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June 19, 2019

(Sent via e-mail: saulfrances@miamibeachfl.gov)

Mr. Jimmy L. Morales, City Manager and
Mr. Saul Frances, Director
City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 33139

Re: Municipal Parking Transaction – Financial Services
ITQ #4 04-19-PARKING-RA – Additional Services
Walker Project #15-2328.00

Dear Messrs. Morales and Frances:

Walker is pleased to submit this assessment on the disposition of the removal of 60 revenue producing spaces and 7 handicap spaces and the subsequent impact on the net income of the City of Miami Beach Parking System. This assessment represents our analysis and conclusions and is intended to assist the City with various impacts associated with the transaction.

We thank you and appreciate the opportunity to be of service to the City of Miami Beach. Please do call or email if there are any questions regarding our work.

Sincerely,

WALKER CONSULTANTS

A handwritten signature in blue ink, appearing to read "Jim Corbett".

Jim Corbett, CAPP
Consultant

A handwritten signature in blue ink, appearing to read "Emily R. Krueger".

Emily Krueger
Analyst/Planner

JMC:mm



BUILDING ENVELOPE
CONSULTING
FORENSIC RESTORATION
PARKING DESIGN
PLANNING

Financial Analysis
Walker Project: 15-2328.00

Municipal Parking Transaction ITQ #4 04-19-Parking-RA – Additional Services

Miami Beach, Florida

June 19, 2019

City of Miami Beach
1700 Convention Center Drive
Miami Beach, FL 33139



WALKER
CONSULTANTS

TABLE OF CONTENTS

EXECUTIVE SUMMARY

INTRODUCTION 1

Proposed Term Sheet 2

Bond Resolution 4

NET INCOME 6

Operating Revenues 6

Operating Expenses 9

Net Income Summary 10

DISPOSITION IMPACT 11

LIST OF TABLES AND FIGURES

Exhibit 1: Ocean Terrace Park/ Streetscape Project Area	1
Exhibit 2: Parking System Long-Term Debt Summary by Year	4
Exhibit 3: Parking System Aggregate Maturities of Long-Term Debt	5
Exhibit 4: Four-Year Revenues Net of Sales Tax – Ocean Terrace	6
Exhibit 5: 2018 Parking Violation Summary – Ocean Terrace	7
Exhibit 6: Four-Year Parking Citation Revenues – Ocean Terrace	7
Exhibit 7: Four-Year Revenue Totals – Ocean Terrace	8
Exhibit 8: Four-Year Operating Expense Totals – Ocean Terrace	9
Exhibit 9: Four-Year Net Income – Ocean Terrace	10
Exhibit 10: Parking System Enterprise Fund – Fiscal Year End Summaries...	11

EXECUTIVE SUMMARY

The City of Miami Beach Parking Enterprise Fund generated \$10,455,307 in operating income effective Fiscal Year Ended, September 30, 2017. After depreciation, nonoperating revenues and expenses, and transfers out were factored, the Fund showed a decrease in net position of \$1.7 million. This change represents a decrease of \$5.0 million (149%) change in net position from the prior year. Operating revenues decreased \$4.2 million (8.2%) from prior year. This change is the result of decreased parking activity or volume due to competition from Uber and Lyft as well as the impact of Hurricane Irma¹. Also, non-operating expenses increased by \$2.1 million due to the debt service cost for the Series 2015 Parking Revenue Bond.

Parking System Enterprise Fund – Fiscal Year End Summaries (FY14-FY17)

	2014	2015	2016	2017	2018
Operating Revenues	\$40,049,313	\$42,672,887	\$51,499,302	\$47,285,421	
Operating expenses, excl. depreciation	\$29,249,957	\$30,708,380	\$35,647,133	\$36,830,114	
Operating income, before depreciation	\$10,799,356	\$11,964,507	\$15,852,169	\$10,455,307	
Depreciation	(\$6,917,621)	(\$6,518,607)	(\$5,973,576)	(\$5,833,405)	Awaiting final comments from external auditors
Nonoperating revenue	\$3,436,656	\$3,251,919	\$4,058,273	\$3,656,090	
Nonoperating expenses	(\$666,355)	(\$562,533)	(\$1,361,533)	(\$3,454,810)	
Capital contributions	(\$517,538)	(\$165,207)	\$0	\$0	
Transfers out	(\$4,382,629)	(\$9,610,597)	(\$9,215,478)	(\$6,474,996)	
Change in net position	\$1,751,869	(\$1,640,518)	\$3,359,855	(\$1,651,814)	

