

Looking at BPA numbers (1)

The Bethlehem Gadfly Uncategorized July 22, 2019

(93rd in a series of posts on parking)

Let's look at the "pro forma" presented at the July 2 City Council meeting to support the BPA's ability to carry a private loan for construction of the \$16.8m Polk Street Garage.

BPA Presentation – 7-2-19 – City Council – DRAFT

Here are some of the things that Gadfly's thinking about browsing the document:

- Note two "scenarios": 1) the financial bottom line with an increase in fines in tandem with the increase in meter rates that occurred in January and 2) the financial bottom line without an increase.
- The rather surprising conclusion is that the fine increases are not necessary to service the private loan debt.
- One wonders, then, how strongly the BPA will push for the proposed increase in the fine structure.
- The BPA indicates it will push for the fine increases for "policy" reasons — there is an industry standard for the relationship between meter rates and fines and higher fines help increase curbside turnover that is good for business.
- Logically, commonsensically, violations need to incur a substantial financial penalty to do their work.
- But, again, the fine money is not needed for the loan.
- Parenthetically, Gadfly has sensed no hue and cry among the parking populace about the 50% rise in meter rates January 1

nor has there been dire catastrophe, as predicted, in the past six months from not raising the penalty rates.

- As far as Gadfly can tell, the public has been comfortable with the rise in meter rates and would presumably be so with a rise in fines.
- Which is not to say that those with budget oversight should ignore the situation.
- Focus on line 31 “Parking violations — total” in both scenarios and focus on column 4 — 2021 — the probable first year of PSG operation.
- In scenario 1, with a fine increase the revenue is \$1,494,638.
- In scenario 2, without a fine increase the revenue is \$1,450,296.
- The difference is \$44,342.
- Barely a blip in an estimated revenue budget that year of \$7,396,635.
- On p. 73 of the [Desman Parking Study](#), we find that raising the fine structure would have an “Estimated Revenue Impact: \$400,000 annually.”
- How does that square with \$44,342?