

# Gardnerville Parking District Strategy

Plan for Prosperity



January 2007 Draft



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Gardnerville Parking District Strategy

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# Introduction

**Parking solutions are critical to the future success of reinvestment in Old Town Gardnerville. The parking district study is intended to identify implementing steps to make off-site parking feasible for property owners, developers, the Town and County. The study includes an overall parking, financing, and action plan strategies that are an extension of the Gardnerville Plan of Prosperity adopted by the Town Board in 2006.**

- Process and Purpose
  - Parking District Planning Area
  - Organization of Report
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## **Purpose of Parking District Strategy**

The parking district strategy implements policies, supports reinvestment in Old Town, and provides a course of action for implementing the district.

### Policy Direction: Plan for Prosperity

In 2005, the Town of Gardnerville prepared the Plan for Prosperity. The Plan included land use, circulation and community design policies and a supporting action plan for vacant and underutilized land along US 395. The Plan provides additional flexibility for property owners and investors to mix residential and commercial uses. These policies are expressed in a Mixed-use Overlay where new standards are intended to be more flexible and the Guidelines communicate the expected quality for new investment. The goals and policies were integrated into the County Master Plan 10-year update.

#### Policy 1.2: Old Town Circulation

*Public and private investment in Old Town should enhance pedestrian access, calm and slow traffic, and provide convenient parking.*

The analysis from the Plan for Prosperity illustrated how difficult it is to create projects that fit into Old Town Gardnerville's traditional pattern. Parking requirements limit the amount of possible development, create suburban auto-oriented projects and reduce economic opportunity. The parking standards have also made it more difficult to invest in renovation of older buildings and development of new ones. The Plan for Prosperity recommended preparing a parking district to allow off-site parking.

The community discussed how a parking district approach would:

- Increase the amount of investment in Old Town by allowing additional development while providing a lower cost for parking;
- Support existing businesses by improving wayfinding and accessibility; and
- Provide an opportunity to better utilize the Town's investment in public streets.

The Plan acknowledged the need for a parking district approach that evolves with the community by:

- Anticipating changes in land uses;
- Providing short-term and long-term parking for patrons and employees;
- Anticipating special event parking; and
- Identifying land acquisition, capital costs and management budgets.

### Supporting Economic Development

The parking district feasibility and action planning effort is to support the efforts of the Town, County and their private section partners to increase the viability of investing in Old Town Gardnerville. A more strategic approach to parking is required to support economic and land use concepts and policies in the Gardnerville

Plan for Prosperity. The parking strategy identifies how to employ existing and future public assets to support reinvestment.

#### Plan for Action

The parking strategy is to inform public participation requirements for formation of a Parking District. The parking strategy identifies:

- Administrative, financial and collaborative roles for public sector;
- Private sector participation benefits;
- Financial and real estate benefits of participating in a parking district; and
- Potential in-lieu fees required to both initiate and provide on-going support for a parking district.

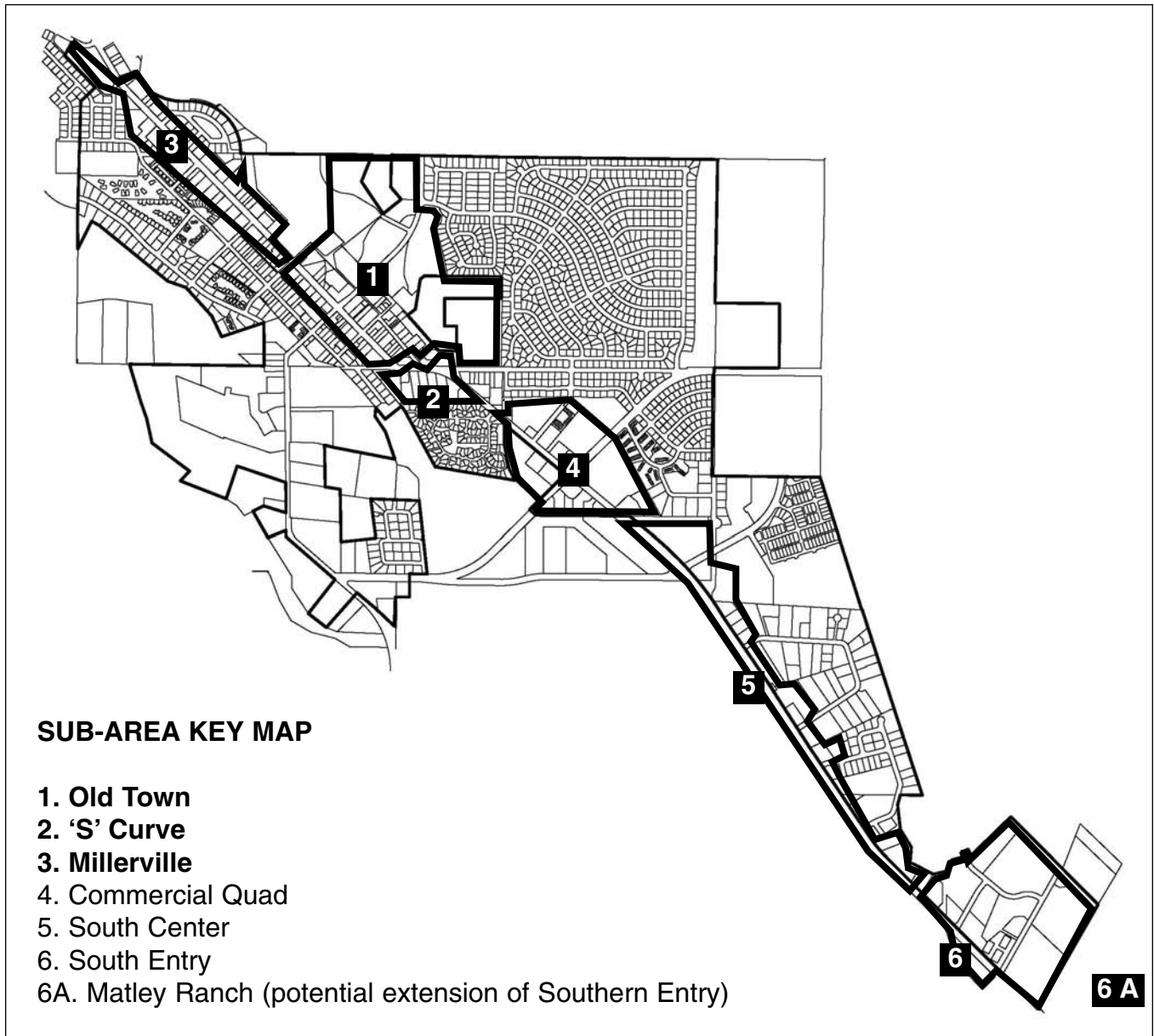
#### **Parking District Planning Area**

The parking district planning area includes Old Town Gardnerville, the 'S' Curve and Millerville (Exhibit 1). These three sub-areas were identified in the Plan for Prosperity as mixed-use infill areas that could benefit from creation of public-private approach to providing for parking.

#### **Report Organization**

The report is organized into three sections. The first section provides an overview of objectives, parking demand and supply, and phasing. The second outlines an implementation plan. The third section uses a case study infill mixed-use project to demonstrate the financial opportunities and commitments to provide parking for higher density infill projects in Old Town.

## Exhibit 1



The Gardnerville Plan for Prosperity emphasized mixed-use infill development in Old Town, the 'S' Curve and Millerville sub areas. The parking district and program report focuses on parking strategies and implementation activities that support this objective.

## SECTION 1: Overall Parking Strategy

The overall parking strategies for Gardnerville's existing and future mixed-use areas is based on goals and objectives that support implementation of the Plan for Prosperity. It identifies the boundaries, potential demand and supply of parking, phasing concepts, and potential parking facilities.

- Parking District Goals and Objectives
- Parking District Boundary
- Parking Demand and Supply
- Phasing Concept
- Parking Facilities

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### Parking District Goals and Objectives

To address parking needs in Old Town Gardnerville there are certain recommendations that could be considered and implemented by the Town, including a combination of increasing parking supply (both on-street and off-street surface parking) and a parking management program.

#### Overall Goals

The goals of the downtown parking program supporting Plan for Prosperity objectives are to:

- Support downtown business development and livable neighborhoods;
- Provide parking supply to meet existing and projected needs;
- Use time limits and enforcement to efficiently manage parking supply;
- Make parking safe, secure, attractive and convenient;
- Operate public parking in a financially sound manner; and
- Minimize the negative impacts of parking.

The recommendations for increasing parking supply and parking management are intended to address parking needs in the downtown commercial district of Gardnerville. These recommendations are presented in a manner that would allow the Town to implement components in a phased process. The recommendations are intended to improve the use of existing parking supply and provide for additional parking capacity in order to address existing and future parking demand.

In addition the Town should pursue potential for joint use and shared parking with the private sector for future off-street surface parking lots and structured parking. This would be important if there are different peak period parking demands for the uses sharing such parking – e.g. parking used primarily for private business activity during the day and for restaurant and retail activity in the evenings and on weekends.

#### Overall Objectives

The parking district has economic, community image, financial and regulatory objectives.

Economic development objectives include:

- Supporting existing businesses;
- Facilitating new infill development;
- Using a parking district to enhance development feasibility; and
- Increase tax base (property and sales tax).

Community design and image objectives include:

- Support development of traditional multi-story buildings that reflect the value and improve the image of Old Town, the 'S' Curve and Millerville; and
- Improve pedestrian access and comfort in Old Town, the 'S' Curve and Millerville.



Financing objectives include:

- Using Town and County assets to support economic development objectives; and
- Approach financing of district in phases that lays the groundwork for future parking facilities and development projects.

Regulatory objectives include:

- Initially, support voluntary nature of parking district participation;
- Inform creating County ordinances for creating parking districts; and
- Inform possible State legislation for formation of parking districts.

### **Parking District Boundary**

The proposed parking district boundary roughly corresponds with the Old Town, 'S' Curve and Millerville sub-areas identified in the Plan for Prosperity (Exhibit 2). This area has development opportunity sites planned for commercial and mixed-use residential infill projects that can benefit from access to off-site parking. These areas also have historic buildings may not be able to provide on-site parking.

### **Parking Demand and Supply**

Development analysis of the Plan for Prosperity indicates the Old Town and 'S' Curve area has about 30 acres of opportunity sites. These sites could be developed to accommodate up to 230,000 SF of commercial uses and 380 units of housing. The commercial uses could require up to an additional 690 spaces in private parking lots at 3/1,000 SF. A parking district approach will allow projects to share parking and use public rights-of-way.