Source: City of Miami Beach Financial Report Fiscal Year Ended September 30, 2017

The disposition of on-street parking spaces along Ocean Terrace suggests a peak fiscal year (FY15) net income loss of \$77,460.09, representing a per space annual income loss of \$1,291.00 for the combined 60 total spaces.

Four-Year Net Income - Pay Stations Along Ocean Terrace Between 73rd Street and 75th Street

On-Street Meter Revenues		FY18	FY17	FY16	FY15
	Transient	\$50,463	\$52,089	\$58,848	\$71,280
	ParkMobile	\$22,586	\$18,042	\$14,422	\$12,848
	Monthly	\$1,250	\$2,195	\$140	\$0
	Total	\$74,299	\$72,326	\$73,411	\$84,128
On-Street Meter Expenses		FY18	FY17	FY16	FY15
	EMS	\$2,400	\$2,400	\$2,400	\$2,400
	Warranty	\$1,900	\$1,900	\$1,900	\$1,900
	Collection	\$2,368	\$2,368	\$2,368	\$2,368
	Total	\$6,668	\$6,668	\$6,668	\$6,668
On-Street Meter	Net Income	\$67,631	\$65,658	\$66,742	\$77,460
	Per Space	\$1,127	\$1,094	\$1,112	\$1,291

Source: Walker Consultants and City of Miami Beach Parking Department 2019

¹ City of Miami Beach FY17 CAFR, Page 5

In accordance with the *City of Miami Beach Parking Bond Resolution No. 2010-27491, Article VII - Particular Covenants; Section 713 (b)*, the City may in any fiscal year sell, lease or otherwise dispose of assets forming a part of the Parking System in excess of the amount set forth in clause (a) of this Section if, before any such transfer, there is delivered to the City Manager a report of the Consulting Engineers or the Rate Consultant demonstrating that the sale, lease or other disposition of the property will not have a material adverse impact on the Net Revenues and stating his or her reasons therefor.

As demonstrated in the Four-Year Net Income summary, the disposition and removal of 60 metered parking spaces on Ocean Terrace provides for an approximate peak fiscal year net income loss of \$77,460 from the Parking Fund's operating income statement. It is Walker's professional opinion that this estimated annual loss of \$77,460 (.0074% of FY17 net revenues) will not have a material adverse impact on the net revenues of the Parking Fund.

This opinion is further supported by the results of the FY17 Fiscal Year End Summary where the net revenues of the Parking Fund reveals an operating income of \$10,455,307, resulting in a dollar amount that is substantially more than this estimated loss of net income. Subtracting the \$77,460 net income loss from the FY17 operating income provides an adjusted operating income of \$10,377,847. This adjusted amount allows for the Parking Fund to continue to cover planned reductions to the fund balance to include annual depreciation amounts, annual non-operating expenses, and annual transfers out, which includes payments to the General Fund.



01 Introduction

INTRODUCTION

The Ocean Terrace Holdings, LLC (Developer) has expressed interest in developing a mixed-use residential and commercial development in accordance with the requirements of the Ocean Terrace Overlay District. The City of Miami Beach City Commission has adopted the Ocean Terrace Neighborhood Urban Design Plan, a concept plan for proposed public streetscape and park improvements in the Ocean Terrace area the “(Neighborhood Design Plan)”. The Finance and Citywide Projects Committee (FCWPC) recommended that the City explore entering into a public-private partnership that would fund the proposed \$15 million improvements required to bring the Ocean Terrace portion of the Neighborhood Design Plan to fruition. In March 2019, the FCWPC recommended proceeding with the negotiations with the Developer with regard to a development proposal that would provide for the Developer to complete a portion of the public improvements contemplated in the Neighborhood Design Plan, but which would require the vacation of certain City right-of-way areas subject to Developer granting the City with an irrevocable easement for the continued public use of the right-of-way areas for pedestrian and vehicular traffic, as modified by the public improvements, which will pedestrianize portions of Ocean Terrace.

