

**NEW HAVEN PARKING AUTHORITY  
DRAFT OPERATING BUDGET ASSUMPTIONS  
FISCAL YEAR 2021**

**Draft #2**

CONSOLIDATED

- \* Payroll budgeted at 3% increase - blended. Reflects union labor agreement increase of 2% plus step increases. No increase budgeted for exempt employees.
- \* Health Insurance budgeted at Contracted rate through December. Estimate 8 % increase on Jan 1.
- \* Insurance Increase - 2.6% Workers Comp and 4.6% Liability and Property (awaiting new Segur Estimates)
- \* CPI-U indicated 2.1% increase in past three months (CPI-U NE = 2.1%). Used 2.5% as conservative increase for expenses & used 1.5% for rental income.
- \* Utilities budgeted for slight increase over previous twelve-month actuals.
- \* CAPITAL PROGRAMS - except as noted all new projects identified in the Desman Condition Survey for the FY2021 Budget will be deferred so engineering can focus on approximately \$24.8 million in previously recommended/approved projects (including the \$10.9 million in programmed repairs from the DECD Grant).

AIR RIGHTS GARAGE

- \* No changes to rates proposed in FY2021 Budget
- \* Monthly parking revenues overall are assumed to be down slightly from FY2020.
- \* Transient and validation revenues are anticipated to be, as a result of the COVID-19 impact, the following percentages based upon prior years: Q1 55%, Q2 65%, Q3 70% and Q4 75%
- \* Assume return to full NHPA Operations, existing prior to the COVID-19 impacts, in the Facility for the full fiscal year to support a working New Haven Community.
- \* Required increase in ARG Security included.

UNION STATION GARAGE

- \* No proposed changes in parking rates in FY2021.
- \* Monthly parking revenues are assumed to be flat when compared to FY2020.
- \* Transient revenues are anticipated to be, as a result of the COVID-19 impact, the following percentages based upon prior years: Q1 5%, Q2 15%, Q3 40% and Q4 50%
- \* Assume return to full NHPA Operations, existing prior to the COVID-19 impacts, in the Facility for the full fiscal year to support a working New Haven Community.
- \* Assumes East Lot will be operational throughout FY2021 due to delay in new garage construction.

UNION STATION BUILDING

- \* No proposed increase in tenant rates beyond contracted CPI-U.
- \* Assume return to full NHPA Operations, existing prior to the COVID-19 impacts, in the Facility for the full fiscal year to support a working New Haven Community.

CROWN STREET GARAGE

- \* No changes to rates proposed in FY2021 Budget
- \* Monthly parking revenues overall are assumed to be down slightly from FY2020.
- \* Transient and validation revenues are anticipated to be, as a result of the COVID-19 impact, the following percentages based upon prior years: Q1 10%, Q2 15%, Q3 15% and Q4 25%
- \* Assume return to full NHPA Operations, existing prior to the COVID-19 impacts, in the Facility for the full fiscal year to support a working New Haven Community.
- \* Assumed no new commercial tenant during the fiscal year.

GRANITE SQUARE GARAGE

- \* No changes to rates proposed in FY2021 Budget
- \* Assume return to full NHPA Operations, existing prior to the COVID-19 impacts, in the Facility for the full fiscal year to support a working New Haven Community.
- \* Transient revenues are anticipated to be, as a result of the COVID-19 impact, the following percentages based upon prior years: Q1 15%, Q2 15%, Q3 10% and Q4 20%

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ORANGE/ELM LOT

- \* Transient revenues are anticipated to be, as a result of the COVID-19 impact, the following percentages based upon prior years: Q1 30%, Q2 40%, Q3 40% and Q4 50%

RESIDENTIAL LOTS

- \* No changes to rates proposed in FY2021 Budget

SHERMAN/TYLERAND ORCHARD/SHERMAN LOTS

- \* Both lots are Budgeted with existing occupancy with CPI-U adjustments in accordance with the existing agreements with YNHH.

STATE STREET GARAGE

- \* No changes to rates proposed in FY2021 Budget
- \* Transient revenues are anticipated to be, as a result of the COVID-19 impact, the following percentages based upon prior years: Q1 15%, Q2 15%, Q3 15% and Q4 20%
- \* Assume return to full NHPA Operations, existing prior to the COVID-19 impacts, in the Facility for the full fiscal year to support a working New Haven Community.

STATE & CHAPEL LOT

- \* No changes to rates proposed in FY2021 Budget
- \* Transient revenues are anticipated to be, as a result of the COVID-19 impact, the following percentages based upon prior years: Q1 15%, Q2 15%, Q3 15% and Q4 20%

TEMPLE MEDICAL GARAGE

- \* No changes to rates proposed in FY2021 Budget
- \* Transient and validation revenues are anticipated to be, as a result of the COVID-19 impact, the following percentages based upon prior years: Q1 10%, Q2 15%, Q3 25% and Q4 35%
- \* Assume return to full NHPA Operations, existing prior to the COVID-19 impacts, in the Facility for the full fiscal year to support a working New Haven Community.