Gardnerville striped several of Town's streets in 2005. This effort created approximately 260 spaces. Including the 26 spaces at the Town office lot, there are about 286 spaces that can be made available through an in-lieu program for existing and new development in the parking district area. At 3 /1,000 SF, the existing 286 spaces could support approximately 95,000 SF. This is over 40% of the parking needed for building out the Plan for Prosperity. The balance of the parking would be accommodated on the sites of development and future parking lots and structures developed the Town, County and their private sector partners. It will be important to take the long view in regards to parking in Gardnerville and assume it will evolve with the needs and market support for commercial space.

Another feature of a managed parking district in a mixed-use downtown area would be the ability to reduce the amount of parking that is required. This is due to several factors including:

- Using shared parking for a variety of uses that do not have the same peak demand;
- Combining uses that support one another and reducing the need to drive between businesses and increase the ability to walk; and
- Enhanced use of transit and walking from nearby existing and new/future neighborhoods.

This may allow up to a 20% reduction compared to the County's existing suburban standards that require each site/project to provide parking for its peak use.

### **Phasing Concept**

The creation of a parking in-lieu program that supports business and property owners' desires to get more efficiency from their land should be approached as a phased strategy. Generally, it can be characterized as a three-step process that parallels the development of infill projects.

Over time, the demand for parking, rise in land values and rents reflecting the success, and growth of the community will require treating land as a more valuable resource. This suggests the evolution parking will move from on-street and on-site parking, to shared public parking lots and eventually (when land prices justify it) to structured parking (Exhibit 2).

#### Phase 1: On-street Parking

The first phase of creating a parking district would include marketing the existing on-street parking to support existing and new businesses. This would include a voluntary program that would allow property owners and developers to increase the amount of off-site parking as part of the development review process by paying an in-lieu fee. This fee would be used to manage public parking and to create a fund for future acquisition and development of surface parking lots. The initial phase would involve the developing a design and development plan for future parking facilities.

#### Phase 2: Public Parking Lots

The second phase would focus on creation of public parking lots. This might include land acquisition and a shift to a mandatory on-lieu program to encourage the design and economic objectives for Gardnerville's mixed-use areas. The in-lieu fee program would be reassessed and revised to reflect the market realities at that time.

#### Phase 3: Public Parking Structures

The third phase of the parking district would reflect Gardnerville's maturity as a real estate market and desirable business and residential address. This phase would include development of parking structures to support new development projects. This phase would also require design and management plan revisions and revisiting the in-lieu fee to reflect the market realities at that time. This phase is part of the long-term future of Gardnerville. If it is an economic development priority of the Town and County, development of parking structures could be part of an earlier phase, but would likely require a public subsidy.

#### **Parking Facilities**

As discussed in the phasing description, on-site, on-street, public parking lots and structures all will play an important role in the Gardnerville parking district.

#### On-Site Parking

Currently, up to 50% of parking is allowed off-site for commercial projects in Old Town. However, there is no managed district that supports this County standard. For restaurants and commercial uses, this means a significant amount of land is still dedicated to parking essentially limiting development to a single story. This means development of two story buildings similar to Gardnerville's historic two-story storefront buildings would not be economically feasible. In the future, for some uses, on-site parking will be a necessity. Formation of a parking district makes it possible to develop mixed-use and multi-story buildings.

#### On-Street Parking

In 2005, the Town striped public streets creating a reservoir of parking that can be allocated to new development. This parking is an important resource for the formation of the district and providing nearby and convenient parking for existing and future businesses. Phase 1 assumes there are about 108 spaces that would not be allocated because those spaces already support existing businesses. These spaces would be included in the second phase when replacement parking can be included in new public lots. Up until the 1970's, Main Street/US395 had on-street parking. This is an important feature of successful main street districts. The regional design guidelines prepared for NDOT make it possible reintroduce on-street parking, pending commitment to creation of a regional bypass. Therefore, the third phase for the parking strategy includes

#### Public Parking Lots

The strategy identifies three potential locations for shared parking lot facilities. Parking lot options for these locations could create between 169 and 299 additional shared parking spaces. At 3/1,000 SF of development, this could support approximately 56,000 SF to 100,000 SF of commercial uses.

*Town Office Site (Exhibit 3A)*

There are two options illustrated for expanding the parking next to the Town Offices. The first option has a 32 space lot southeast of the Town office and the second has a 77 lot that spans from the Town office to the corner of Mission Street. These lots are assumed to be interim uses until mixed-use projects can be developed with structured parking in them or nearby.

*East Fork Site (Exhibit 3B)*

The second potential location is the old East Fork Hotel property. There are two options illustrated. The first adds a 20 space lot behind the existing building. The second option reconfigures lots behind the two properties to the southeast and the East Fork property into a 100-space lot. This approach nets about 58 new spaces. These parking lots would be an interim use until the land is redeveloped into a mixed-use project facing on to Heritage Park.

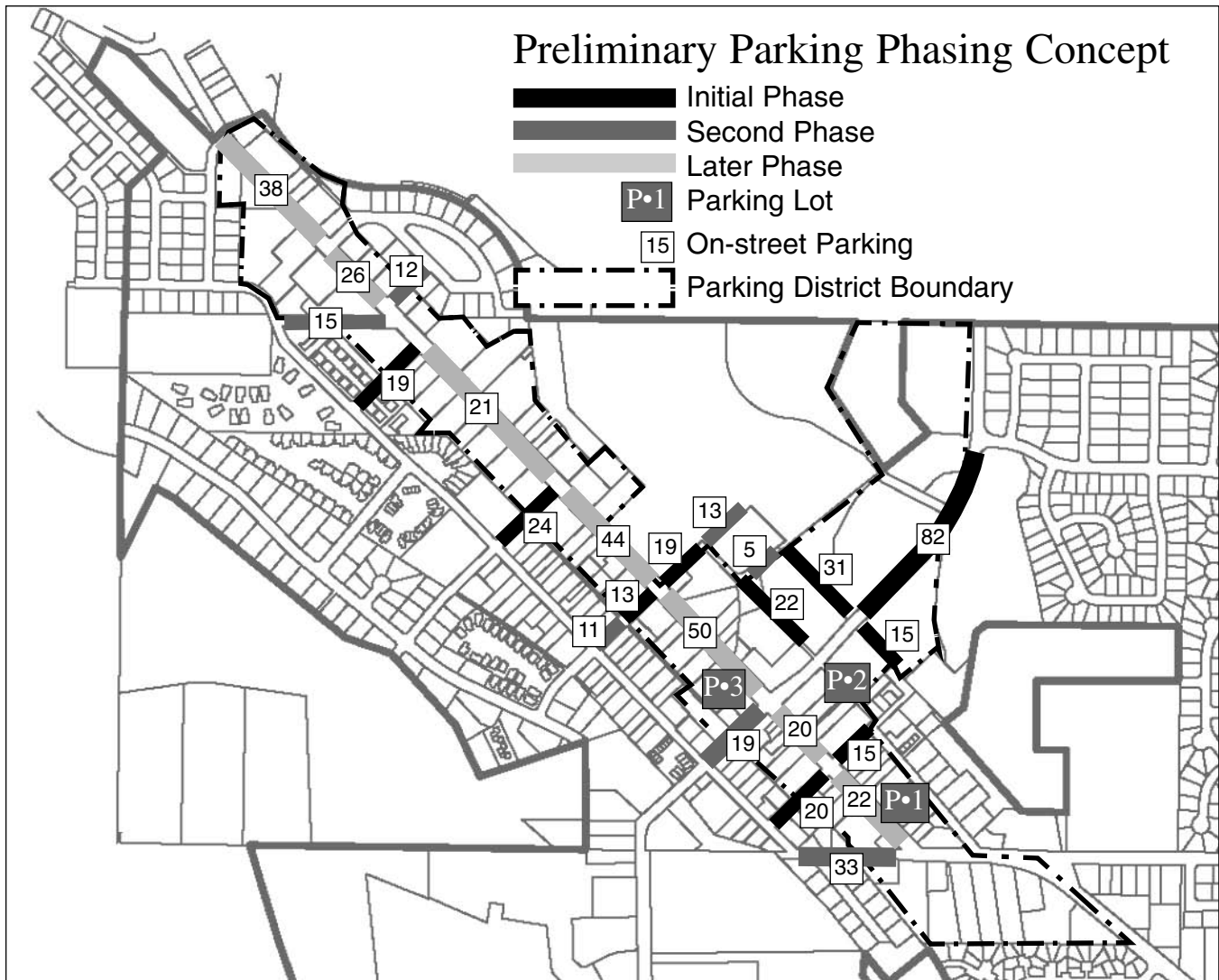
*Sharkey's Lot (Exhibit 3C and 3D)*

The third opportunity site for a parking lot is the existing Sharkey's lot and contiguous unpaved areas. If the entire site is used for parking, a 164-space lot could be created. Another approach illustrated is to include a new commercial building along Main Street and a 117-space lot behind it.

Public-Private Parking Structures

In the longer term, the strategy identifies three potential parking structures located on the parking lot sites. Only one of these has been modeled (see Section 3 of this report). These facilities would be developed as part of mixed-use projects freeing up parking lots for commercial and mixed-use projects.

## Exhibit 2



### Assumptions:

#### Boundaries

- Commercial uses in the US395/Main Street corridor and Old Town District.

#### Phasing of On-street Parking

- First phase of existing marked spaces made available for existing and initial development in-lieu
- Second phase existing marked spaces made available to in-lieu development after parking lots open
- Third phase includes US395 on-street spaces to be implemented when regional traffic solutions create the opportunity

#### Off-street Public Parking

- Initiates the start of the second phase using in-lieu fees created by first phase development

	On-street	Public Lots	Public Structures	Phase Total
<b>Phase 1</b>	260 spaces	P•1 26 extg.		<b>286</b>
<b>Phase 2</b>	108 spaces	P•1 103 P•2 100 P•3 117-164		<b>475</b>
<b>Later Phase</b> (future potential estimate)	221 spaces (US 395)		P•1 TBD P•2 TBD P•3 348 (318 net)	<b>TBD</b>

## Exhibit 3A

### P 1: Town Office Site



**Existing Site**

26 spaces



**Option 1: 0.42 acres acquired**

32 new spaces (58 net)



**Option 2: 1.09 acres acquired**

77 new spaces (103 net)



## Exhibit 3B

### P 2: East Fork Site

#### Existing Site

42 spaces



#### Option 1: Additional Parking Lot

0.43 acres acquired

20 new spaces  
(62 net)