For a visual representation of the City on-street parking spaces under consideration, please reference the following exhibit.

Exhibit 1: Ocean Terrace Park/ Streetscape Project Area, Along Ocean Terrace Between 73rd Street and 75th Street



Source: Google Earth, Walker Consultants and the City of Miami Beach 2019

PROPOSED TERM SHEET

The proposed vacation would allow the Developer to make its mixed-use project along Ocean Terrace, between 74th Street and 75th Street, financially viable, and creating new public spaces (including park space), to be funded and constructed by the Developer, that is less auto-oriented, and more centered on the pedestrian experience. The proposed project includes residential and commercial uses on the block between 74th and 75th Street along Ocean Terrace.

The terms of the transaction require the City to vacate a portion of Ocean Terrace, between 74th and 75th Streets, the north half of 74th Street between Ocean Terrace and Collins Avenue, and a portion of 75th Street between Ocean Terrace and Collins Avenue.

The vacation of the City right-of-way areas would be conditioned on the Developer's execution of a Development Agreement which contains the following conditions of the proposed vacation:

1. Development of the Project
2. Developer to Design and Construct the Park/Streetscape Project for the City
3. Timeframe for Completion of Project and Park/Streetscape Project
 - a. The Developer has proposed to complete the Park/Streetscape Project in two phases, with Phase 1 to be completed within 48 months following the Effective Date of the Development Agreement, and with Phase 2 to be completed within 96 months following the Effective Date.
 - b. The City will not issue a temporary certification of occupation (TCO) or certificate of occupancy (CO) until the Developer has completed the Park/Streetscape Project.
4. Developer to Grant Easements in Favor of City for the Public's Continued Use of the City Right-of-Way Areas
 - a. Developer shall grant a perpetual, non-revocable utility, roadway and pedestrian access easement in favor of the City, for the City's continued use of the City Right-of-Way Areas for public vehicular and pedestrian use and access, as modified by the Park/Streetscape Project.
5. Developer to Provide the City with Bond or Lender Agreement to Guarantee Completion of the Park/Streetscape Project
 - a. As the City would have vacated the City Right-of-Way Areas prior to the Developer's completion of the Park/Streetscape Project, Developer has agreed to provide the City with a bond or a lender recognition agreement to secure Developer's obligations and permit the city to step in and complete the Park/Streetscape Project in the event the Developer fails to do so.

- b. In addition the Developer's construction contractor for the Park/Streetscape Project shall be required to
 - i. Indemnify the City as provided in the Development Agreement;
 - ii. Name the City as an express intended third-party beneficiary of the construction contract and;
 - iii. Name the City as a co-obligee on a performance and payment bond for the Park/Streetscape Project.
- 6. Developer to Convey its Fee Interest in the Public Reservation Area located East of Ocean Terrace
- 7. Timing for Key Project Milestones and Completion of the Park/Streetscape Improvements
- 8. Application Fees
- 9. Staging
 - a. During construction of the Park/Streetscape Project, the Developer and its contractors will have the right to use the eastern half of the parking lot at 75th Street and the areas within Phases I and II of the Park/Streetscape Project as staging areas and lay-down yards in connection with the construction of the Park/Streetscape Project.
 - b. During construction of the Proposed Development, the Developer and its contractors will have the right to use the southern portion of the parking lot at 75th Street and the area within Phase II of the Park/Streetscape Project as staging areas and lay-down yards in connection with the construction of the Proposed Development.
- 10. Maintenance of the Park/Streetscape Project
- 11. Café

The City has asked Walker Consultants to review the removal of on-street spaces on the east and west sides of Ocean Terrace from 73rd Street to 75th Street. The on-street spaces are located within the City's area of parking responsibility labeled "Zone 9X". Revenue is collected by zone rather than by space, further enforcement revenue is collected by a similar zone which may typically encompass several parking zones. The removal of these on-street spaces will result in the loss of 60 revenue producing spaces and 7 handicap spaces, which are generally enforced between 8:00 am and 6:00 pm with an hourly rate of \$1/hour.

