

City of Excelsior  
Notice of Work Session  
of the Excelsior City Council

NOTICE IS HEREBY GIVEN that the City Council of the City of Excelsior will hold its work session on Tuesday, February 21, 2023 at 5:30 P.M. at the Excelsior City Council Chambers, 339 Third Street, Excelsior, MN 55331.

Members of the public may attend the work session either in person, at City Hall or by joining via Zoom either online or by telephone at:

Join Zoom Meeting

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City of Excelsior  
City Council Work Session

Agenda

Tuesday, February 21, 2023

5:30 P.M.

1. Call to Order/Roll Call
2. Agenda Approval
3. Temporary Parking Plan During 339 Third Street Construction
4. Parking Meter Fees and Parking Maintenance Fees During 339 Third Street Construction
5. Adjournment

Note:

The purpose of a Work Session is for the Council to discuss matters informally and in greater detail than is allowed at formal Council meetings. All meetings of the Council including Work Sessions will be open to the public. While the privilege of participating in these discussions is generally limited to the Council, staff, and consultants, the Mayor may open a discussion from the floor.

# MEMORANDUM

Work Session Item 3 – Temporary Parking Plan

**Re:** During 339 Third Street Construction

**Date:** February 21, 2023

**To:** City Council

**From:** Julia Mullin, Community Development Director

At your meeting on February 6<sup>th</sup>, staff presented a Temporary Parking Plan to take effect during the construction at 339 Third Street, which is expected to begin in March 2023 and be completed in June 2024. The Council asked for more clarity around where the accessible parking stalls, that will be unavailable during construction, will be temporarily relocated, and how parking for downtown employees, particularly the Professional Building employees, will work in the lot at 106 Center Street.

Accessible parking stalls. There are currently 9 accessible parking stalls in and around the project area: 2 on Second Street adjacent to the Professional Building, 2 on Third Street adjacent to the old City Hall building, 1 in the remnant parcel (parking area behind Red Bench Bakery), and 4 in the West Lot. The 2 stalls on Second Street will remain. The stall in the remnant parcel will remain. The accessible stalls in the West Lot and on Third Street must be moved during 339 Third Street construction.

Staff proposes that during construction, two accessible stalls be signed on Water Street southwest of Second Street and 2 accessible stalls be signed on Water Street northeast of Third Street. These locations will be convenient for those who need the accessibility, and parking on Water Street is not currently paid so there would be no impact to parking revenues. It does remove 4 stalls for general use from Water Street, however, it will be only for the duration of construction. When the new public parking garage is opened, these 4 temporary stalls on Water would be removed.

| Existing Accessible Parking Stalls                          | During 339 Third Street Construction  | After Construction                         |
|---|---|--|
| 2 stalls on Second Street adjacent to Professional Building | Remain.   | Remain.                                    |
| 4 stalls in the West Lot                                    | Remove. Staff proposes to temporarily add 4 accessible stalls on Water Street, two at either end of the block between Second and Third Streets. When the new public parking garage is completed, these accessible stalls will be removed from Water Street. | Relocate to the new public parking garage. |

|   |   |  |
|---|---|--|
| 1 stall in remnant parcel                                   | Remain.   | Remain.  |
| 2 stalls on Third Street adjacent to old City Hall building | Remove during construction. The parking lane will be used as a staging area for construction. | Relocate to east side of West Drive on Third Street. |

Temporary Parking for Professional Building Employees at 106 Center Lot. The Professional Building employees park in the West Lot and during construction, they will not have this parking available to them. Staff recommends that parking be made temporarily available to these employees in the lot at 106 Center Street. The parcel is being considered for redevelopment; however, parking could be located there until the parcel is sold. Currently, concession building construction has a trailer parked in 106 Center Street lot. It is expected that this will be removed sometime in May.

The City could stripe the 106 Center lot with approximately 21 angled parking stalls, 9 facing the rear of the building and 12 facing away from the rear of the building. Staff proposes restricting the parking to daytime only, 7:00 am – 6:00 pm, and to create a buffer between the parking and the adjacent property at 242 First Street. The parking could be located as close to the structure as possible, leaving space (approximately 20 ft.) between it and the adjacent property, and fencing or planters could be installed to provide screening. It's proposed that the City would prioritize enforcement of the allowed parking times so that there would be no evening or nighttime disturbance.