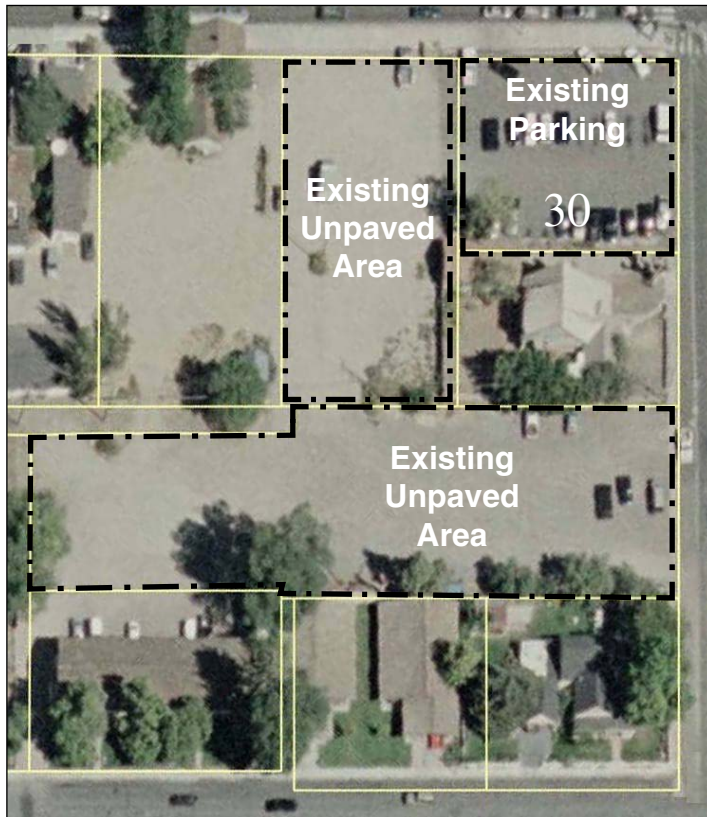
#### Option 2: All New Parking Lot

0.43 acres acquired  
(1.05 acres improved)

100 new spaces  
(58 net)



## Exhibit 3C



### P3: Sharkeys Lot

#### Existing Site

1.37 acres parking lot and vacant land

30 paved spaces

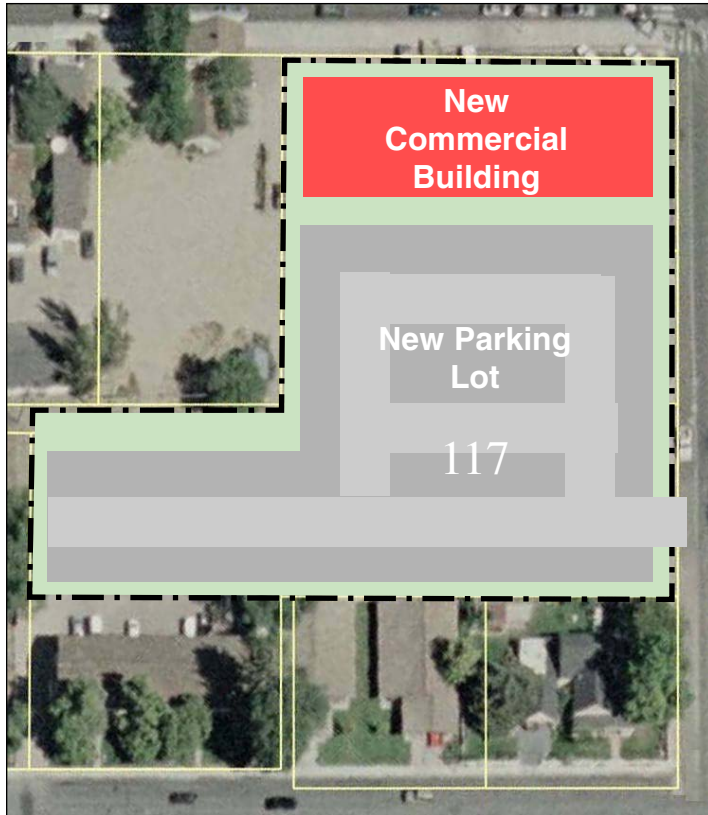


#### Option 1: New Public Parking Lot

1.58 acres acquired

165 new spaces (135 net)

## Exhibit 3D



### P3: Sharkeys Lot

**Option 2:** New Public Parking Lot with Commercial Building

1.25 acres acquired

117 new spaces (87 net)



## SECTION 2: Implementation Plan

**Preparation of an implementation plan for the parking district and program considers the scope of improvements, how parking will be managed, program costs, how it can be financed, and related actions by the Town and County.**

- Parking Improvements Assumptions
  - Parking Management Program
  - Program Costs
  - Financing
  - Implementation Actions
- 

### **Parking Improvements Assumptions**

The construction of the proposed additional on-street parking spaces and off-street surface parking lots could be accomplished in phases over time as discussed in Section 1. For the purposes of formatting the implementation plan, the following improvements are assumed.

Phase 1 would include 260 existing on-street spaces and 26 existing off-street spaces (Town Office Site).

Phase 2 would include construction of 108 net new on-street spaces and 240 net new off-street spaces through the following:

- Expansion/improvement of the Town Office Site (1.54 acres) from 26 to 103 spaces;
- Expansion/improvement of the East Fork Site (1.35 acres) from 42 to 100 spaces; and
- Expansion/improvement of the Sharkey's Lot Site (1.58 acres) from 30 to 135 spaces.

Later phases would include construction of 221 net new on-street spaces (along US Highway 395) and construction of an initial parking structure (approximately 348 spaces) on a site to be determined by the Town of Gardnerville

### **Parking Management Program**

The proposed solution for parking in downtown commercial district of Gardnerville includes a comprehensive parking management program based on maintaining free parking with strict enforcement of time restrictions. Some of the components of such a program can be implemented easily with minimal initial costs (e.g. reconstruction of existing on-street parking with installation of signage for time restrictions) while others might require developing capital improvements and associated financing for improvements (e.g. acquisition of property and construction of additional on-site surface parking lots).

To meet existing and projected future parking needs in downtown Gardnerville will continue to be an ongoing process. While certain recommendations could be implemented earlier than others, the recommendations need to be viewed as part of a comprehensive, coordinated program.

### **Time-Restricted Parking**

The objective of a time-restricted parking management program would be to maximize utilization of existing parking (on-street and surface parking lots) supply through centralized management and enforcement, and provide additional short-term parking in the Town's downtown commercial district. Such a program would impose time restrictions on both on-street parking spaces and surface parking lots. The program would include centralization of the management effort, enforcement and designation of parking time limits (e.g. short-term, etc.).

The primary need in the downtown commercial district of Gardnerville appears to be for short-term (e.g. 2-hour) parking. This type of parking best serves commercial, retail, service and restaurant uses that typically

make up the majority of downtown businesses. Parking supply designated for short-term use combined with enforcement of time-restrictions could provide for high turnover rates for space usage and increased number of vehicles accessing the area. Such parking activity is one of the key elements for a successful downtown commercial district.

Under the proposed program, on-street parking and off-street surface parking lots in certain designated areas of the downtown commercial district would be covered under a 2-hour time restriction. Within such designated areas however, certain spaces should be designated for commercial loading zones, passenger drop-off/pick-up zones (e.g. 15- minute), physically disabled/handicapped parking, no- parking zones (e.g. adjacent to fire hydrants). In addition there would be certain exceptions to the permitted 2-hour parking such as for street cleaning and/or snow removal purposes on designated days and hours.

#### Structured Parking

As indicated previously the potential development of a parking garage would be a later phase of implementation of the Town's comprehensive parking program for the downtown commercial district. In the context of any policy decision to proceed with development of an initial parking garage the Town could consider the policy issue of establishing a paid-parking management program. At that point the Town would have two basic options:

- 1) Use a time-restricted parking program for the parking garage with the appropriate signage and enforcement related to the parking activities within the garage (e.g. short-term (2-hour) parking, long-term parking, monthly employee parking and/or hotel guest parking (if applicable); or
- 2) Establish a paid-parking program to create revenue to help offset the development and ongoing operational costs of the parking garage(s). This later option would require that the Town undertake an analysis to determine the appropriate parking rates for use of the parking garage spaces (short-term, long-term, monthly permits, etc.)

#### Enforcement

With a time-restricted parking management program, the Town would need to consider establishing a program for parking fines through issuance and collection of parking citations. The specific citation amount should be evaluated annually in the context of the Town's operating budget in relation to actual cost of administering the time-restricted parking management program.

Parking citations provide for a source of revenue that can help offset the ongoing administration costs of operating a time-restricted parking management program, and related capital costs. Parking citations could be established and issued for the types of violations listed below.

- Overtime parking
- Parking in no parking zones
- Illegal parking in handicapped parking zones/spaces
- Obstructing street cleaning activity and/or snow removal activity
- Blocking fire hydrants
- Penalties for non-payment of parking fines

Parking enforcement is important to successful management and effectiveness of a time-restricted parking management program, and helps establish and maintain desired parking characteristics. Strict enforcement would also help the Town closely monitor the impacts of the parking management program and make adjustments over time e.g. changing time restrictions.

- The benefits of strict enforcement are:
- Maintaining and promoting desired parking utilization, including turn-over rates
- Providing revenues that can be used for implementing other parking improvements
- Protecting the public including keeping areas open for emergency vehicle access

- Maintaining special use parking such as drop-off and loading zones

#### Residential Permit Parking

Implementation of a time-restricted parking management program could create the situation where people look for available non-restricted on-street parking in adjacent residential neighborhoods on the edge of the downtown commercial district. Therefore, consideration for establishment of a residential permit program by the Town may be necessary in order to address potential spillover parking problems that could intensify with the implementation of time-restricted parking management program. Residential areas adjacent to the downtown commercial district should be monitored by the Town to determine if spillover parking is occurring and if it is necessary to consider establishment of a residential permit program.

A residential permit-parking program should be carefully thought out prior to establishment and implementation. A number of issues should be addressed in the context of any consideration of such a program, including but not limited to:

- Number of permits per property
- Accommodation for visitors
- Renewal periods for permits (e.g. annual, bi-annual, etc.)
- Application process and resident verification
- Accommodation for special events
- Accommodation for service visitors (e.g. repairman, household help, etc.)
- Imposition of a charge (fee) for a permit

#### **Improvements and Program Costs**

Understanding potential costs of implementing a parking district is necessary to establish the in-lieu fee program and identify other potential funding strategies. The following sub section and related tables identify potential costs for implementing the parking program and related improvements. Structured parking and administrative costs have been broken out separately.

#### Parking Improvements

Capital costs related to implementation of the proposed Phase 1 improvements include purchase and installation of parking enforcement signage for the existing 260 on-street parking spaces and 26 existing off-street surface parking spaces (Town Center lot). The estimated cost assumes that all of the signage would require poles and be installed in pavement (or sidewalk). The indirect costs include permits and design/construction administration based on 3.0% and 15.0%, respectively, of the estimated direct construction cost.