BOND RESOLUTION

Under *Article VII – Particular Covenants; Section 713. - Sale or Other Disposition of the Parking System*; the City shall not sell, lease or otherwise dispose of all or any part of the Parking System, except as provided in Section 709 and this Section.²

Specifically clause (b) states to the extent provided by law, the City may in any Fiscal Year sell, lease or otherwise dispose of assets forming a part of the Parking System in excess of the amount set forth in clause (a) of this Section if, before any such transfer, there is delivered to the City Manager a report of Consulting Engineers or Rate Consultant demonstrating the sale, lease or other disposition of such property will not have a material adverse impact on the Net Revenues and stating his reasons therefore. In determining whether to render such report, the Consulting Engineers or Rate Consultant shall consider the usefulness of the assets to be disposed of to the operations of the Parking System, the uses to be made of any proceeds of sale and the rental income to be received with respect to any lease thereof.

In addition to the clauses in this Section, no sale, lease or any other disposition of assets of the Parking System shall be consummated nor shall the proceeds of any such disposition be applied unless prior to such consummation or application, there shall be delivered an opinion of Bond Counsel to the effect that such disposition and the application of the proceeds as required herein will have no adverse impact on the exclusion of interest on any of the Bonds or other System Debt from gross income for Federal income tax purposes. As provided by the City of Miami Beach Finance Department, the following exhibit details a summary of the Parking System long-term debt.

Exhibit 2: Parking System Long-Term Debt Summary by Year

Fiscal Year	Principal	Interest	Total
2017	\$ 1,600,000	\$ 4,652,713	\$ 6,252,713
2018	1,670,000	4,579,713	6,249,713
2019	1,740,000	4,512,913	6,252,913
2020	1,805,000	4,444,113	6,249,113
2021	1,895,000	4,354,663	6,249,663
2022	1,990,000	4,261,613	6,251,613
2023	2,070,000	4,182,013	6,252,013
2024-2028	11,905,000	19,350,139	31,255,139
2029-2033	15,080,000	16,170,988	31,250,988
2034-2038	19,235,000	12,021,500	31,256,500
2039-2043	24,545,000	6,707,750	31,252,750
2044-2045	11,625,000	879,000	12,504,000
	95,160,000	86,117,118	181,277,118

Source: City of Miami Beach Finance Department 2019

² City of Miami Beach Resolution 2010-27491 Master Parking Bond Resolution

In addition to the summary provided in the previous exhibit, the following exhibit details the Parking System aggregate maturities of long-term debt.

