand though.

Mr. Ellis explained that he recalled the lower rates being built into the plan for the structure to ensure viability and success during the first few years. It may now be time to consider raising the rates since that the lot is a now a success.

Ms. Sekulich added that now that there are two other lots with rates in excess of \$120 it is time to consider a bump in rates to match or approach that rate.

Director Ritsema repeated that the request is to leave Weston/Commerce and the Gallery on Fulton where they are, at \$120 per month, and increase Cherry/Commerce to match them over two years.

Chairperson Haynes asked if she is hoping to ease the transition for the users.

Ms. Sekulich responded that she is not pushing for a match in rate, rather a reconsideration and reevaluation.

Chairperson Haynes asked for the opinion of Mr. Ellis in regards to a two year increase to \$120.

Mr. Ellis explained that the approach made sense to him.

Director Ritsema explained that it will be difficult to go to the City Commission and request a higher than CPI increase for only one parking facility given that there is a negative CPI and no changes are being asked for the remaining structures. It can be done though.

Mr. Ellis again mentioned that there was a plan to introduce the structure with lower rates to assure success.

Ms. Sekulich asked if the Minutes could be reviewed to reflect that discussion.

Director Ritsema agreed that the Minutes could be reviewed. The distance from the central core and the cost in relationship to surface parking seems to be the two main reasons Cherry/Commerce is lower in rate than Weston/Commerce and the Gallery on Fulton. Ramp parking across the street from the surface parking is far more expensive. It can be difficult to find rates to match the multi uses of certain lots.

Chairperson Haynes asked what proposal is being offered given that Ms. Sekulich has asked for the Minutes to be reviewed from the previous meeting where the rate was set for Cherry/Commerce. Is a decision on a recommendation for the proposed rate schedule needed at today's meeting?

Director Ritsema explained that it is not required today however it would make it easier if the rates are going to be included in the Omnibus E Resolution. In the Omnibus, all fees from all City departments are submitted to City Commission at the May 14th, 2009 meeting.

Chairperson Haynes added that it would need to be approved today in order to be submitted at the upcoming City Commission meeting.

Director Ritsema agreed but added that Parking Services have not always gone at the same time and they are able to be heard in a later meeting.

Chairperson Haynes asked if there is a motion to table the discussion for research.

Mr. Schildroth asked why the proposed rate for the Ionia/Mason lot is \$60 compared with the much lower rates for the other surface lots in the area.

Director Ritsema explained that the rate has been set as part of the term sheet negotiations with the adjacent development. Ionia North and Monroe North are somewhat underpriced compared to the market rates for the area. Part of the rate for Ionia/Mason is in relation to acquisition cost. Both parking revenues and TIF will be relied on to support the lot.

Mr. Schildroth asked about capacity of area lots.

Director Ritsema reported that Ionia North is 100% occupied, however Monroe North is not. It has fluctuated over the years with business needs as well as City employee needs.

Mr. Schildroth asked if it would be a good idea to increase the rate at both Ionia North and Monroe North and lower the rate at the Ionia/Mason to match.

Chairperson Hayne asked if there is flexibility to lower rates in the term sheet.

Director Ritsema expressed that she feels it would not be a good idea to raise the rates at Ionia North or Monroe North and lowering the rates at Ionia/Mason would threaten to make the project not-viable.

Mr. Schildroth explained that he questions the viability of that project even more given that information.

Chairperson Haynes explained that there will be further information about that project in the project updates. A request for a motion to table the discussion until next month was made.

Mr. Ellis added that the forgoing of the 3% increase due to the zero CPI seems appropriate. The concern is that it is the fourth year in a row without a raise to the daily rates. Historically, the Parking Commission has moved forward with small incremental raises to the parking rates. A freeze in rates - for a number of years - may create a situation where the rate is raised from \$1 per hour to \$1.25 per hour. This can be reported as a 25% increase in parking rates. That the rate hasn't been raised in a number of years is irrelevant when presented with a sizable increase. Mr. Ellis expressed that he would be interested to know what a five cent rate increase per half hour would equate to in terms of revenue. At some point a raise will be necessary and a large raise in rate will lead to negative publicity.

