



PARKING AUTHORITY
February 26, 2020

ATTENDANCE:

Richard Brescia, Chairman
Mike Harden, Vice Chairman
Jud Aley
Tom Vetter
Eric Rains

ABSENT:

Eric Rains

STAFF:

Jessica Casey, Chief of Community and Economic Development
Kathryn Hebert, Director of Transportation, Mobility and Parking

OTHERS:

Stathis Manousos, LAZ Parking (via phone)
Rocky Legesse, LAZ Parking (via phone)
George Tsiranides, Common Council
Michael Oz
Dr. Barbara Amodio

CALL TO ORDER

Mr. Brescia called the meeting to order at 6:02PM.

PUBLIC COMMENT

Mr. Oz

Mr. Oz stated said he is the owner and the developer of SONO 50 located at 50 Washington Street. He said he is here to discuss the impacts of the parking fee increases over the past three years and its impact in their effort to help revitalize the building and the area. It took years and a

small fortune to take one of the least desirable buildings to one of the most unique ones. Over the past three years from July, 2016 to July, 2019 the parking fees have increased from \$57.43 to \$74.45 per month and from \$81.89 to \$101.00 per month and those represent nearly a 30% increase. Such increases have raised significant questions by the brokerage community and lending institutions as well as existing and potential tenants and all see the parking situation as unstable and see it as an unsafe investment. Prior to 2016 the typical increases in Webster Lot have been \$1.00 per year which was one of the factors that weighed heavily to do the project. In an effort to increase occupancy they have decided to lower the rent and increase tenant improvement spending but when the expenses keep growing in the opposite direction of the income it becomes impossible, and is further impossible when the lending institutions refuse to lend more money. He said he has two requests from the Parking Authority for their consideration the first being to reduce the cost of parking in line with an annual increase of \$1.00 per year and also to consider a 20 year arraignment with a \$1.00 per month once a year increase which would be in line with a similar arrangement that the Parking Authority has with the Lock Building

Dr. Barbara Amodio

Dr. Amodio stated that she is a long time user of the South Norwalk Railroad Station and over the years she has noticed the fees increasing and there is also no longer an agent on site. She said many times the equipment is not working and when it is not working the gates don't work either but the personnel do try hard to assist. She also said it is difficult to park near the beauty school on Isaac Street and she is very irritated with Parking Authority personnel ticketing on Isaac Street.

NEW BUSINESS

1. APPROVE THE MINUTES FROM THE PARKING AUTHORITY MEETING HELD ON WEDNESDAY, JANUARY 22, 2020.

**** MR. VETTER MOVED TO APPROVE THE MINUTES AS AMENDED.**

**** MR. RAINS SECONDED THE MOTION.**

**** THE MOTION PASSED UNANIMOUSLY.**

2. APPROVE THE OPERATING BUDGET AND RATE CHANGES FOR FISCAL YEAR 2021.

Mr. Aley asked if the only rate change is at the Webster Lot. Ms. Hebert said "yes" the long term daily rate. Mr. Aley asked what the rate is after 6:00PM. Ms. Hebert said \$3.00. Mr. Aley requested that signage is installed with the rate so that it is clear to people.

Mr. Rains asked if there is a commitment on the Parking Authority's part to always absorb the sales tax. Mr. Brescia said there is through this budget year.

**** MR. VETTER MOVED TO APPROVE THE OPERATING BUDGET AND RATE CHANGES FOR FISCAL YEAR 2021.**

**** MR. HARDEN SECONDED THE MOTION.**

**** THE MOTION PASSED UNANIMOUSLY.**

INFORMATION AND DISCUSSION

A. Chairman Report

Mr. Brescia said that the Parking Authority will be meeting with the Board of Estimates and Taxation and the Common Council on the Operating Budget we just approved. He said we will be sharing with them that part of our Strategic Plan (developed in February and March of 2019) was to explore the potential of utilizing some of NPA's Fund Balance to help implement targeted elements of our Plan to benefit the city. While we have a "shopping list" of our own goals we will also be inviting suggestions from these two bodies as well as other city officials. Once our recommendations are made, the Parking Authority will return with our requests to the BET and Council.