Exhibit 3: Parking System Aggregate Maturities of Long-Term Debt

Fiscal Year	Series 2010A		Series 2010B		Series 2015		Total Parking Fund	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	1,525,000	402,300	-	1,317,563	75,000	2,932,850	1,600,000	4,652,713
2018	1,590,000	331,550	-	1,317,563	80,000	2,930,600	1,670,000	4,579,713
2019	1,660,000	267,950	-	1,317,563	80,000	2,927,400	1,740,000	4,512,913
2020	1,725,000	201,550	-	1,317,563	80,000	2,925,000	1,805,000	4,444,113
2021	1,810,000	115,300	-	1,317,563	85,000	2,921,800	1,895,000	4,354,663
2022	620,000	24,800	1,170,000	1,317,563	200,000	2,919,250	1,990,000	4,261,613
2023			960,000	1,270,763	1,110,000	2,911,250	2,070,000	4,182,013
2024			1,000,000	1,231,163	1,165,000	2,855,750	2,165,000	4,086,913
2025			1,045,000	1,188,663	1,220,000	2,797,500	2,265,000	3,986,163
2026			1,095,000	1,139,019	1,280,000	2,736,500	2,375,000	3,875,519
2027			1,145,000	1,088,375	1,345,000	2,672,500	2,490,000	3,760,875
2028			1,195,000	1,035,419	1,415,000	2,605,250	2,610,000	3,640,669
2029			1,250,000	980,150	1,485,000	2,534,500	2,735,000	3,514,650
2030			1,310,000	922,338	1,560,000	2,460,250	2,870,000	3,382,588
2031			1,370,000	861,750	1,635,000	2,382,250	3,005,000	3,244,000
2032			1,440,000	793,250	1,715,000	2,300,500	3,155,000	3,093,750
2033			1,510,000	721,250	1,805,000	2,214,750	3,315,000	2,936,000
2034			1,585,000	645,750	1,895,000	2,124,500	3,480,000	2,770,250
2035			1,665,000	566,500	1,990,000	2,029,750	3,655,000	2,596,250
2036			1,750,000	483,250	2,090,000	1,930,250	3,840,000	2,413,500
2037			1,835,000	395,750	2,195,000	1,825,750	4,030,000	2,221,500
2038			1,930,000	304,000	2,300,000	1,716,000	4,230,000	2,020,000
2039			2,025,000	207,500	2,415,000	1,601,000	4,440,000	1,808,500
2040			2,125,000	106,250	2,540,000	1,480,250	4,665,000	1,586,500
2041					4,900,000	1,353,250	4,900,000	1,353,250
2042					5,140,000	1,108,250	5,140,000	1,108,250
2043					5,400,000	851,250	5,400,000	851,250
2044					5,670,000	581,250	5,670,000	581,250
2045					5,955,000	297,750	5,955,000	297,750
	8,930,000	1,343,450	27,405,000	21,846,518	58,825,000	62,927,150	95,160,000	86,117,118

Source: City of Miami Beach Finance Department 2019

The remaining sections of this analysis will detail the historical net income of the on-street parking revenues generated on Ocean Terrace between 73rd Street and 75th Street and the impact by which the removal of these income generating spaces have on the Parking System Enterprise Fund.



02 Net Income

NET INCOME
OPERATING REVENUES

Historical net revenues for on-street pay stations OT73E01-9X, OT73W02-9X, OT74E01-9X, and OT74W02-9X found in Zone 9x, have primarily consisted of transient and monthly permit revenues. To assist with our analysis, Walker requested a four-year history of parking revenues for the portion of Zone 9X along Ocean Terrace between 73rd Street and 75th Street. The most recent fiscal year (FY18) shows a revenue, net of any sales tax, of \$1,238.32 per space for the sixty (60) spaces served by the four pay stations. The following exhibit details the historical breakdown of transient and monthly revenues, net of any sales tax for each pay station.

Exhibit 4: Four-Year Revenues Net of Sales Tax – Pay Stations Along Ocean Terrace Between 73rd Street and 75th Street

FY18					
Meter	Actual				Revenue Per Space
	Transient	ParkMobile	Space Rental	Total	
OT3E01-9x	\$ 16,018.65			\$ 39,854.47	
OT73W02-9x	\$ 9,065.70	\$ 22,585.82	\$ 1,250.00	\$ 9,065.70	
OT74E01-9x	\$ 13,158.60			\$ 13,158.60	
OT74W02-9x	\$ 12,220.50			\$ 12,220.50	
Total				\$ 74,299.27	\$ 1,238.32

FY17					
Meter	Actual				Revenue Per Space
	Transient	ParkMobile	Space Rental	Total	
OT3E01-9x	\$ 17,515.65			\$ 37,752.19	
OT73W02-9x	\$ 8,542.95	\$ 18,041.54	\$ 2,195.00	\$ 8,542.95	
OT74E01-9x	\$ 11,787.80			\$ 11,787.80	
OT74W02-9x	\$ 14,243.00			\$ 14,243.00	
Total				\$ 72,325.94	\$ 1,205.43

FY16					
Meter	Actual				Revenue Per Space
	Transient	ParkMobile	Space Rental	Total	
OT3E01-9x	\$ 21,181.05			\$ 35,743.51	
OT73W02-9x	\$ 9,498.60	\$ 14,422.46	\$ 140.00	\$ 9,498.60	
OT74E01-9x	\$ 15,075.65			\$ 15,075.65	
OT74W02-9x	\$ 13,093.10			\$ 13,093.10	
Total				\$ 73,410.86	\$ 1,223.51