**Table 1:**  
**Summary of Estimated Capital Cost – Phase 1 (in 2006 dollars)**

	<u>On-street</u>	<u>Off-street</u>	<u>Total</u>
No. of Spaces	260	26	266
Land	NA	NA	NA
Construction (Signage)	\$ 45,000	\$ 4,500	\$ 49,500
Indirect	<u>8,100</u>	<u>800</u>	<u>8,900</u>
Total	\$ 53,100	\$ 5,300	\$ 58,400
Cost per Space	\$ 204	\$ 204	\$ 204

Capital costs related to implementation of the proposed Phase 2 improvements include development of an additional 108 on-street parking spaces and additional net new 240 off-street parking spaces (surface parking lots). The estimated costs for development of the net new off-street parking spaces (surface parking lots) are presented in the table below. The estimated cost to construct the proposed net new 240 off-street parking spaces described as part of Phase 2 above is approximately \$4,090,700 (or \$17,045 per space) in 2006 dollars.

**Table 2:**  
**Summary of Estimated Capital Cost – Phase 2 (Surface Parking Lots)**

No. of Spaces	338	
Land	\$ 1,620,500	\$12.00 per square feet of land area to be acquired (3.1 acres)
Construction		
Demolition/Site Preparation	222,000	\$5.00 per square foot of site area
Off-site Improvements	327,500	\$200 per lineal foot of public street right-of-way frontage
Parking Spaces	1,421,600	\$4,156 per space
Contingency	<u>137,900</u>	7.0% of direct construction cost
Subtotal	\$ 2,109,000	
Indirect		
Permits	\$ 60,200	3.0% of the estimated direct construction
Design/Construction Administration	<u>301,000</u>	15.0% of the estimated construction cost
Subtotal	\$ 361,200	
Total	\$ 4,090,700	
Cost per Space (net new spaces)	\$ 17,045	
Cost per Space (with existing spaces)	\$ 12,103	

A summary of the estimated capital costs for implementation of both Phases 1 and 2, including construction of the proposed additional on-street parking spaces (108 spaces) and additional net new off-street parking spaces (240 spaces) is presented below in 2006 dollars. The estimated cost for Phase 2 includes striping and purchase/installation of parking enforcement signage for the additional 108 on-street parking spaces (no resurfacing).

**Table 3:**  
**Summary of Estimated Capital Cost – Phases 1 and 2 (in 2006 dollars)**

	<u>Phase 1</u>	<u>Phase 2</u>
No. of Spaces		
On-street	260	108
Surface	<u>26</u>	<u>338</u> (240 net new)
Total	286	446 (348 net new)
Land	NA	\$ 1,620,500

Construction	\$49,500	2,127,700
Indirect	<u>8,900</u>	<u>364,500</u>
Total	\$58,400	\$ 4,113,700
Cost per Space (net new spaces)	\$ 204	\$ 11,821
Cost per Space (with existing spaces)	\$ 204	\$ 9,224

#### Structured Parking

The estimated total development cost of the proposed structured parking (348 spaces) that would occur as a later phase(s) is presented below in 2006 dollars. As indicated above the site of such parking garage(s) is subject to the determination of the Town of Gardnerville and Douglas County. For the purposes of this report, it is assumed the 348 spaces would be developed in a single parking garage in the mid-area of downtown Gardnerville.

The total estimated total development cost for a 348-space parking garage is approximately \$9,407,400 or \$27,033 per space (in 2006 dollars) as summarized in the table below.

**Table 4:**  
**Summary Estimated Development Cost – Structured Parking (in 2006 dollars)**

No. of Spaces	348	
Land	\$ 661,700	\$12.00 per square foot of site area
Construction	6,909,900	Site preparation - \$2.00 per square foot of site Off-site public improvements - \$200.00 per lineal foot of public right-of-way frontage On-site improvements - \$10.00 per square foot of area to be improved Construction cost - \$50.00 per square foot of building area (131,640 square feet) Contingency - 7.0% of direct construction cost area
Indirect	<u>1,835,800</u>	Indirect cost (including financing) - 27.0% of estimated direct construction cost (not including land).
Total	\$ 9,407,400	
Cost per Space	\$ 27,033	
Cost per Square Foot (Building)	\$ 71.46	

#### Program Administration Costs

Annual operating costs related to implementation of the recommended time-restricted parking management program include program administration, enforcement, snow removal and general maintenance. The estimated costs presented below (in 2006 dollars) are based on full implementation of both Phases 1 and 2 resulting in a total of 368 on-street parking spaces and 338 off-street parking spaces (surface parking lot). These costs would increase incrementally as implementation of Phase 1 and then Phase 2 are undertaken/completed by the Town.

The estimated cost for program administration and general maintenance costs are based on industry standards for the number of proposed surface parking lot spaces (338) for communities similar to Gardnerville. The estimated enforcement cost is based on one-half time patrol officer at eight hours per day, seven days a week at a rate of \$30.00 per hour. The estimated cost for snow removal is based on \$1.00 per six square feet of surface parking area (surface parking lots) including hauling snow from the area. It is assumed that the general maintenance of the on-street parking spaces would be addressed through the Town's street maintenance program.

The time-restricted parking management program would have to finance the annual operating costs with a combination of parking enforcement revenue, in-lieu parking fees, and other funding sources including potentially the establishment of a parking assessment district.

**Table 5:  
Summary of Annual Operating Costs – Time Restricted Parking Program (Phases 1/2)**

Program Administration	\$ 40,000
Enforcement	35,000
Snow Removal	30,000
General Maintenance	<u>30,000</u>
Total	\$ 135,000
Cost per Space	\$ 400

### **Financing**

The following is a brief summary of the potential funding sources or mechanisms for the Town of Gardnerville to pursue regarding construction and installation of the proposed parking improvements and management program. These other potential funding sources and mechanisms include, but are not limited to the following:

#### In-lieu Parking Fee Program

An in-lieu parking fee program could be used in locations within the downtown commercial district where parking demand is being created but there might be physical and/or financial reasons that a proposed development is not able to provide parking consistent with the parking code requirements. An in-lieu fee program could be used as an economic development tool in that it could provide a means for a proposed private development project to provide for required parking without encumbering the total cost burden of constructing either on-site surface parking or structured parking. Currently the Town does not have such an in-lieu fee program.

The Town should consider establishing an in-lieu parking fee program as part of an effort to recapture the cost of constructing, operating and maintaining parking improvements and facilities such as on-street parking, off-street surface parking lots and eventually structured parking. An in-lieu fee should cover the development cost of the subject parking spaces – either surface or structured parking. However in the early years of an in-lieu fee program, it might be necessary to gradually phase the fee structure in over time as a means to help acceptability of the program and to not create an economic burden for a proposed private development project.

Under an in-lieu parking fee program, a fee would be charged on a per-space basis for new non-residential development (net new square footage). Residential projects, or mixed-use projects with a residential component, would generally be required to provide parking on-site for the residential portion of the project consistent with adopted parking standards. New non-residential development would only pay for the

construction of those public parking facilities where there is a reasonable relationship between the facilities funded and the demands/needs generated by the new development.

Revenues collected from imposition of an in-lieu parking fee program should be placed in a separate account and be solely used for the purposes of:

1. Acquisition of land and the cost of construction (including planning, administration, design, building and inspection) of new public parking facilities or sites;
2. Reimbursement to the Town, County or its agencies for funds advanced from other sources to acquire land or construct new public parking facilities; and
3. Reimburse a developer who assists in the acquisition and development of new public parking facilities through advancement of funding for such facilities

Another consideration is the timing for collection of an in-lieu parking fee. One option would be for an in-lieu parking fee to be collected at the time of issuance of certificate of occupancy instead of upon issuance of a building permit for a project for two reasons: 1) new parking demand would not be generated until the project is complete and ready for occupancy; and 2) collection of the fee would help make a project financing more favorable.

An in-lieu fee parking program could play an important role in providing new parking facilities, but only if the amount of the fee (and collected revenue) is sufficient to meet estimated development costs of such parking, and if the parking supplied through the in-lieu fee addresses the needs of the parking impacted areas of downtown Gardnerville. An in-lieu parking fee structure should be reviewed annually by the Town Council in regard to the adequacy of the fee in relation to actual cost for construction (or installation) of the subject public parking facilities.

#### Phasing of In-lieu Fee Program

In Phase 1 the Town should consider establishing an in-lieu parking fee program, including designation of certain designated areas within downtown commercial district and related program guidelines. The program should begin with a fee structure that equates to the estimated direct construction cost of off-street surface parking spaces (\$4,156 in 2006 dollars). The recommended range for an initial in-lieu parking fee should be \$4,500 to \$6,000 per space.

In Phase 2 the Town should consider reviewing the previously established in-lieu parking fee program in relation to the existing fee structure. The in-lieu parking fee structure should be reviewed in relation to potential increases (at least a portion of other costs including land acquisition, site preparation, indirect (design/engineering management, financing, etc.) to reflect the then current market conditions and actual experience to date by the Town in constructing both on-street and surface parking spaces. Based on current (2006) values the extent of the in-lieu fee for Phase 2 implementation that might be considered by the Town could be in the range of approximately \$7,000 to \$9,000 per space.

In subsequent phases the Town should consider reviewing the previously established in-lieu parking fee program in relation to the estimated costs to construct structured parking spaces versus surface parking spaces, and increases to reflect the then current market conditions and actual experience to date by the Town in constructing off-street surface parking spaces. Based on current (2006) values the extent of the in-lieu parking fee related to implementation of subsequent phases (initial parking garage) that might be considered by the Town could be in the range of \$10,000 to \$12,000.

#### Capital Improvements Program

Capital improvements can become part of annual and five-year programs for the Town and County.

#### *Annual Program*

As a separate district of Douglas County, the Town of Gardnerville maintains three separate funds: 1) General Administration (a special revenue fund); 2) Health and Sanitation (an enterprise fund); and 3) Ad Valorem

capital (a capital construction fund). Major revenues are derived from ad valorem property tax, sales tax, motor vehicle privilege tax, gaming license fees and user fees.

The adopted Fiscal Year 2005/06 Douglas County Budget includes allocation of \$846,060 in funding for capital outlay from the three funding sources – General Administration (\$632,997), Health and Sanitation (\$160,000) and Ad Valorem Capital (\$53,063). This is intended to provide an example of the extent of annual capital outlay funding that potentially is available to the Town of Gardnerville – a portion of which might be available fund future parking improvements consistent with the recommended comprehensive parking program.

#### *Five-Year CIP*

The Douglas County Capital Budget is a plan for capital project expenditures to be incurred over the designated fiscal year adopted by the Board of Commissioners. The Capital Improvements Plan (CIP) is a plan for capital expenditures to be incurred over a five-year period. The CIP identifies capital projects needed in the community, prioritizes projects, identifies project financing and provides an estimate of project construction period.