Mr. Raines asked if we need their permission to use the Fund Balance or are we just informing them. Ms. Hebert said they need to approve and it becomes an appropriations process.

B. Capital Budget Report

There was no discussion.

B. Financial Report

Mr. Manousos reported and said this month the revenue is under budget but year to date is over budget which is due to the construction combined with lower Maritime Aquarium activity, which has impacted the North Water Lot as well. He said the sales tax changes for Connecticut also went into effect in January which had an impact of \$15,000 on the railroad facilities and the meters that was not budgeted. Mr. Rains asked if the expenses for the sales tax should be carried as an expense. Mr. Manousos said the way that it has been reported counts as revenue because it is collected as revenue that is included in the rate. Mr. Rains asked if that distorts the revenue numbers because it's technically not revenue and the Parking Authority is bearing the expense. Mr. Manousos said that is not the way it is reported in the financial statement but if the Parking Authority would like to change that he will speak to the accounting department, but he believes they are reporting based on general accepted accounting principles. Mr. Rains said that not all municipalities are handling this the way we are and are passing it onto the consumer where we are not and since we are not thinks it should be isolated in the budget that it is a something that we are doing to save the expense for the consumer, but it is still an expense to

the Parking Authority to do that. Ms. Hebert said she will speak with Mr. Manousos and the Chief Financial Officer for LAZ on the explanation and send it to the Parking Authority.

Mr. Manousos said on the expense side the budget for the month and year to date is favorable to budget and is over 7.4% for the month and 4.4% year to date. The transient activity is up 10.5% year to date compared to last year and a strong percentage of the revenues are collected via credit card. The average Pay by Cell transaction was \$3.51 not including the beaches for January, which is down 3.8% compared to last month, and compared to last year the number of transactions are up almost 42% and revenue is up over 24% on the Pay by Cell activities. The transactions from Pay by Cell activity represent over 14% of the transactions and 7.5% of revenue.

C. Operations Report

Mr. Manousos reported on the enforcement and said the issuance year to date compared to last year is up 19.7% but includes the beaches and Oyster Shell Park and if that is factored out is down almost 7%.

Mr. Manousos reported on the customer courtesy program and said there were 21 program days for the month of January and that 1120 courtesy cards were given out, \$560 of metered time was issued to customers and 100 violations were issued after the courtesy time had expired. The value of the metered time that was given was \$25,000. To date there have been 129 total program days and over 6100 courtesy cards issued, over \$3,000 in metered time was given and almost 500 violations were issued of the 6100 courtesy cards. The value year to date of the courtesy cards issued is almost \$141,000. Mr. Brescia said over the three years that the program has been done the value of the courtesy cards that have been issued is in excess of \$600,000. Mr. Rains said it is a great program and certainly worth continuing but at some point all of the programs need to be totaled up and that covering the sales tax for the consumer should be included.

Mr. Manousos reported on the Wall Street district analysis and said they had started the courtesy card program in December and have issued 1048 courtesy cards and issue on average 17 per day. For the month of January there were 7900 transactions at the pay stations and the average transaction was .75 cents with an average duration of stay of 1.5 hours, and credit card transactions are generating a higher average transaction than coins.

Mr. Aley said the calculation on the operations report for the Yankee Doodle Garage is not correct. Mr. Manousos said he will correct the report.

Mr. Legesse reported that the pay station at the North Water Street Lot has been repaired.

E. Other Business

Mr. Harden spoke about signage and said the signage in the city seems very negative and other cities have seem to found a softer the way to word the signage. Ms. Casey said there have been a lot of requests on improving or replacing signage and has helped us to realize that we don't have a cohesive way about thinking about signage across the city, and parking needs to be incorporated so we want to take that effort on. Mr. Rains said in the early meetings related to the Walk Bridge construction wayfinding was the topic several times particularly in South Norwalk due to all of the construction, and at that point was a component of that project and some funding was supposed to be available to the design or implementation. Ms. Casey said that she had reached out to John Hanifan of the Walk Bridge Project to speak with him regarding what that funding looks like and what they anticipate using it for. Mr. Rains said there is a timeframe to wayfinding at least in the South Norwalk area.