FY15					
Meter	Actual				Revenue Per Space
	Transient	ParkMobile	Space Rental	Total	
OT3E01-9x	\$ 21,550.50			\$ 34,398.94	
OT73W02-9x	\$ 20,598.35	\$ 12,848.44	\$ -	\$ 20,598.35	
OT74E01-9x	\$ 11,405.10			\$ 11,405.10	
OT74W02-9x	\$ 17,726.10			\$ 17,726.10	
Total				\$ 84,128.49	\$ 1,402.14

Source: City of Miami Beach Parking Department 2019

In addition to the transient and monthly revenues, Walker also requested the historical citation revenue amounts collected for Zone 9X. Due to the procedure used by the Parking Administration to receive and record parking citation revenues in conjunction with Miami-Dade County, citation totals could not be readily segregated by pay station. To assist with this request from the Parking Administration, Walker received a 2018 annual report detailing citation amounts issued by each of the three blocks along Ocean Terrace. Assuming parking citations issued are a direct correlation of parking meter revenues generated by location, the information provided in the following exhibits has been based upon a similar projection for all citation revenues. It has also been noted that fines assigned from parking citations vary based on the government entity receiving the fine payout distribution. The fine revenues are based on citations issued, not yet collected.

Exhibit 5: 2018 Parking Violation Summary – On-Street Spaces Between 7300 Ocean Terrace and 7500 Ocean Terrace

7300 - 7500 Ocean Terrace Citations	Fine Amount	Valid Count	Total Fines	Municipal Fine Amount	City of Miami Beach Fine Distribution
Over Time Parking	\$18.00	297	\$5,346.00	\$8.40	\$2,494.80
Restricted	\$23.00	175	\$4,025.00	\$11.40	\$1,995.00
Prohibited	\$28.00	37	\$1,036.00	\$14.40	\$532.80
Obstruct	\$33.00	4	\$132.00	\$17.40	\$69.60
Statute	\$34.00	3	\$102.00	\$18.00	\$54.00
Handicap	\$253.00	1	\$253.00	\$24.80	\$24.80
Total			\$10,641.00		\$5,171.00

Source: City of Miami Beach Parking Administration 2019

As previously shared, one year of citation data was provided to Walker. In the absence of any prior year data, Walker's analysis assumes a percentage projection similar to parking meter revenues generated for the previous three years.

Exhibit 6: Four-Year Parking Citation Revenues – On-Street Spaces Between 7300 Ocean Terrace and 7500 Ocean Terrace

Annual Citation Revenue				
Citation by Block	FY15	FY16	FY17	FY18
7300 Ocean Terrace	\$1,181.66	\$1,154.81	\$1,168.24	\$1,342.80
7400 Ocean Terrace	\$3,203.55	\$3,130.74	\$3,167.15	\$3,640.40
7500 Ocean Terrace	\$165.26	\$161.51	\$163.39	\$187.80
Total Citation Revenue	\$4,550.47	\$4,447.06	\$4,498.78	\$5,171.00
Citation Revenue Per Space (60 spaces)	\$75.84	\$74.12	\$74.98	\$86.18

Source: City of Miami Beach Parking Administration and Walker Consultants 2019

With no other revenue categories available for review and consideration, the following exhibit provides a comprehensive breakdown of all revenue categories associated with the Ocean Terrace Pay Stations.

Exhibit 7: Four-Year Revenue Totals – Pay Stations Along Ocean Terrace Between 73rd Street and 75th Street

FY18					
Meter	Actual				Revenue Per Space
	Transient	ParkMobile	Space Rental	Total	
OT3E01-9x	\$ 16,018.65			\$ 39,854.47	
OT73W02-9x	\$ 9,065.70	\$ 22,585.82	\$ 1,250.00	\$ 9,065.70	
OT74E01-9x	\$ 13,158.60			\$ 13,158.60	
OT74W02-9x	\$ 12,220.50			\$ 12,220.50	
Total				\$ 74,299.27	\$ 1,238.32