The Douglas County CIP could potentially be a source of funding for construction of future public parking improvements and/or facilities in the Town of Gardnerville through the “transportation projects” category which includes projects related to public safety, economic development, replacement/construction of roads, sidewalks, and parking facilities. The Douglas County Five-Year CIP for 2004/05 through 2008/09 identifies the following amounts of funding potentially available for transportation projects in the Town of Gardnerville for the next two fiscal years.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Projects</u>
2007/08	\$ 499,500	Lampe Road to Highway 395 construction;
		Douglas Avenue overlay from Spruce to Mill
2008/09	<u>494,500</u>	Ezell widening and Cottonwood overlay
Total	\$ 994,000	

Depending on the established priorities of the Town through its Capital Improvements Program, the specific proposed improvements for fiscal years 2007/08 and 2008/09 could be revised to potentially include a portion of the available funding for proposed parking improvements consistent with the recommended comprehensive parking program, as long as such improvements meet the established criteria for the Douglas County CIP.

#### *CIP Funding Sources*

Some of the potential capital improvement funding sources for implementing proposed parking improvements consistent with the recommended comprehensive parking program include, but are not limited to the following:

*Regional Transportation Fuel Tax* – levy of \$0.04 per gallon of gasoline sold in Douglas County. Funds are dedicated to larger road improvement projects (e.g. overlays). This funding source could potentially be used to help fund future on-street public parking improvements (e.g. along Highway 395).

*Road Construction Tax* – derived from an assessment on new residential units constructed in Douglas County. The rate of tax is \$500 per residential dwelling unit. Funds are used to support the county’s chip and seal rehabilitation projects designed to extend the life of roadways. This funding source could potentially be used to help fund on-street parking improvements.

*Non-residential Construction Tax* – derived from a fee per square foot of new non-residential development in Douglas County. The \$0.50 per square foot tax was approved by a ballot measure in



November 2002. Funds are used to pay for road construction, rehabilitation and maintenance. This funding source could potentially be used to help fund on-street parking improvements.

*Capital Improvements Tax*— based on enabling legislation passed by the Legislature in 1989, allows the county and its cities to increase property taxes for capital improvements. Douglas County has enacted the \$0.05 property tax to fund buildings and facilities projects. Funds are used to secure bonds for funding county facilities. This funding source could potentially be used to help fund future surface lot and/or structured public parking facilities.

*Bonds* – issuance of tax-exempt bonds by Douglas County to finance capital construction. Repayment of the bonds could be through a variety of sources including property tax, sales tax, gas tax and room tax. This funding mechanism could potentially be used to help fund future surface lot or structured public parking facilities.

#### Assessment District

NRS 271.265 of Nevada State Law indicates that the governing body of a county, city or town, on behalf of the municipality and in its name, without election, may acquire, improve, equip, operate and maintain a variety of local improvements including those that potentially relate to the recommended comprehensive parking program. These local improvements include individually or collectively:

- Off-street parking projects
- Sidewalk projects
- Street projects
- Street beautification projects
- Drainage projects
- Sanitary sewer projects
- Storm sewer projects

NRS 271.270 indicates that the governing body of any municipality (county or city) for the purpose of defraying all or a portion of the cost of acquiring and/or improving any authorized local improvements has the power to: 1) levy and collect assessments against assessable property; 2) pledge the proceeds from any assessment for payment of special assessment bonds; 3) issue special assessment bonds; and 4) make all contracts and take all necessary actions to secure repayment of such bonds

In addition NRS 271.295 permits the combination of more than one local improvement into an “improvement district” if the governing body determines that the improvements may be combined in an efficient and economical manner.

#### Development Impact Fees

NRS 278B.160 indicates that a local government may by ordinance impose an impact fee in a service area to pay the cost of constructing a capital improvement or facility expansion necessitated by and attributable to new development consistent with a capital improvements plan.

The contents of a capital improvements plan must include by service area a description and analysis of:

- Existing capital improvements including costs to upgrade, expand, improve or replace such existing improvements to meet projected demand attributable to new development
- Specific capital improvements required to meet projected demands of new development
- Overall projected demand for capital improvements or facility expansion for required by new development projected over a period not to exceed 10 years.

The cost of such capital improvement may include:

- Estimated cost of actual construction
- Estimated fee for professional services
- Estimated cost for acquisition of land
- Fees related to preparation of a capital improvements plan

The guiding principle in regard to the use of impact fees is that such fees can only be used to offset the impacts of new development, and not meet the needs or to address deficiencies in service for existing development.

### **Implementation Actions**

To implement the parking program, the Town and County will need to consider administrative and regulatory activities.

#### Administrative

Implementation of the recommended comprehensive parking program would require two types of responsibilities: 1) implementation responsibilities; and 2) management responsibilities. Implementation of a time-restriction parking program would require a significant increase in the amount of required administration/management effort by the Town.

Implementation responsibilities would include:

- Oversight for installation of improvements to existing/additional on-street parking and existing off-street
- Installation of signage related to parking enforcement
- Acquisition of land for future off-street surface parking lots
- Construction of future surface parking lots

Management responsibilities would include:

- Issuance and collection of parking citations related to time-restricted parking
- Maintenance/repair of on-street parking spaces, off-street surface parking spaces and signage

Phase 1 administrative activities should include management of the improvements to the existing on-street and off-street surface parking spaces, including installation of signage related to time-restricted parking and parking enforcement. Phase 2 administration activities would include: 1) the management of additional improvements to existing on-street parking spaces; 2) acquisition of land for future construction of off-street surface parking lots; 3) management of the construction of such parking lots; and 4) maintenance/repair activities related to existing parking supply and parking enforcement. Subsequent phase administration activities would include: 1) management of site acquisition and development of an initial structured parking garage; and 2) improvement, maintenance and repair of existing on-street and off-street (surface parking lots) parking.

Costs related to the administration and operation of the time-restricted parking management program during Phases 1 and 2 of implementation could potentially be funded through use of parking citation revenue and in-lieu parking fees. In subsequent phases of implementation, such costs could potentially be funded through use of parking citation revenue, in-lieu parking fees, revenue from a paid-parking program (if implemented) and/or revenue from a parking assessment district (if implemented).

#### Regulatory

The implementation of the recommended comprehensive parking program described in this Implementation Considerations section would require various regulatory actions by the Town of Gardnerville, Douglas County and potentially even the State of Nevada.

### *Implementing Ordinances*

The proposed in-lieu parking fee program would require establishment through approval of an ordinance by the Town of Gardnerville and/or Douglas County. An in-lieu parking fee ordinance would need to set forth the specific amount of the fee(s), method of calculation of such fees, description of the type of improvements to be funded with such fees, description of the estimated costs of such improvements, and the relationship of the fees and impacts of non-residential development in the designated downtown commercial district.

### *Acquisition, Improvement and Maintenance of Town Property*

The recommended comprehensive parking program includes potential acquisition, improvement and maintenance of property for future off-street surface parking lots. Currently such proposed actions are required to be submitted by the Town Advisory Board to the Board of County Commissioners per Section 18.06.030.A.9. of the Douglas County Code. Therefore such actions related to implementation of the recommended parking program would continue be subject to review and approval of the Board of County Commissioners unless there is a revision to Section 18.06.030.A.9. that would permit such actions to be reviewed and approved by the Town Advisory Board consistent with the adopted Town annual operating budget and/or capital improvements program.

### *Parking Standards*

The recommended comprehensive parking program is based, in part, on the Town establishing a designated downtown parking district whereby the parking standards for proposed non-residential development would be modified in relation to the recommended in-lieu parking fee program. This would require that the Town:

1. Designate a proposed downtown parking district that is intended to serve the downtown commercial district in Gardnerville
2. Conduct a review of the existing parking standards for non-residential development within the established downtown parking district to address:
  - The potential of either revising (reducing) the required on-site parking (ratio) taking into account the intended “downtown” environment of the commercial district; and
  - The potential for allowance of reducing or eliminating the amount of required on-site parking as long as a proposed non-residential development complies with the provisions of the recommended in-lieu fee program in relation to the otherwise required on-site parking spaces.

### *Enforcement*

The recommended time-restricted parking management program would require establishment of an enforcement function within the town governance of Gardnerville. Section 18.06.030 of the Douglas County Code currently describes the specific services that the Town of Gardnerville shall provide to its residents. If the Town of Gardnerville intends to directly administer enforcement activities (including issuance of citations, collection of parking fines, etc.) related to the recommended time-restricted parking program, then the Town and Douglas County would need to reach agreement on either interpretation or modification to Section 18.06.030 that allows the Town to provide such services within the Town of Gardnerville.

### *State Enabling Legislation*

Two of the identified potential funding mechanisms for funding of recommended parking improvements – Assessment Districts and Development Impact Fees – would probably require some clarification or modification of existing Nevada state legislation in relation to the authority of a town (e.g. Town of Gardnerville) to use such funding mechanisms in relation to the recommended parking improvements.

In regard to assessment districts, NRS 271.270 appears to provide the legal authority for a county or a city within the State of Nevada to levy and collect assessments for the purposes of implementing various local improvements (defined in NRS 271.265). The Town should in conjunction with Douglas County, address clarification legislatively regarding the authority for a town to levy and collect assessments or whether such

authority is only with a county or incorporated city within the State of Nevada; and whether such assessments could be used for funding of the construction of parking improvements.

In regard to development impact fees, NRS 278B.160 appears to provide the legal authority for a unit of local government within the State of Nevada to impose an impact fee to pay the cost of constructing a capital improvement necessary to serve new development. The Town should in conjunction with Douglas County, address clarification legislatively regarding the authority for a town to establish by ordinance such impact fees or whether such authority is only with a county or incorporated city within the State of Nevada, and whether such impact fees could be used to for funding of the construction of parking improvements.

## SECTION 3: Feasibility Case Study

The motivation for preparing a case study development site was to inform the feasibility and implementation actions required by the Town, County and their private sector partners. It includes an assumed development program and feasibility findings.

- Purpose of Case Study
- Development Program Summary
- Financial Feasibility Findings

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### Purpose of Study

The intent of the financial feasibility case study was to determine if certain development prototypes and uses:

- Were viable from an financial perspective;
- Were able to support the full cost of the proposed on-site parking (structured or surface parking); and
- Would potentially require public financing assistance in order to make the project financially feasible.

Several different development alternatives were identified, reviewed and analyzed in regard to the determination of financial feasibility. These alternatives included various combinations of:

- Commercial uses – retail, office and hotel (fractional ownership units);
- Tenure – lease space (e.g. retail), ownership (e.g. office condominiums), etc.; and
- On-site parking – surface lots and structured parking.

The estimated development costs (land acquisition, construction, etc.) and revenue (lease income, sale proceeds, etc.) were based on current real estate market conditions for the Town of Gardnerville, adjusted for the size, type, age and quality of the subject development alternatives and uses.