TEMPLE STREET GARAGE

- \* No changes to rates proposed in FY2021 Budget
- \* Transient and validation revenues are anticipated to be, as a result of the COVID-19 impact, the following percentages based upon prior years: Q1 10%, Q2 15%, Q3 25% and Q4 35%
- \* Assume return to full NHPA Operations, existing prior to the COVID-19 impacts, in the Facility for the full fiscal year to support a working New Haven Community.

ADMINISTRATION

- \* PILOT from Unrestricted locations in FY2021 is Budgeted at \$2.483 million. This is not sustainable after COVID-19 impacts.
- \* Acting Executive Director budgeted at fulltime level.
- \* Marketing and professional services levels budgeted at similar levels to the prior year budget.
- \* Recommend NHPA focus primarily on existing, and Board approved new, projects. The backlog of projects is growing and will result in higher costs than currently budgeted due to delays (including inflation impacts) and we will be undertaking significant new programs as a result of the DECD Grant for work on Unrestricted locations.

**NEW HAVEN PARKING AUTHORITY  
DRAFT CALCULATION OF MONTHLY PARKING RATE CHANGES - UNRESTRICTED FACILITIES ONLY  
FISCAL YEAR 2021**

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**CONSIDERATION OF MONTHLY RATE CHANGES AT UNRESTRICTED LOCATIONS**

1 Prior to COVID-19 impacts on the Authority there were discussions with the City of New Haven regarding Unrestricted PILOT payments. The discussions resulted in planned Unrestricted Facilities PILOT of \$1,266,549 in FY2020 and \$2,483,456 in FY2021. Given the devastating impacts of COVID-19 on transient revenue the FY2021 Unrestricted Operating Budget results in a significant cash loss, -\$1,721,066 for the full year while retaining the planned PILOT payment to the City. There are three options to consider closing the cash flow gap given the fragility of the transient revenues potential return, reduce the FY2021 PILOT to zero, significantly increase monthly parking rates or seek an additional source of funding to mitigate COVID-19 revenue impacts. Additional funding could come in form of new Federal legislation. Below is a calculation of the Unrestricted monthly parking rate increases that could be provided in FY2021.

**MONTHLY PARKING RATE CHANGE IMPACT CALCULATION**

- 1 Increase the monthly rate at Crown Street Garage from \$145 per month to \$200 per month. Resulting annual increase with static permits issued = \$574,536
- 2 Increase the monthly rate at Temple Medical Garage from \$145 per month to \$200 per month. Resulting annual increase with static permits issued = \$290,180
- 3 Increase the monthly rate at Temple Street Garage from \$145 per month to \$200 per month. Resulting annual increase with static permits issued = \$830,940
- 4 Orchard/Sherman, Sherman/Tyler, Under Air Rights and Granite Square are entirely, or significantly, controlled by a long-term agreement limiting increases.
- 5 Residential Lots were not calculated for increases to mitigate and potential impact on the citizens of New Haven in community areas.
- 6 We are not able to determine the price elasticity of monthly parking in a COVID-19 environment based upon our limited data to date however the loss of monthly parkers could be as high as 50% or a loss of over \$3 million in monthly parking revenue for FY2021.
- 7 **TOTAL CALCULATION OF THE RATE INCREASES ON UNRESTRICTED MONTHLY PARKERS IS \$1,695,656 FOR THE BUDGET YEAR 2021.**

**MONTHLY PARKING NET IMPACT FROM DRAMATIC RATE INCREASES**

- 1 While the calculation of the rate increases does indicate that Unrestricted revenues COULD rise enough to cover the planned FY2021 PILOT it does not include the unknown potential exodus of monthly parkers from our facilities to other locations in New Haven. Past rate changes that changed monthly parker behavior took almost a decade to recover - example being the Crown Street Garage.
- 2 We have documented the immediate impact of the transient parking losses from COVID-19 and we may be at the beginning of a sea of change in monthly parkers. Minimal cancellations in the first few weeks (approximately 25 the first two weeks) have increased slightly as time has continued (to approximately 100 over the past two weeks), particular concern is for employees that may never return to work or continue to work remotely. Either condition would lead to potential pricing wars (reductions) in the City core resulting in lost monthly parkers and the related revenue that could be enhanced by a monthly parking rate increase in our Unrestricted Facilities in FY2021.

**RECOMMENDATION FROM STAFF**

- 1 That we do not increase monthly parking rates on an facility in FY2021 and especially not on Unrestricted facilities.
- 2 Authority staff will continue to collaborate with City of New Haven personnel to achieve agreement on the FY2021 PILOT as well as maintain support for seeking Federal support to mitigate significant impacts on the New Haven Parking Authority by COVID-19. To date Federal programs have not been located that apply revenue loss mitigation of the Authority.
- 3 Given the existing resources, and vulnerability, the Authority has to additional market changes it is recommended that a reduction be made in the FY2021 Budgeted PILOT from Unrestricted facilities. Even with the reduction, or removal, of the FY2021 Unrestricted PILOT the Authority is extremely vulnerable to additional market changes and must focus on its core operations for long-term viability.