FY17					
Meter	Actual				Revenue Per Space
	Transient	ParkMobile	Space Rental	Total	
OT3E01-9x	\$ 17,515.65			\$ 37,752.19	
OT73W02-9x	\$ 8,542.95	\$ 18,041.54	\$ 2,195.00	\$ 8,542.95	
OT74E01-9x	\$ 11,787.80			\$ 11,787.80	
OT74W02-9x	\$ 14,243.00			\$ 14,243.00	
Total				\$ 72,325.94	\$ 1,205.43

FY16					
Meter	Actual				Revenue Per Space
	Transient	ParkMobile	Space Rental	Total	
OT3E01-9x	\$ 21,181.05			\$ 35,743.51	
OT73W02-9x	\$ 9,498.60	\$ 14,422.46	\$ 140.00	\$ 9,498.60	
OT74E01-9x	\$ 15,075.65			\$ 15,075.65	
OT74W02-9x	\$ 13,093.10			\$ 13,093.10	
Total				\$ 73,410.86	\$ 1,223.51

FY15					
Meter	Actual				Revenue Per Space
	Transient	ParkMobile	Space Rental	Total	
OT3E01-9x	\$ 21,550.50			\$ 34,398.94	
OT73W02-9x	\$ 20,598.35	\$ 12,848.44	\$ -	\$ 20,598.35	
OT74E01-9x	\$ 11,405.10			\$ 11,405.10	
OT74W02-9x	\$ 17,726.10			\$ 17,726.10	
Total				\$ 84,128.49	\$ 1,402.14

Source: City of Miami Beach Parking Department 2019

OPERATING EXPENSES

Operating expenses associated with the four pay stations located along Ocean Terrace consist of the following itemized costs:

1. Pay station management software costs associated with the operation, communications and management of data for each station and transaction.
2. Pay station warranty costs to maintain software and service repair needs.
3. Pay station collection expenses related to the Parking Administration's effort to collect and deposit monies from parking payment transactions.

The following exhibit provides a comprehensive breakdown of all operating expense categories associated with the four pay stations.

Exhibit 8: Four-Year Operating Expense Totals – Pay Stations Along Ocean Terrace Between 73rd Street and 75th Street

	FY15	FY16	FY17	FY18
Pay Station	Annual EMS Pay Station Expense			
OT73E01-9X	\$600.00	\$600.00	\$600.00	\$600.00
OT73W02-9X	\$600.00	\$600.00	\$600.00	\$600.00
OT74E01-9X	\$600.00	\$600.00	\$600.00	\$600.00
OT74W02-9X	\$600.00	\$600.00	\$600.00	\$600.00
Pay Station	Annual Pay Station Warranty Expense			
OT73E01-9X	\$475.00	\$475.00	\$475.00	\$475.00
OT73W02-9X	\$475.00	\$475.00	\$475.00	\$475.00
OT74E01-9X	\$475.00	\$475.00	\$475.00	\$475.00
OT74W02-9X	\$475.00	\$475.00	\$475.00	\$475.00
Pay Station	Annual Pay Station Collection Expense			
OT73E01-9X	\$592.10	\$592.10	\$592.10	\$592.10
OT73W02-9X	\$592.10	\$592.10	\$592.10	\$592.10
OT74E01-9X	\$592.10	\$592.10	\$592.10	\$592.10
OT74W02-9X	\$592.10	\$592.10	\$592.10	\$592.10
Pay Station	Totals			
All Stations	\$6,668.40	\$6,668.40	\$6,668.40	\$6,668.40
Per Space	\$111.14	\$111.14	\$111.14	\$111.14

Source: City of Miami Beach Parking Department 2019

NET INCOME SUMMARY

The following exhibit details the combined net income for the four pay stations as a factor of operating revenues minus operating expenses, providing for a net income total and net income per space.