### Development Program Summary

This section presents information related to a particular development alternative as a means to present a summary of the general information derived from the review and analysis of various development alternatives. This alternative includes multiple proposed uses and structured parking (Exhibit 4A and 4B).

The site of the subject development alternative is the existing properties located at the west and south corners of Highway 395 and Gilman Avenue. The combined site includes approximately 96,020 square feet or 2.20 acres. The west corner of the intersection is vacant with exception of some existing surface parking and an existing residential building. The south corner of the intersection is occupied with an existing commercial building (casino).

The proposed development includes commercial mixed-uses including retail lease space and office condominium space in one building, retail lease space and hotel units (fractional ownership units) in the second building and a parking garage as outlined below.

**Table 6:  
Summary of Development Program**

<u>Building</u>	<u>Site Area</u>	<u>Gross Building Area</u>	<u>Use(s)</u>
Building No. 1	0.41 acres	12,000 SF <u>12,000 SF</u> 24,000 SF	Retail lease space Office condominiums

Building No. 2	0.57 acres	12,000 SF <u>24,000 SF</u> 36,000 SF	Retail lease space Hotel (fractional ownership units)
Parking Garage	<u>1.22 acres</u>	<u>131,650 SF</u>	Public parking (348 spaces)
Total	2.20 acres	191,650 SF	

The on-site parking for the retail, office and hotel (fractional ownership units) is based on a suggested parking ratio of three (3) per 1,000 square feet of building area, resulting in a need for approximately 180 spaces. This on-site parking is to be provided through a combination of surface parking (22 spaces) and spaces (158 spaces) in the proposed structured parking garage.

For the purposes of this study it is assumed that the two proposed commercial mixed-use buildings would be developed privately, and that the proposed parking garage would be developed publicly (either by the Town and/or Douglas County). The estimated development cost of the onsite parking (22 surface parking spaces and 158 structured parking spaces) is included in the estimated overall development cost for the overall development project.

### **Financial Feasibility Findings**

Based on the financial feasibility analysis of the subject development alternatives, the following are certain key findings related to the financial feasibility of such development, and ability to financially support structured parking:

- The subject development alternatives are not able to financially support the cost of structured parking based on current market conditions (costs, revenues, etc.) without public support under current market conditions.
- The cost of the structured parking decreases the financial feasibility of commercial mixed-use development including retail, office (lease space or condominiums) and hotel fractional ownership units without public support under current market conditions.
- Assuming current rents and sales prices, the Town and/or Douglas County would need to financially participate in the provision of structured parking for proposed commercial mixed-use development, through direct financing/development of such parking and participation in agreements with the private sector to provide parking for certain commercial mixed-use development
- Surface parking (instead of structured parking) could be more cost effective initially (under current market conditions) depending on the proposed site and extent of land acquisition, demolition, site preparation and public improvement costs and may be a more feasible approach to an initial phase of a mixed-use project.
- Currently, commercial mixed-use development can probably only support the cost of on-site parking of approximately \$4,500 to \$6,000. This assumes either construction of surface parking or an in-lieu fee program.
- Parking standards tailored to urban downtown commercial and residential uses would help facilitate infill and mixed-use development through reduced on-site parking requirements, recognizing shared uses of private parking and availability of nearby public parking.
- Land acquisition costs potentially could negatively impact the economic feasibility of the subject commercial mixed-use development, particularly if a development site to be acquired includes substantial existing buildings/uses.

- Retail or office lease space (with structured parking) is challenged economically due to the fact that current achievable lease rates in the market would probably not fully support the overall cost of the building(s) and structured parking.
- Office condominium space and hotel fractional ownership units could enhance the economic feasibility of mixed-use development.
- Increased densities (e.g. commercial floor area or residential units) could increase economic feasibility by increasing the “economic productivity” of a development site.

Exhibit 4A

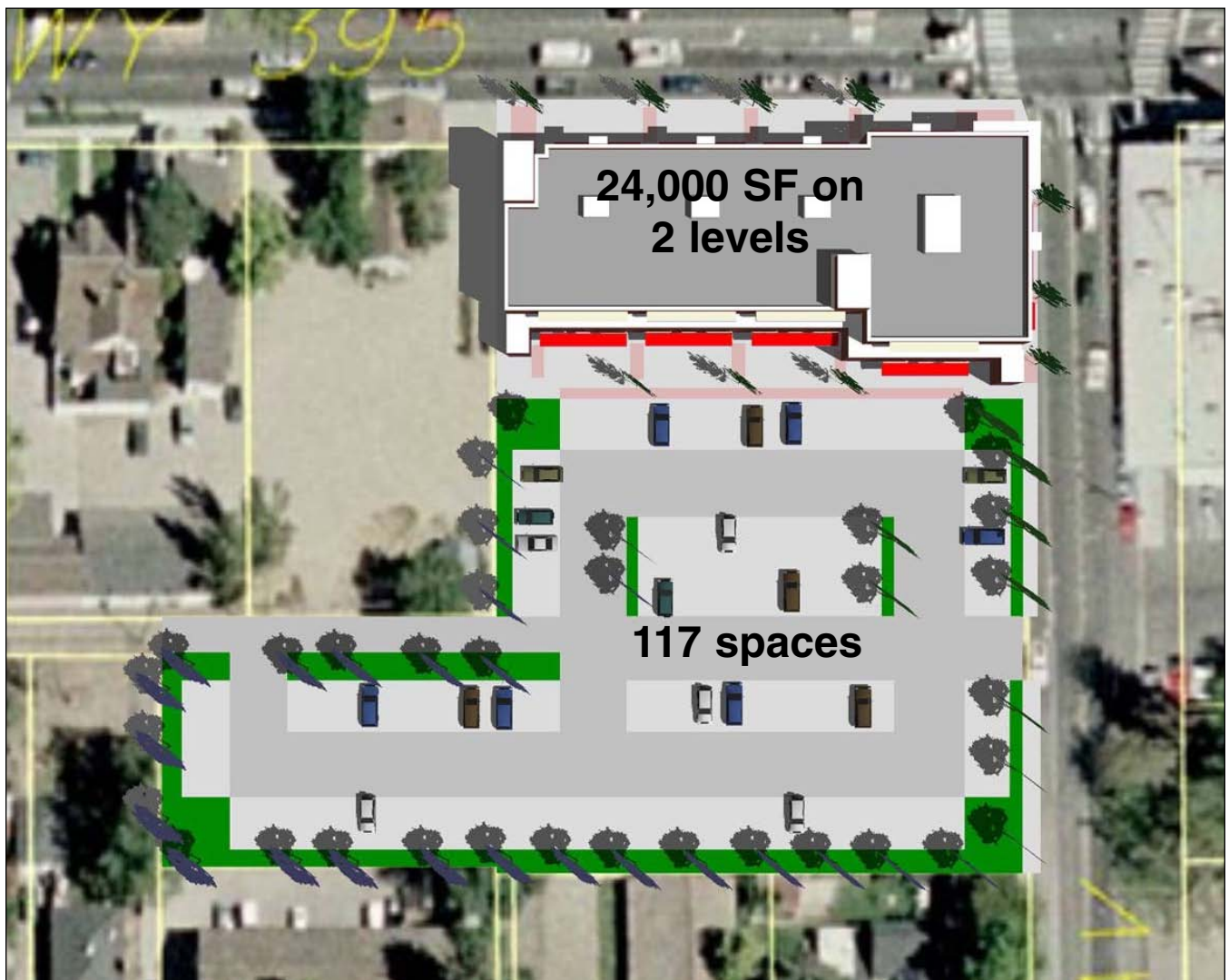
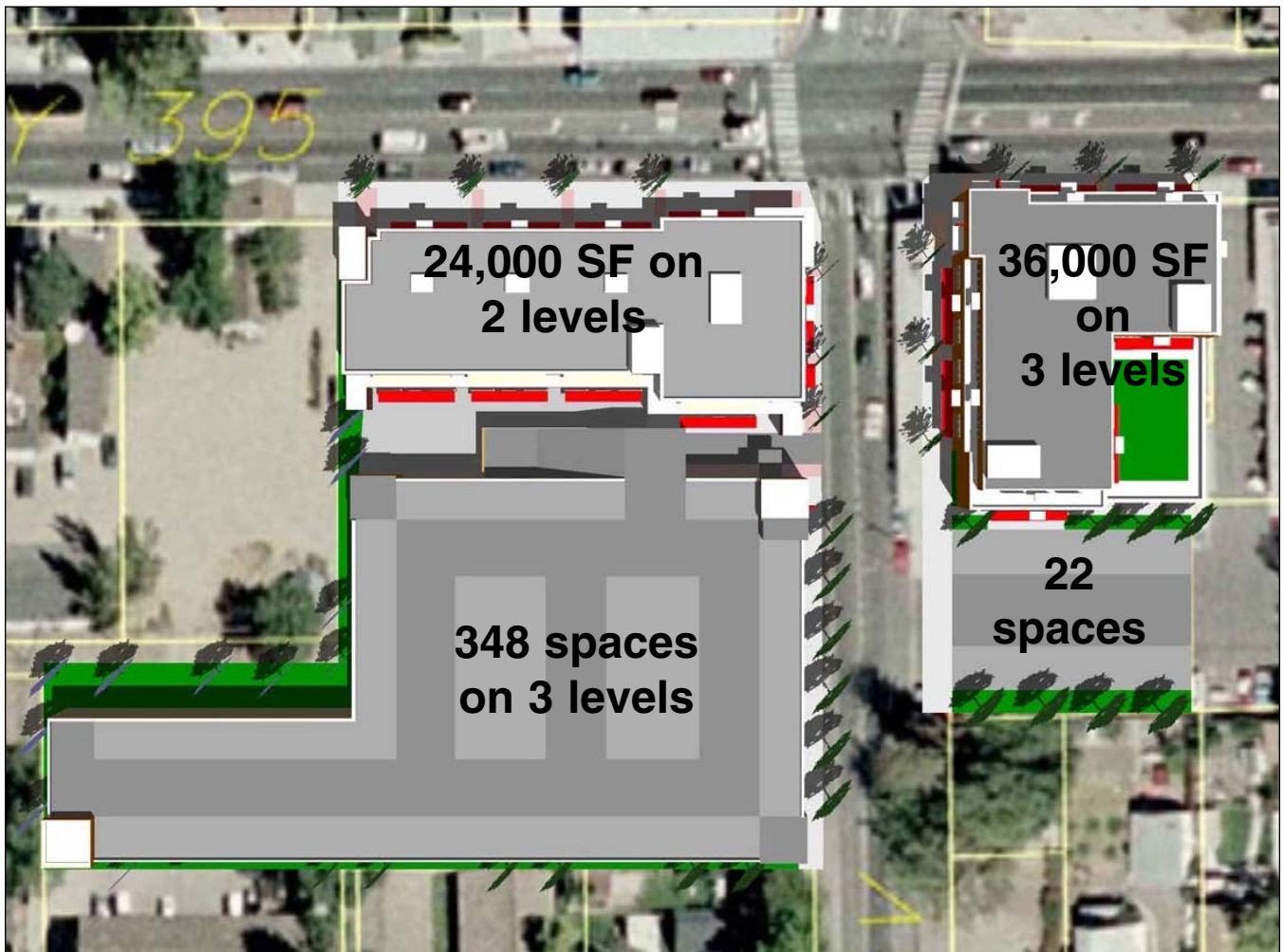