To note, staff is working with Red Leaf Partners to minimize the time that the West Lot will be closed. The lot will not be closed until excavation for the new development begins. The demolition of the old City Hall will occur earlier, but the lot will remain open during this phase.

**RECOMMENDED ACTION**

Staff is seeking direction from the Council on the temporary placement of accessible parking stalls on Water Street, and on the temporary designation of parking in the 106 Center Street parking lot for Professional Building employees. Both of these proposals are temporary and would be terminated once the new public parking garage is operational.

**Attachment:**

Temporary Parking Plan During Construction (2/6/2023):

|                                | <b>Location</b>   |
|--------------------------------|---|
| Construction Parking           | Mt. Calvary parking lot, 301 Oak Street   |
| Public Overnight Parking       | 284 Water Street (“remnant parcel”); city will place signage  |
| Parking for Downtown Employees | 106 Center Street; city will place signage  |
| General Public Parking         | Existing street parking available on Second Street between Water and Center; on Third Street between Water and Center; on Center Street between Second and Third.<br><br>The parking on Second and Third Streets is currently metered. The cost of paid parking here will be reduced until the parking garage is operational.   |
| Parking for 284 Water Street   | The developer reached an agreement with the owner of 300 Water to use that property for construction offices. The City agreed to reserve 4 on-street parking stalls (on Third Street between Water and West Drive, both sides of street), for use by the businesses in 284 Water Street (the parking behind 284 Water St. will be used for public overnight parking). |
| Accessible Parking Stalls      | There are currently 6 accessible parking stalls in and around the project area: 2 on Second Street by West Drive entrance, 2 on Third by West Drive entrance, and 4 in the West Lot. (To be amended per 2/21/23 CC discussion.)   |



# MEMORANDUM

Work Session Item 4 – Parking Meter Fees

**Re:** and Parking Maintenance Fees

**Date:** February 21, 2023

Kristi Luger, City Manager

**To:** City Council

**From:** Jenny Palmer, Finance Director

One of the items that was discussed during the review of the 339 Third Street final PUD plan was the Planning Commission’s recommendation to make the metered parking on Second and Third Streets adjacent to the project free until the parking garage opens. The Council requested that staff review the financial impact of this recommendation.

## Parking Meter Fees

The City hired Walker Parking Consultants to understand the costs to operate and maintain a parking structure. At the time of the study, there was 247 public parking spaces. As Red Leaf Partners (RLP) refined their design, the actual number of public parking spaces became 244. The table below shows how much funding the study recommended be set aside annually for operating and maintenance expenses.

|                                  | 247 Spaces | 244 Spaces |
|----------------------------------|------------|------------|
| Operation Expenses (\$230/space) | \$56,810   | \$56,120   |
| Capital Expenses (\$250/space)   | \$61,750   | \$61,000   |
| Total Annual Expenses            | \$118,560  | \$117,120  |

RLP has obtained an estimate from a property management company to operate the parking structure. The estimated cost is \$159/space which is significantly less than the Walker recommendation of \$230/space. The table below shows the annual expenses using the RLP estimate for operation expenses and the Walker recommendation for capital expenses.

|                                  | 244 Spaces |
|----------------------------------|------------|
| Operation Expenses (\$159/space) | \$38,796   |
| Capital Expenses (\$250/space)   | \$61,000   |
| Total Annual Expenses            | \$99,796   |

In November, staff recommended that the operation and capital expenses of the parking structure be funded utilizing the following revenue sources:

|                                |            |
|--------------------------------|------------|
|                                | 247 Spaces |
| Special Event Parking*         | \$88,920   |
| Parking Maintenance Fees**     | \$12,000   |
| Trial Area Parking 'Excess'*** | \$10,000   |
| Total                          | \$110,920  |
| Remaining Deficit              | \$7,640    |

\*\* The amount the City collected in maintenance fees for the west lot in 2022

\*\*\* The trial area averages \$60,000 in revenue annually, \$50,000 is pledged to the construction of the parking structure which leaves \$10,000 in 'excess' revenue