Mr. Vetter said that he has received a lot of comments from the Wall Street area not just on the rollout of the parking, but also the token and validation program which is not happening and needs to be implemented as soon as possible because the feedback that he has received is that it should have already been done. Ms. Hebert said to date three businesses have signed up for the token program and said that it is a slow rollout, but there have been eight e-mail blasts that have been sent out as well as social media on at least three different platforms and flyers were also distributed. Mr. Vetter asked who would be the contact. Ms. Hebert said Ms. White of LAZ Parking is the designated person.

Mr. Harden said the online validation program that he has been using for his customers is terrible and he is not using it. It was extremely difficult to physically use and was too complicated and does not recommend using it as part of the validation program. Ms. Casey asked what the theater is doing to validate their customers that park at the Webster Street Lot. Ms. Hebert said they validate it online through the paystation.

F. Next Parking Authority meeting: Wednesday, March 25, 2020 at 6:00PM.; Yankee Doodle Garage, Norwalk CT.

ADJOURNMENT

**** MR. VETTER MOVED TO ADJOURN**

**** MR. RAINS SECONDED THE MOTION**

The meeting adjourned at 7:00PM.
Respectfully submitted,
Dilene Byrd

2/19/20

RE: Webster Lot monthly Permit fees

Dear Commissioner:

My name is Mike Oz. I'm the Owner/Dveloper of SoNo 50...known as 50 Washington Street as well as several other properties located in the SoNo area.

I'm here tonight to share with you the impact the parking fee increases of the past three years has made on our efforts to help revitalize the area with a robust lineup of new businesses that would bring many employees to our building and the SoNo shopping and dinning area.

As you all may know, it took years and a small fortune to turn one of the least desirable buildings in the rental marketplace to one of unique One. Today, 50 Washington is one of the most amenitised buildings in Southwestern Connecticut offering a high-end boutique style in one of the most special neighborhoods of Fairfield county. I'm very proud to be part of the effort to help bring SoNo to its full potential.

In the past three years, from July of 2016 to July of 2019 the parking fees have increased from \$57.43 per month to \$74.45 per month (including sales tax). Our reserved spaces increased from \$81.89 per month to \$101.03 (with sales tax) nearly 30%. Typical increases we had seen in the Webster Lot prior to 2016 had been approximately \$1.00 per month...a factor that weighed heavily in our decision to move forward with this project. If that one dollar per year increase had remained in place, our parking fees today for non-reserved spaces would be \$60.00 and for reserved spaces, \$80.00. Such increases have raised significant questions by the brokerage community, lending institutions and our existing and potential tenants. They all see our parking situation as unstable and regard 50 Washington as an unsafe investment.

Unfortunately, since we purchased the building until today, the Office market in Connecticut and particularly in the Norwalk area has seen a major decline in occupancy. When we purchased the building in 2014, the class A vacancy in Norwalk was approximately 15% on average. Today, 6 years later our vacancy, including sublease stands at 33%.

When purchased, 50 Washington's occupancy was 70%. Today, after millions have been invested, our occupancy is at 60%.

In an effort to boost occupancy, we have decided to drop the rent a bit and increase our tenant improvement spending. But, when our expenses keep growing in the opposite direction of our income, it becomes impossible.

Further, we provide a tenant with 3 parking spaces per 1,000 sq ft. The tenants are responsible for the remainder. Of course, when the tenant compares the \$ per sq. ft. the added cost of parking makes a real impact on their final decision. Reducing the cost of parking in line with an annual increase of \$1.00 per month can certainly make a huge difference and energize our ability to lease space.

We also want to request that the Parking Authority consider a long term arrangement as this question keeps coming up by both tenants and lenders. We would like to suggest a 20 year arrangement with \$1.00 per year bump and with a cancellation clause for the Authority in the event of a major development in the Webster Lot which I understand the Authority is considering. This long term arrangement would be in line with a similar arrangement the Parking Authority had with the Lock building which helped tremendously with leasing the building.

Your time and consideration to this matter is greatly appreciated

Very Truly Yours



Mike Oz