Exhibit 4B



## Appendix

- Spread Sheets
  - PowerPoint Shows
-

**Table 1:**  
**Program Description**

	Building No. 1	Building No. 2	Parking Garage	Total
<b>I. Site Area (Acres)</b>				
Acres	0.41	0.57	1.22	2.20
Square feet	18,000	24,720	53,300	96,020
<b>II. Proposed Uses</b>				
<i>Retail (Lease)</i>				
Gross Building Area (SF)	12,000	12,000	NA	24,000
Net Area (SF)	10,800	10,800	NA	21,600
<i>Office Condominiums</i>				
Gross Building Area (SF)	12,000	NA	NA	12,000
Net Area (SF)	10,800	NA	NA	10,800
<i>Fractional Ownership Units</i>				
Gross Building Area (SF)	NA	24,000	NA	24,000
Net Area (SF)	NA	22,800	NA	22,800
<b>Total</b>				
Gross Building Area (SF)	24,000	36,000	131,640	191,640
Net Area (SF)	21,600	33,600	131,640	186,840
<b>On-site Parking</b>				
<i>Amount</i>				
Parking Structure	NA	NA	348	348
Surface Parking	<u>NA</u>	<u>22</u>	<u>NA</u>	<u>22</u>
Total	NA	22	348	370
<i>Allocation</i>				
Retail	0	22	50	72
Office	0	0	36	36
Frac.Own.	0	0	72	72
Public	<u>0</u>	<u>0</u>	<u>190</u>	<u>190</u>
Total	0	22	348	370

**Table 2:**  
**Estimated Total Development Cost (1)**

	Building No. 1 (2)	Building No. 2 (3)	Parking Garage (4)	Total
<b>I. Land</b>				
Acquisition	\$ 216,000	\$ 2,070,000	\$ 639,600	\$ 2,925,600
Demolition	\$ 15,000	\$ 115,000	\$ -	\$ 130,000
Site Preparation	\$ 36,000	\$ 49,400	\$ 106,600	\$ 192,000
<i>Total: Land</i>	\$ 267,000	\$ 2,234,400	\$ 746,200	\$ 3,247,600
<b>II. Direct Construction</b>				
Off-site Improvements	\$ 74,000	\$ 86,300	\$ 47,800	\$ 208,100
On-site Improvements	\$ 60,000	\$ 30,000	\$ 60,000	\$ 150,000
Building Construction	\$ 2,400,000	\$ 3,600,000	\$ -	\$ 6,000,000
Tenant Improvements				
Retail	\$ 480,000	\$ 480,000	\$ -	\$ 960,000
Office	\$ 360,000	\$ -	\$ -	\$ 360,000
Fract. Own.	\$ -	\$ 1,440,000	\$ -	\$ -
Total	\$ 840,000	\$ 1,920,000	\$ -	\$ 2,760,000
Parking	\$ -	\$ 91,400	\$ 6,404,300	\$ 6,495,700
Contingency (7%)	\$ 236,300	\$ 400,900	\$ 455,800	\$ 1,093,000
<i>Total: Direct Construction</i>	\$ 3,610,300	\$ 6,128,600	\$ 6,967,900	\$ 16,706,800
<b>III. Indirect</b>				
Predevelopment	\$ 73,200	\$ 122,600	\$ -	\$ 195,800
Architecture & Engineering	\$ 219,700	\$ 367,700	\$ 363,500	\$ 950,900
Fees & Permits	\$ 240,000	\$ 360,000	\$ 181,800	\$ 781,800
Taxes, Legal & Insurance	\$ 109,800	\$ 183,900	\$ 121,000	\$ 414,700
Design/Constr. Admin.	\$ -	\$ -	\$ 545,300	\$ 545,300
Marketing	\$ 48,000	\$ 84,000	\$ -	\$ 132,000
Leasing Commissions	\$ 30,000	\$ 45,000	\$ -	\$ 75,000
Contingency (5%)	\$ 36,000	\$ 58,200	\$ 60,600	\$ 154,800
Developer Fee	\$ 257,300	\$ 543,800	\$ -	\$ 801,100
<i>Total: Indirect</i>	\$ 1,014,000	\$ 1,765,200	\$ 1,272,200	\$ 4,051,400
<b>IV. Financing</b>				
Construction Loan Fees	\$ 51,900	\$ 106,300	\$ 178,200	\$ 336,400
Interest during Construction	\$ 161,400	\$ 330,600	\$ 400,800	\$ 892,800
Permanent Loan Fee	\$ 34,600	\$ 70,900	\$ -	\$ 105,500
Interest during Sales	\$ -	\$ 248,000	\$ -	\$ 248,000
<i>Total: Financing</i>	\$ 247,900	\$ 755,800	\$ 579,000	\$ 1,582,700
<b>TOTAL</b>	\$ 5,139,200	\$ 10,884,000	\$ 9,565,300	\$ 25,588,500
Per Building SF	\$ 214	\$ 302	\$ 73	
Per Parking Space	NA	NA	\$ 27,486	

**Footnotes:**

Note: Estimated development cost does not include: 1) public infrastructure or utility upgrades; or 2) site remediation

(1) Estimated total development costs do not include public infrastructure or utility upgrades, or site remediation

(2) Includes the proposed 24,000 SF commercial building and associated 18,000 SF site; parking provided in proposed parking garage

(3) Includes the proposed 36,000 SF commercial building and associated 24,720 SF site; parking provided both on-site (22 spaces) and in proposed parking garage

(4) Based on assumption proposed parking garage is publicly developed by the Town and/or Douglas County

**Table 3:**  
**Estimated Retail Space Lease Income**

<b>I. Rental Income</b>	<u>Gross Area (SF)</u>	<u>Net Area (SF)</u>	<u>Monthly Rent/SF</u>	<u>Monthly Income</u>	<u>Annual Income</u>
Building No. 1	12,000	10,800	\$ 1.30	\$ 14,040	\$ 168,480
Building No. 2	<u>12,000</u>	<u>10,800</u>	\$ 1.30	<u>\$ 14,040</u>	<u>\$ 168,480</u>
Total	24,000	21,600		\$ 28,080	\$ 336,960
Less: Vacancy (5.0%)				\$ (1,404)	\$ (16,848)
Tenant Reimbursements			\$ 0.30	\$ 6,480	\$ 77,760
<b>Effective Gross Income</b>				\$ 33,156	\$ 397,872
<b>II. Operating Expenses</b>			\$ 0.31	\$ (7,480)	\$ (89,760)
<b>III. Net Operating Income</b>					\$ 308,112

**Table 4:**  
**Office Condominium Sale Proceeds**

	Units	Net Unit Size (SF)	Price Per SF	Sale Price	Sale Proceeds
<b>I. Sale Proceeds</b>					
Building No. 1	<u>10</u>	<u>11,600</u>	\$ 250	\$ 290,000	<u>\$ 2,900,000</u>
<i>Total:</i>	10	11,600			\$ 2,900,000
Less: Cost of Sales/Closing (3.0%)					\$ (87,000)
<b>II. Net Sale Proceeds</b>					\$ 2,813,000

**Table 5:**  
**Fractional Ownership Unit Sale Proceeds**

	Units	Fractional Units (1)	Unit Size (SF)	Price Per SF	Unit Sale Price	Sale Proceeds
<b>I. Sale Proceeds</b>						
Building No. 2	<u>20</u>	<u>80</u>	<u>1,080</u>	\$ 140	\$ 150,000	<u>\$ 12,000,000</u>
<i>Total:</i>	20	80	1,080			\$ 12,000,000
Less: Cost of Sales/Closing (6.0%)						\$ (720,000)
<b>II. Net Sale Proceeds</b>						\$ 11,280,000

**Table 6:**  
**Summary of Estimated Project Value**

	Building No. 1	Building No. 2	Total
<b>I. Retail Lease Space</b>			
Net Operating Income (see Table 3)	\$ 154,056	\$ 154,056	\$ 308,112
Project Value (7.0% capitalization rate)	\$ 2,200,800	\$ 2,200,800	\$ 4,401,600
<b>II. Office Condominiums</b>			
Net Sale Proceeds (see Table 4)	\$ 2,813,000	NA	\$ 2,813,000
Less: Developer's Profit (10.0% of gross sale proceeds)	\$ (290,000)	NA	\$ (290,000)
Project Value	\$ 2,523,000	NA	\$ 2,523,000
<b>III. Fractional Ownership Units</b>			
Net Sale Proceeds (see Table 5)	NA	\$ 11,280,000	\$ 11,280,000
Less: Developer Profit (10.0% of gross sale proceeds)	NA	\$ (1,200,000)	\$ (1,200,000)
Project Value	<u>NA</u>	<u>\$ 10,080,000</u>	<u>\$ 10,080,000</u>
<b>IV. Project Value</b>			\$ 17,004,600
<b>V. Net Project Value</b>			
Total Development Cost (1)			
Building No. 1			\$ 5,139,200
Building No. 2			\$ 10,884,000
Parking Garage (1)			\$ 4,304,385
Total			<u>\$ 20,327,585</u>
Net Project Value			\$ (3,322,985)

Footnotes:

(1) Cost figure includes estimated total development cost of proposed buildings and a pro-rata share of the proposed parking garage cost related to the number of spaces potentially used to serve the proposed buildings (72 plus 86 = 158 divided by 348 = 45.0%)