Exhibit 9: Four-Year Net Income - Pay Stations Along Ocean Terrace Between 73rd Street and 75th Street

On-Street Meter Revenues		FY18	FY17	FY16	FY15
	Transient	\$50,463.45	\$52,089.40	\$58,848.40	\$71,280.05
	ParkMobile	\$22,585.82	\$18,041.54	\$14,422.46	\$12,848.44
	Monthly	\$1,250.00	\$2,195.00	\$140.00	\$0.00
	Total	\$74,299.27	\$72,325.94	\$73,410.86	\$84,128.49
On-Street Meter Expenses		FY18	FY17	FY16	FY15
	EMS	\$2,400.00	\$2,400.00	\$2,400.00	\$2,400.00
	Warranty	\$1,900.00	\$1,900.00	\$1,900.00	\$1,900.00
	Collection	\$2,368.40	\$2,368.40	\$2,368.40	\$2,368.40
	Total	\$6,668.40	\$6,668.40	\$6,668.40	\$6,668.40
On-Street Meter					
	Income	\$67,630.87	\$65,657.54	\$66,742.46	\$77,460.09
	Per Space	\$1,127.18	\$1,094.29	\$1,112.37	\$1,291.00

Source: Walker Consultants and City of Miami Beach Parking Department 2019

As shown in the preceding exhibit, the combined net income for the Ocean Terrace pay stations experienced a peak income level of \$77,460.09 in FY15, representing a per space income of \$1,291 for the 60 total spaces. If the spaces are disposed through a right-of-way vacation, all revenues and expenses become null, except the \$2,368 annual collection cost. This operating expense item is the result of an indirect cost allocation from the Parking System, representing the effort the Parking Administration assigns to the collection of revenues for these specific spaces. It is understood that the disposition of the spaces will not reduce Parking System personnel counts.



03 Disposition Impact

DISPOSITION IMPACT

Walker received a copy of the City of Miami Beach Financial Report for the Fiscal Years Ending September 30, 2014-2017. The reports were prepared by the City of Miami Beach Finance Department and included an Independent Auditor's Report from Crowe Horwath, LLC, a section titled Management's Discussion and Analysis (Unaudited), the 2014-2017 Financial Statements, and a section titled Required Supplementary Information (Unaudited).

The following exhibit provides a summary of the revenues, expenses and changes in net position for the Parking System Enterprise Fund as detailed in the Financial Report³.

Exhibit 10: Parking System Enterprise Fund – Fiscal Year End Summaries (FY14-FY17)

	2014	2015	2016	2017	2018
Operating Revenues	\$40,049,313	\$42,672,887	\$51,499,302	\$47,285,421	
Operating expenses, excl. depreciation	\$29,249,957	\$30,708,380	\$35,647,133	\$36,830,114	
Operating income, before depreciation	\$10,799,356	\$11,964,507	\$15,852,169	\$10,455,307	
Depreciation	(\$6,917,621)	(\$6,518,607)	(\$5,973,576)	(\$5,833,405)	
Nonoperating revenue	\$3,436,656	\$3,251,919	\$4,058,273	\$3,656,090	
Nonoperating expenses	(\$666,355)	(\$562,533)	(\$1,361,533)	(\$3,454,810)	
Capital contributions	(\$517,538)	(\$165,207)	\$0	\$0	
Transfers out	(\$4,382,629)	(\$9,610,597)	(\$9,215,478)	(\$6,474,996)	
Change in net position	\$1,751,869	(\$1,640,518)	\$3,359,855	(\$1,651,814)	Awaiting final comments from external auditors

Source: City of Miami Beach Financial Report Fiscal Year Ended September 30, 2014 through September 30, 2017

As demonstrated in Exhibit 10 (Four-Year Net Income), the disposition of Ocean Terrace pay stations provides for an approximate peak fiscal year net income loss of \$77,460 from the Parking Fund's operating income statement. It is Walker's professional opinion that this estimated annual loss of \$77,460 will not have a material adverse impact on the net revenues of the Parking System.

This opinion is further supported by the results of the FY17 Fiscal Year End Summary where the net revenues of the Parking Enterprise Fund reveals an operating income of \$10,455,307, resulting in a dollar amount that is substantially more than this estimated loss of net income. Subtracting the \$77,460 net income loss from the FY17 operating income provides an adjusted operating income of \$10,377,847. This adjusted amount allows for the Parking Enterprise Fund to continue to cover planned reductions to the fund balance to include annual depreciation amounts, annual non-operating expenses, and annual transfers out, which includes payments to the General Fund.

³ City of Miami Beach FY17 CAFR, Page 33