Mr. Schildroth asked if a seven cent raise next year might be wiser than a five cent raise this year, given the current economic climate.

Director Ritsema explained that she likes the round dollar number. Parking has been making a concerted effort to lower expenses but the ordinance is set so that the parking system can charge fees to recover regular operating and maintenance expenses as well as maintain an amount of money set aside for repair of facilities and expansion. Parking is not in a profit making activity.

Ms. Sekulich added that the economic climate is of concern to everyone and no one is certain that next year will be better than this year. Turn around may be twelve month or twenty four months

Chairperson Haynes further added that the expense reductions are also changing the expense to revenue ratios. Again, a request was made for a motion to table the discussion until the next scheduled meeting.

Mr. Schildroth moved to table the discussion of the Annual Rate Review until the May 14, 2009 meeting of the Automobile Parking Commission. Motion supported by Commissioner Lumpkins. Motion carried unanimously.

Director Ritsema added that if there is a desire to comment on the increase of punitive fee for parking tickets from \$15 to \$16 the comment should be made today.

Chairperson Haynes asked if Commissioner Lumpkins would care to make the recommendation to support the increase of parking ticket fee from \$15 to \$16.

Commissioner Lumpkins stated that he would like to refrain from making any recommendation as he will be hearing the recommendation at the City Commission meeting.

Mr. Schildroth asked why the increase is to \$16. Wouldn't it be better to raise the fee to an even \$20? The increase only penalizes rule breakers.

Director Ritsema explained that the City Manager has requested that the items be heard by the City Commission.

Ms. Sekulich asked for a background on parking fee increases.

Director Ritsema explained that the parking ticket fee was \$7 for a number of years. It was later raised to \$10. Parking Commission began looking more closely at the fines back when it was part of the Enterprise fund. There was a two-year phasing from \$10 to \$12 and then \$12 to \$15. The most recent raise to \$15 was on July 1, 2008. There was talk at City Commission of going from \$15 to \$20 with the possibility of a "quick pay" option. If the ticket was paid within two hours there is a reduced fee. Upon review of the City of Lansing, it was found that a very high percentage of the tickets are "quick paid" and there is even a situation of parking enforcement revenue decline. Parking is not charged with fine collection, the Treasurers Department collects the fines.

Administratively, it would be difficult to institute a "quick pay" program. In Lansing it has been noticed that people are getting tickets, paying the tickets with "quick pay", and then putting the ticket back on the vehicle as a cost saving over parking in a parking ramp or feeding the meter. In Grand Rapids, instead of raising the fee last year, two additional parking violation checkers were hired to do additional enforcement. There has been an increase in revenue but it has not been to the level expected. There are two main factors for the lower than expected increase. The first factor is the difficulty in keeping employees in the two new positions. The other factor is the current economy is manifesting as a slower pay rate for tickets. Projections were based on Madison Wisconsin's current success at violation fee increase. In Madison, doubling the fee lead to double revenue; locally it has not had the same results. A one dollar increase from \$15 to \$16 would equate to approximately a \$50,000 increase in revenue annually to the General Fund. Surveys show that fines do influence behavior but compliance has not been bad to this point. Industry standards show between 75% to 85% compliance. Grand Rapids falls at the lower side of the standard but within the range.

Chairperson Haynes asked if there were any other questions.

Mr. Ellis asked if someone chooses to remain at a parking meter all day without payment; will they only be ticketed once.

Director Ritsema explained that they would be ticketed once in the morning and again in the afternoon, although technically they are in violation every hour.

Mr. Ellis moved to support the recommendation to increase the parking violation fine from \$15 to \$16. Motion supported by Mr. Moore. Motion carried unanimously.

VII. Silver Line – Bus Rapid Transit Presentation:

Director Ritsema introduced Mr. Tom Wilson, a long time consultant for ITP.

