

# Looking at BPA numbers (4)

The Bethlehem Gadfly Parking, Serious Issues July 23, 2019

*(98th in a series of posts on parking)*

My father had a saying, “Never send a boy on a man’s business.”

Updated might mean “Never depend on an English prof to understand a complex budget statement.

But here we are. It is what it is.

The working draft for the Polk Street Garage from the Bethlehem Parking Authority presented at the July 2 City Council meeting.

<https://thebethlehemgadfly.com/wp-content/uploads/2019/07/bpa-presentation-7-2-19-city-council-draft.pdf>

Gadfly soldiers on, seeing what he can see, inviting your eyes on the page too. Remember, the PSG is — one way or another — \$16.8m of our money.

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**FIRST:** this morning, Gadfly noticed something he hadn’t noticed or heard of before.

Yes, the \$16.8m is reduced by a \$2,000,000 RACP Grant. Gadfly is not sure what RACP is, but he guesses that is our money too from another pocket.

But here's the morning surprise: \$500,000 from Northampton Community College. That would be over and above paying for 300 parking spaces annually. Well, Gadfly guesses you can say NCC money is our money too, but he wonders why the other two entities contracting spaces are not kicking in something as well.

Maybe more importantly, that leads Gadfly to ask whether, say, Five10 Flats will benefit from PSG. Their web site says "On-site premium parking with additional parking available." Where is the additional parking?

And more broadly, if NCC is kicking in, what about other entities coming on-line in the Mayor's proposed additional commercial development of the eastern corridor of 3rd St.?

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**SECOND:** There is always the question of whether a parking garage should pay for itself or be subsidized by the overall parking system. Gadfly is not sure what the answer to that is among parking professionals, but he has repeatedly heard critics of the PSG (and other garages) expect that it pays for itself.

What does the BPA working draft show?

On page 5, we see debt service in 2021 for two 2019 loans, which Gadfly takes to be for the PSG:  $\$615,290 + \$327,953 = \$943,243$  in total debt service for PSG for 2021.

And on page 4, we see estimated income in 2021 for PSG is \$396,260.

If Gadfly is calculating properly (!?), PSG does not pay for itself by a long shot.

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**THIRD:** Now there is always the question of how much debt is too much debt. Gadfly thinks that's the basic question Councilwoman Van Wirt was getting at in part of her comments on the BPA working draft at the July 2 meeting.

There are no definite plans for the repair or rebuild of the Walnut Street Garage yet. But figures for it are included in the BPA draft for demonstration purposes.

On page 5 we see that in 2024, the projected debt service (including the WSG) is approx \$3.5m, just shy of 50% of the entire system expenses.

Is there an accepted ratio of debt service to other expenses? Of debt service to revenue? For instance, isn't the affordable housing rule of thumb that your monthly mortgage payments be not more than 30% of your monthly income? Or something like that.

A question for the green-eyeshade people.

Gadfly believes the BPA financial advising firm also handles the City business. He has seen the managing director making reports about the City finances.

Do we trust their judgment that BPA can handle the debt and that the City is not at risk?