

Gadfly's list of questions about the BPA Polk Street Garage presentation

The Bethlehem Gadfly Parking, Serious Issues July 12, 2019

(89th in a series of posts on parking)

Back from the monastery.

The issue is the Polk Street Garage, triggered by the BPA “go-ahead” draft presentation at the July 2 City Council meeting. The final BPA proposal is to come in one of the August Council meetings. Gadfly's postings on the July 2 meeting began at #79 in this “parking” series. Choose “parking” under Topics on the sidebar to review.

Time for an exercise in Gadfly preparation for decision-making. Followers know he's kinda slow and works up to such things.

There are 2 perspectives on the BPA presentation that for convenience sake let's refer to as the Van Wirt position and the Callahan position.

The distance between these two positions might be succinctly captured in PVW's “The days of parking garages being an ‘anchor’ for development are over” compared to the title of the white paper BC circulated: “Parking as an Economic Development Strategy.”

North pole. South pole.

Gadfly's heard a lot. Presented a lot here. Now's the time to gather all that information together and see what questions have to be answered in order to figure out where he stands.

Walk with him, wouldya?

As he asks questions that reveal his naivete, inexperience, and ignorance.

As much as possible, he wants questions answered by facts, data, sources.

This is the kind of information Gadfly feels he would need if he were making judgment on a Polk Street Garage.

This would have been his list of questions if he — playing Councilman — were at the Head Table July 2 (giving President Waldron apoplexy, for sure).

1) The Central Business District

The location of the PSG is on the edge of but outside the Southside CBD. Is it legal for a garage to be built there with taxpayer money? If not, shouldn't the developers or those benefiting from the PSG fund it?

2) Future development on the eastern corridor of 3rd St.

The Mayor is behind the PSG because it is important to the economic development of the eastern corridor of 3rd St. Is future development planned there? What is it? Or are we really just talking about providing parking for development that has already taken place? Is it not safe to assume that whatever development that Wind Creek does will include their own parking arrangements and that it will not be incumbent on the City to provide?

3) Options: the Ruins lots

That WC will not sell the Ruins lots is, so far, hearsay. Can we get a definitive statement from them? We have also heard that present use of the lots can be revoked with a 60-day notice — is that true? If it is true, could the notice requirement be negotiated — in friendly neighbor fashion — upward to provide the City/BPA time to make other arrangements if WC has plans for the lots?

4) Hard data: Southside parking studies

What exactly do parking studies show about availability on the Southside? Do the studies show a need for more parking in that area right now? Is on-street parking any kind of option?

5) Commitments to PSG

Three entities have signed commitments to fill 375 spaces of the 470 spaces preliminarily planned for PSG — isn't that a clear sign of present demand? Isn't that a clear sign of a present need for additional parking? Don't those commitments make a (the) *prima facie* case for the construction of a garage?

6) Current parking practice

Where are the 375 parkers requested for PSG parking now, and *why* can't they stay there? *Why* do those already existing parkers need the garage? If they are parking in the Ruins lots, and if those Ruins lots become unavailable, would there be no other parking for them? If some or all of them now park on the street, what happens to the street spaces when they move to PSG?

7) Revenue: meter rates & fines

If BPA has calculated that it can afford a private loan for PSG with or without increasing the fine structure, and if BPA will still request increasing the fine structure for policy reasons only, would it be possible to reduce the meter rates, achieving a proper proportion between rates and fines that way, and saving taxpayer expense? For instance, rescind the recent rate increase.

8) Revenue: the New Street Garage

Is the NSG paying for itself? What, for instance, was the exact required debt payment in 2018, and what was the exact income? What is the exact debt payment in the first half of this year, and what is the exact income?

9) Revenue: the Polk Street Garage

Given the most reasonable projections that can be made, will the Polk Street Garage pay for itself? It has been suggested that the PSG can be operational December 2020. What is it estimated the PSG debt for 2021 will be, and what is the estimate of the income?

10) Revenue: self-sustaining garages

What is the common wisdom, the common thinking among parking industry experts and professionals about the need for/the ability for parking garages to pay for themselves. It's been heard that garages never pay for themselves — true? Should the goal be that garages pay for themselves? Or is it reasonable just that the system as a whole stay solvent?

11) Revenue: “smart” parking

What aspects of new so-called “smart” parking practices have been, are being, or will be put into practice? What is the reason for employing

“smart” practices? Will these practices have impact on revenue or mainly just on the quality of service?

12) Revenue: market rate for garage contracts

What is the “market rate” for garage contracts? \$118/mo has been heard. Yet, we’ve also heard that Allentown is \$75 and Scranton is \$95, etc., so what exactly is the market rate? If our contracts were at market rate instead of far below, exactly how much more revenue would have been generated last year?

13) Revenue: our garage contract rates

\$65/mo. Why so low? Do institutional parkers get a lower rate than the public? Thus, does the public subsidize institutional users? If so, why? It’s been heard that there are institutional leases locked in for 20 years, but it has also been heard that there are rate increases in 2020 and 2024 — is that a contradiction? Again, if our contracts were at market rate, how much more revenue would be generated?

14) Financing: Debt

How much debt is too much debt to carry? The BPA could carry \$57m in debt among the three garages. The BPA and its financial advisors might see that as reasonable, doable. Others might disagree. Is there a way to get an objective assessment? Somebody has objectively assigned the City an “A” credit rating. Is there an *objective* organization that could rate the BPA that way? How do we know how much is too much *before* the line has been crossed?

15) Financing: debt service

How do you prioritize debt service? The BPA could have three outstanding major loan commitments. Suppose things go to hell locally or nationally, and BPA's revenue falls beneath its capability to pay what is due on all loans. Who gets paid with whatever money is available? Do the three debtors get equal payment of what's available? Do you pay down one and let the others go? Do you rotate payments? Or what?

16) The Walnut Street Garage

What makes PSG a higher priority than WSG? When is the estimated decision to rebuild or repair WSG planned? Why is it not possible now to determine if financing for WSG will be private or City-supported?

Gadfly would just love to have answers to these questions before him. And you can probably think of others.