Mr. Williams presented information regarding rapid transit. The Silver Line bus rapid transit (BRT) was discussed in some detail. A portion of funds for operation are being requested for the bus line with capture of federal dollars in excess of \$34 - \$40 million. The system would run from 60th Street to downtown with stops along the way at local hospitals, universities, and other points of interest. Transfers would not be required and payment would be made off board rather than on the bus. The bus would run every ten minutes. Division Ave is in need of a service like this to eliminate the congestion and overcrowding of the current busses. Substantial stations would be built with canopies, vending machines, and signs announcing arrivals and departures. The bus will have controllers to allow communication with street lights to allow for potentially quicker bus trips. Busses will not be able to control the lights but if the scenario works out lights could potentially be held to allow busses to go through from time to time. At present there are at least four developers interested in developing the areas around the local stops. Over \$80 million is already planned if the stations are built. Other metropolitan areas have reported hundreds of million of dollars of investment in the areas surrounding the stations. Mr. Williams offered to answer any questions the Commission might have.

Chairperson Haynes asked when the project is scheduled to begin.

Mr. Williams responded that the summer of 2012 is the target date for beginning construction. The major time requirement is in gathering funding.

Director Ritsema asked if all the other funding is in place except for the millage.

Mr. Williams replied that Federal funding is already approved as is State funding. The only piece remaining is the roughly 50% of the operating cost from the surrounding communities to allow capture of the Federal dollars.

Director Ritsema added that Kentwood, Wyoming, and Grand Rapids are needed.

Mr. Williams explained that it requires all six cities. All the surrounding areas will benefit from the bus line. Approximately 420 permanent jobs will be brought in – not just summer construction jobs that disappear.

Director Ritsema explained that a home with a value of \$150,000 will see an increase in taxes of \$12 per year beginning in 2012.

Mr. Williams explained that Michigan is on of the few - if not only state - that cannot support a local sales tax due to the Michigan Constitution. Other cities simply levy a small sales tax to pay the cost. Parking is an issue downtown. With BRT, it is possible to build a parking structure in a lower cost area south of town and have people park then ride into town. Perhaps combining the price of parking with the cost of the round trip bus ticket will further show the value of the program.

VIII. Project Updates:

Director Ritsema presented information about new technology that allows “pay-by-cell-phone” for meter parking or off street parking. The “pay-by-cell-phone” program is really more of a pay-by-credit-card via cell phone program. Users can set up an account through their cell phone and link their credit card information to it. To use the system, the customer pulls into the desired space and speed dials the “pay-by-cell-phone” company and requests time to start at the meter. When it is time to leave, a call back to the “pay-by-cell-phone” company ends the time at the meter. The company will calculate the time and the fee and arrange the payment to the parking facility. The technology is very popular in Europe. In some areas of Europe, it is the only way to pay for your parking. There is some usage in North America but it is taking off slowly. In areas where it is used, 10% to 15% of payment is made via “pay-by-cell-phone”. One advantage to the customer is that it allows for credit card payment at the street meters. Online information about parking location and parking fees are easily accessible and traceable. Reports can be printed and taken in for business expenditures. Businesses are also able to have an account that covers a number of employees and can make it very easy to track and pay parking fees. The City can see the benefit as it finally allows payment by credit card at parking meters with no capital investment. Machines that can accommodate credit cards are upwards of \$10,000 per machine. The cost to transfer over the City’s parking meters with credit cards capable meters would be in the millions of dollars. That investment could be bypassed if “pay-by-cell-phone” is used. If many parking locations all use the same service, there is benefit to the customer as well, making the service more universal. Parking in Lansing, Grand Rapids, and Kalamazoo could be very easy if one company services all areas. Seven companies have been contacted so far with a request for information. Four have responded. An initial review has been done but there has been little progress since. The goal is to have a recommendation to Parking Commission by May for review. Some companies offer a module for a tag-less residential parking permits. There is also potential to service the off-street parking areas as well. A license plate recognition camera is used to capture license information and record it for processing. There is generally a 35 cent per transaction fee charged to the customer to support the service. Some cities choose to cover the fee to promote the service to the customer. Monthly accounts are also available to customers. Director Ritsema asked for two volunteers from the Parking Commission to review “pay-by-cell-phone” system over the course of a few meeting before the next Parking meeting. Ms. Sekulich and Mr. Moore volunteered to participate.