\* Special Event Revenue Calculations

| Event              | Days   | Event             | Days | Event           | Days |
|--------------------|--|-------------------|------|-----------------|------|
| Klondike Dog Derby | 1  | Apple Days        | 2    | Art on the Lake | 2    |
| Luck 'O the Lake   | 1  | Christkindlsmarkt | 2    | Fourth of July  | 1    |
| Total Event Days   | 9  |                   |      |                 |      |
| Revenue Per Day    | \$40.00/space (\$5.00/hour for 8 hours) * 247 spaces = \$9,880 |                   |      |                 |      |
| Revenue Per Year   | \$9,880/event day * 9 days = \$88,920                          |                   |      |                 |      |

With the updated calculations showing \$99,796 in annual expenses, the special event parking and parking maintenance fees are sufficient to cover the annual expenses. The trial area excess parking revenue is no longer needed to cover the operation and maintenance of the parking structure. This funding source, however, is still needed to fund the construction of the parking structure. The City dedicated \$50,000 annually to cover construction costs.

Last year, the trial area generated \$65,000 in total revenue which is \$15,000 more than what is needed to fund the annual contribution for construction costs. The areas where the free or reduced parking is being considered generated a total of \$29,955 (\$18,926 on Second Street and \$11,029 on Third Street) in revenue last year. The City would be unable to make this area free parking without using another revenue source to fund construction costs but could consider reducing the rates and still be able to fund the \$50,000 contribution exclusively from the trial area parking revenue.

**Parking Maintenance Fees**

The cost to maintain the west lot will change with the addition of the parking structure, which will impact the parking maintenance fees in the future. Last year, the parking maintenance fee was \$110.90 per space. If the City calculated the parking maintenance fee assuming both the east and west lots as surface lots, the cost would be \$113.81 per space. With the west lot being unavailable this year, the

argument could be made that this lot should not be included in the parking maintenance calculations. If the City only assessed the maintenance costs for the east lot, the cost per space would drop to \$56.90 but then would have to go up to \$152.10 per space the following year which may be hard on the businesses.

Instead of having large variations in the parking maintenance fees, staff is recommending that the City assess the full cost of the east lot and half the cost of the west lot parking structure which puts the cost per space at \$103.22. With the parking maintenance fee invoices typically sent out in March, staff will need direction from the Council on this item relatively soon. A table showing the calculations for the 2023 options along with the projected costs for 2024 and 2025 is below.

|   | <b>Total Costs</b> | <b>Assessed Costs (66% of total)</b> | <b># of Deficit Stalls</b> | <b>Cost Per Space</b> |
|---|--------------------|--------------------------------------|----------------------------|-----------------------|
| 2023 Costs (East & West Surface Lots)             | \$105,256          | \$69,469.05                          | 610.4                      | \$113.81              |
| 2023 Costs (East Lot Only)                        | \$52,628           | \$34,734.48                          | 610.4                      | \$56.90               |
| 2023 Costs (East Lot & 1/2 of West Lot Structure) | \$95,463           | \$63,005.56                          | 610.4                      | \$103.22              |
| 2024 Costs (East & West Lot w/3% Increase)        | \$140,667          | \$92,840.00                          | 610.4                      | \$152.10              |
| 2025 Costs (East & West Lot w/3% Increase)        | \$144,887          | \$95,625.20                          | 610.4                      | \$156.66              |

To complicate things even further, the City will be hiring a consultant to complete a comprehensive review of how the City should allocate and charge for parking, which includes the parking maintenance fees. It is likely that the results of this study will change the parking maintenance fees in the future. To keep the fees consistent and lessen the impact of future changes, staff still recommends assessing the full cost of the east lot and half the cost of the west lot parking structure at a cost per space of \$103.22.

**Staff Recommendations**

1. Do not make any changes to the metered parking rates adjacent to the project. With the City dedicating \$50,000 in meter revenue to fund the construction of the parking structure, the City cannot afford to make the area free without utilizing other funding sources. With the full parking system being stressed by the west lot construction, the full system should be reduced or free which is not financially feasible under the current structures in place for funding the costs of construction, operation, and maintenance of the parking structure. The excess revenue for the trial area should be set aside to account for any shortfalls in the funding assumptions.
2. Calculate the parking maintenance fees by assessing the full cost of the east lot and half the cost of the west lot at a cost per space of \$103.22.