**Table 7:**  
**Projected Operating Pro-forma (Retail Space)**

	Years									
	1	2	3	4	5	6	7	8	9	10
<b>I. Revenue (1)(2)</b>										
Building No. 1 (Retail)	\$ 336,960	\$ 347,070	\$ 357,482	\$ 368,207	\$ 379,253	\$ 390,630	\$ 402,349	\$ 414,420	\$ 426,852	\$ 439,658
<i>Total:</i>	\$ 336,960	\$ 347,070	\$ 357,482	\$ 368,207	\$ 379,253	\$ 390,630	\$ 402,349	\$ 414,420	\$ 426,852	\$ 439,658
Less: Vacancy (5.0%)	\$ (105,300)	\$ (17,354)	\$ (17,875)	\$ (18,411)	\$ (18,963)	\$ (19,532)	\$ (20,118)	\$ (20,722)	\$ (21,343)	\$ (21,984)
Tenant Reimbursements	\$ 53,460	\$ 80,090	\$ 82,493	\$ 84,967	\$ 87,517	\$ 90,142	\$ 92,846	\$ 95,632	\$ 98,501	\$ 101,456
<b>Effective Gross Income</b>	\$ 285,120	\$ 409,806	\$ 422,100	\$ 434,763	\$ 447,806	\$ 461,240	\$ 475,077	\$ 489,330	\$ 504,010	\$ 519,130
<b>II. Operating Expenses (3)</b>	\$ (53,460)	\$ (93,350)	\$ (97,084)	\$ (100,967)	\$ (105,006)	\$ (109,206)	\$ (113,575)	\$ (118,118)	\$ (122,842)	\$ (127,756)
<b>III. Net Operating Income</b>	\$ 231,660	\$ 316,456	\$ 325,016	\$ 333,796	\$ 342,800	\$ 352,034	\$ 361,503	\$ 371,212	\$ 381,167	\$ 391,374
<b>IV. Debt Service (4)</b>	\$ (421,835)	\$ (421,835)	\$ (421,835)	\$ (421,835)	\$ (421,835)	\$ (421,835)	\$ (421,835)	\$ (421,835)	\$ (421,835)	\$ (421,835)
<b>V. Net Income</b>	\$ (190,175)	\$ (105,379)	\$ (96,819)	\$ (88,039)	\$ (79,035)	\$ (69,801)	\$ (60,332)	\$ (50,623)	\$ (40,668)	\$ (30,461)

Footnotes:

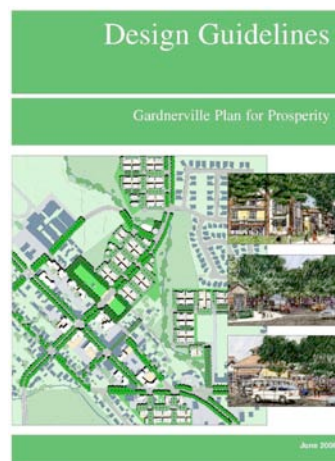
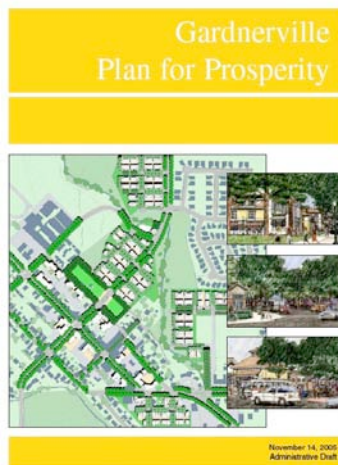
- (1) Year 1 rental income based on 5,400 SF operating 12 months, 2,700 SF operating 6 months and 2,700 SF operating 3 months
- (2) Increased annually by 3.0%
- (3) Increased annually by 4.0%
- (4) Includes pro-rata share of parking spaces for retail (72 spaces) in relation to total parking garage (348 spaces)

## Gardnerville Parking District Analysis

- Overall parking approach
- On-street parking
- Off-street parking
- Cost and potential in-lieu parking rates
- Feasibility of mixed-use development and structured parking



## Parking District Analysis



## Motivation for Parking District Study

- Economic Development
  - Support economic and land use concepts and policies in the Gardnerville Plan for Prosperity
  - Utilize existing and future public assets to support reinvestment
- Inform public participation requirements for formation of a Parking District
  - Identify administrative, financial and collaborative roles for public sector
- Identifying private sector participation benefits
  - Identify financial and real estate benefits of participating in a parking district
  - Identify potential in-lieu fees required to initiate and provide on-going support for a parking district



## Old Town and 'S' Curve Concepts



**Old Town Opportunity Sites**

	Site Area	Notes
1. Hellwinkel Ranch	12 acres	Ag use
2. Nenzell Mansion		Historic resource
3. Gardnerville Elm School		Historic resource
4. Carson Valley Middle School		Town ownership
5. Wetlands Open Space		Town ownership
6. Park		
7. Sharkoys		
8. East Fork Hotel Site	8.86 acres (combined)	Zoned commercial
9. Opportunity Site(s)	4.24 acres	Zoned multifamily
10. Opportunity Site	4.24 acres	Zoned industrial
11. Opportunity Site	4.75 acres	



**Old Town Development Program Summary**

	Site Area	MP Density	Proposed FAR/Use	Program	Parking Demand
Zone 1: Main Street	9.58 a	0.25-0.50 FAR	0.50 FAR commercial	208,652 SF	87 spaces/acre
Zone 2: Gilman Avenue	17.91 a	0.25-0.50 FAR	12 du/s residential storefront retail	215 du/s 10,000 SF	29 spaces/acre
Zone 3: 'S' Curve	6.00 a	0.25-0.50 FAR	12 du/s residential storefront retail	72 du/s 10,000 SF	34 spaces/acre
Zone 4: Hellwinkel Ranch	12.07 a	5 to 12 du/s	8 du/s residential open space	96 du/s creek trail	18 spaces/acre
<b>TOTAL</b>	<b>45.56 acres</b>				



10-14-05 draft

## Objectives

- Economic Development
  - Supporting existing businesses
  - Facilitating new infill development
  - Using a parking district to enhance development feasibility
  - Increase tax base (property and sales tax)
- Community Design and Image
  - Support development of traditional multi-story buildings that reflect the value and improve the image of Old Town and Millerville
  - Improve pedestrian access and comfort in Old Town and Millerville
- Financing
  - Using Town and County assets to support economic development objectives
  - Approach financing of district in phases that lays the groundwork for future parking facilities and development projects
- Regulatory
  - Initially, support voluntary nature of parking district participation
  - Inform creating County ordinances for creating parking districts
  - Inform possible State legislation for formation of parking districts



## Phasing



## Phasing Approach

- Phase 1: On-street Parking
  - Market existing on-street parking and in-lieu parking program (initially as voluntary program)
  - Prepare plans for parking lot acquisition that supports new development
- Phase 2: Public Parking Lots
  - Acquire parking lots that support new development (demand)
  - Revise parking in-lieu fees
- Phase 3: Public Parking Structures
  - Prepare plans and funding mechanisms for development of parking structures that facilitate investment in new mixed-use projects
  - Develop new structures
  - Revise parking in-lieu fees



## Phasing

### Assumptions:

#### Boundaries

- Commercial uses in the US395/Main Street corridor and Old Town District.

#### Phasing of On-street Parking

- First phase of existing marked spaces made available for existing and initial development in-lieu
- Second phase existing marked spaces made available to in-lieu development after parking lots open
- Third phase includes US395 on-street spaces to be implemented when regional traffic solutions create the opportunity

#### Off-street Public Parking

- Initiates the start of the second phase using in-lieu fees created by first phase development

10-1-06 progress draft – not for distribution

	On-street	Public Lots	Public Structures	Phase Total
<b>Phase 1</b>	260 spaces	P•1 26 extg.		<b>286</b>
<b>Phase 2</b>	108 spaces	P•1 103 P•2 100 P•3 117-164		<b>475</b>
<b>Later Phase</b> (future potential estimate)	221 spaces (US 395)		P•1 TBD P•2 TBD P•3 348 (318 net)	<b>TBD</b>



**P 1: Town Office Site**



Existing Site 26 spaces



Option 1: 0.42 acres acquired 32 new spaces (58 net)



Option 2: 1.09 acres acquired 77 new spaces (103 net)

Existing Site  
42 spaces



Option 1: Additional  
Parking Lot  
0.43 acres acquired  
20 new spaces  
(62 net)



Option 2: All New  
Parking Lot  
0.43 acres acquired  
(1.05 acres improved)  
100 new spaces  
(58 net)



**P3: Sharkeys Lot**



Existing Site  
1.37 acres parking lot and vacant land  
30 paved spaces



Option 1: New Public Parking Lot  
1.58 acres acquired  
165 new spaces (135 net)

**P3: Sharkeys Lot**



Option 2: New Public Parking Lot with  
Commercial Building  
1.25 acres acquired  
117 new spaces (87 net)



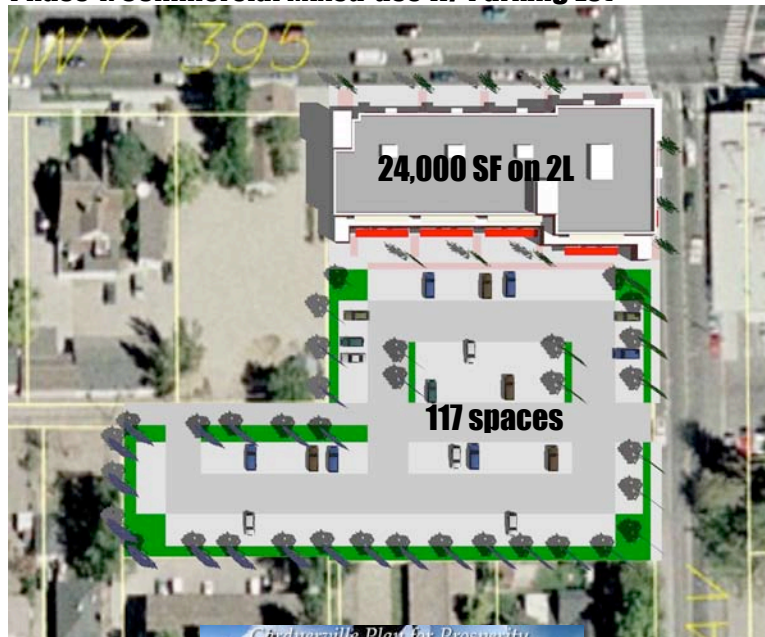


## Cost and In-lieu Fees

- Parking Costs
  - Parking lots (\$15,000 to \$16,000 per space w/ land)
  - Parking structures (\$20,000 to \$30,000 per space w/land)
- Phase 1
  - Administrative costs estimate (TBD)
  - \$4,500 to 6,000 in-lieu fees
- Phase 2
  - Administrative costs estimate (TBD)
  - \$4,500 to 6,000 in-lieu fees
- Phase 3
  - Administrative costs estimate (TBD)
  - Cost of in-lieu fees based on proforma/financial capacity of new development projects and available public funding



### Phase 1: Commercial Mixed-use w/ Parking Lot







## Phase 2: Commercial Mixed-use w/ Parking Structure









## Implementation Issues

- Administrative
  - Managing entity (Town, County or new Parking Authority)
  - Lead agency for planning, acquiring land, installing improvements, enforcement and maintenance activities
- Regulatory
  - County implementing ordinances
  - Parking standards
  - Pricing and enforcement
  - Potential State enabling legislation
- Financial
  - Establishing in-lieu fee schedule/amounts
  - Financing of public improvements



## Summary and Next Steps

- Sharkey's Phase 2 proforma
- Summary report
- Town Board and County presentation(s)