Director Ritsema went on to address the Imperial Metal site, also know as 801-803 Ionia, Ottawa/Mason, and the Ionia/Newberry parking lot. The City is working with Irish

Twins III to acquire a parcel in the North Monroe area on which the City will construct a surface parking lot and Irish Twins III would renovate an adjacent building for commercial use. There was a term sheet signed in November 2008 detailing the planning and closing conditions. One of the planning conditions was that Irish Twins III provides financial institution financing for their portion of the project. There was no bank financing available so Pioneer Construction has agreed to pay for the first phase of renovation for approximately \$750,000. At the City Commission meeting the City Comptroller Stan Milanowski requested an investigation into who really owns the land and what the price is that the City is to pay for its acquisition. City Commission directed Parking staff to acquire the property and proceed with construction in phases based on a suggestion from Parking Commission member Monica Sekulich. There has been a renegotiation with Irish Twins III and the City Commission will hear the Second Amended and Restated Term Sheet for the Purchase of a Portion of 801-803 Ionia next Tuesday, April 21, 2009. In the new term sheet, the City would acquire the upper level of the parking lot along Ionia only. There would be no obligation to acquire the lower portion. TIF revenue would continue to be relied upon to help pay for the acquisition and reconstruction of the parking lot. The price per foot has not changed from \$32.80 and that price was determined through an independent appraisal that was conducted for the City. The developer still has to develop the remainder property and have a taxable value of no less than \$2.8 million upon completion. There are planning conditions that still need to be met by the developer. A letter of credit in the amount of \$80,000 must be provided to cover the City's design expenses. There is also the requirement of title insurance commitment and a survey of the property. The time limit for the remaining requirements is June 1, 2009. There are no personal guarantees as the term sheet has been simplified. If the acquisition and construction goes forward it will be an 81 space surface parking lot. The environmental conditions still need to be met for the City to continue to move forward on the project. The cost of construction per space needs to be less than \$7,500. There has also been some confusion as to the ownership because Irish Twins Group is not Irish Twins III. The question is if the land can be delivered with clear title. The City cannot purchase it without a clear title. That issue will most likely resolve itself at closing. A receiver has been appointed for the project. The receiver and bank both have to agree to the sale of the property. Environmental assessments will be done to ensure that the property is up to the City's standards. There is also a question as to whether the developer can renovate the property and deliver tenants. Past experience shows that additional surface parking helps to drive economic development in the area near the surface parking lot. There is always the possibility that the day the lot opens there are not tenants next door. The City is a patient investor. There is the ability to build in advance of demand. It will be occupied at some point. There is an agreement for the developer to lease up to 95 parking passes over a three year period. There is also a requirement for a letter of credit to cover the annual parking revenue for each of the first three years. The City certainly would have liked to pay less for the parcel but they are going to pay the amount that the property is appraised for.

Mr. Schildroth asked who signed the letter of credit for \$80,000. If they cannot get bank financing for the project who will sign an \$80,000 letter of credit?

Ms. Sekulich explained that banks need assets for a letter of credit and in this case the property is most likely the backing for the letter.

Director Ritsema added that there will be no movement unless the letter of credit is properly submitted by the deadline.

Ms. Sekulich asked if the City will have the right to control adjacent development even if there is no commitment required to the lower parcel.

Director Ritsema explained that the City will not have rights to develop the adjacent property. If the property is sold, the term sheet will persist. There is also a restrictive covenant that details there will be no building of competing parking.

Mr. Schildroth asked how Director Ritsema feels about the project.

Director Ritsema explained that it has been a long road. The situation has not been the easiest to deal with. The City needs to acquire land and further develop parking with an eye to the future. There is always the ability to use the lot as Dash North. The City is concentrating on minimizing risk with regards to the project and there is always the ability to use the lot even if the intended plan does not go perfectly. There is always the "Plan B" of using it as a Dash lot.

IX. Other Business:

Chairperson Haynes asked if there was any other business to discuss.

There was no new business.

X. Public Comments:

Chairperson Haynes asked if there was any public comment.

There were no comments.

XI. Adjournment:

The April 16, 2009 Meeting of the Automobile Parking Commission was adjourned at 9:45 am.