

## **Governing Body Special Minutes – May 31, 2022**

CYRUS K. HOLLIDAY BUILDING, 620 SE Madison Street, Topeka, Kansas, Tuesday, May 31, 2022. The Governing Body members of the City of Topeka met in special meeting session at 6:00 P.M. with the following Councilmembers present: Councilmembers Hiller, Dobler and Lesser -3; and Councilmembers Valdivia-Alcala, Ortiz, Emerson and Naeger participated remotely -4. Mayor Padilla presided -1. Absent: Councilmembers Kell and Duncan -2.

The special meeting work session was available online at <https://www.topeka.org/citycouncil/stream-city-council-meetings/> or <https://www.facebook.com/cityoftopeka/>. No public comment was allowed during the work session. Written public comment was considered to the extent it was personally submitted at the meeting or to the City Clerk's Office located at 215 SE 7th Street, Room 166, Topeka, Kansas, 66603 or via email at [cclerk@topeka.org](mailto:cclerk@topeka.org) on or before May 31, 2022, for attachment to the meeting minutes. (Attachment A)

AFTER THE MEETING was called to order, Councilmember Lesser provided the invocation.

THE PLEDGE OF ALLEGIANCE was recited by meeting participants.

DISCUSSION on City of Topeka Downtown Parking was presented.

Mayor Padilla encouraged Governing Body members to be respectful of one another and give each the opportunity to express their ideas and provide Staff specific direction in regards to downtown parking.

Jason Tryon, Budget and Analytics Manager, reported Staff would provide an overview of current City parking assets, parking revenue and expenses, parking plan recommendations and

seek guidance from the Governing Body on how they would like to move forward with a parking plan. He summarized the following:

- Parking Garage Assets including the current appraised value, debt, maintenance costs and the current revenue.
- Annual Profit/Loss plus Capital Recommendations that shows the different expenses of the garage and how it contributes to the total cost of the parking garages. He stated the parking expense is matched to revenue on an annual basis, but with the deferred maintenance that is needed, that amount falls below revenue neutral.
- Profit/Loss with Capital Recommendations by Asset.
- City Parking Map which includes 8 City-owned Parking Garages (3,400 Spaces); 6 Surface Parking Lots (488 Spaces); 1,209 Metered (includes hooded) On-Street Parking Spaces; and 1,278 Timed On-Street Parking Spaces totaling 6,504 Parking Spaces

Budget and Analytics Manager Tryon, continued to report on the following Desman Study identified issues:

#### **Parking Demand**

- There is not a shortage of parking when looking at the Downtown as a whole, but localized on street shortages do exist.
- Based on currently available development plans, over the next two years, future Downtown development is likely to overwhelm several of the City's off-street facilities.
- Over the long-term, if the City continues the policy of providing most of the parking downtown, there will be a need for additional facilities and/or agreements with owners of private parking facilities to use their spaces during off-peak hours, unless demand is reduced.

#### **Rates**

- Current on-and off-street parking rates have not been increased since 2010.
- The existing parking revenue does not generate sufficient revenue to fully fund the operations and maintenance of the parking system.
- The number of hooded meters is excessive and should be rationalized. If the City is not going to charge for parking in certain areas, meters should be removed and time limits strictly enforced.
- There is little price differentiation between high and low demand parking spaces resulting in nearby areas of high and low occupancy.

#### **Operations**

- The enforcement of parking violations is well executed but labor intensive.
- Back office processing is almost entirely manually conducted and components are not integrated.
- The City currently pays \$1.00 to the State Department of Motor Vehicle (DMV) to lookup license plates after the first 200 inquiries in a month. There is no out of state lookup available.

### **Policy**

- The on-street two-hour limit invites abuse, with Downtown employees moving their cars to avoid ticketing; handhelds only track parkers by block, not space number.
- A decision must be made on the use of yellow hoods to allow free parking, including if the practice should continue and for how long.
- Widespread abuse of ADA placards has been reported.
- Wayfinding, especially for out of town visitors is minimal, leaving many parking facilities underutilized.

### **Technology**

- Parking meters currently accept only coins no other payment options exist.
- Most administrative tasks require manual input.
- There are continual issues with Full Court/SL software and enforcement handhelds are outdated. The garages currently use four different parking access and revenue control systems.

### **Future Capital Repair/Replacement**

- While there is a comprehensive plan in place for capital repair and maintenance, there is not an ongoing reserve fund to pay these costs. Capital repair and equipment replacement costs are currently paid out of the parking fund as needed and as funds are available.

In conclusion, Budget and Analytics Manager Tryon, stated Staff is requesting guidance from the Governing Body on the following:

- (1) Will Parking operations remain self-sufficient?
- (2) What remaining recommendations should be adopted?
- (3) What is the preference for ownership of parking assets?

The following Desman Study recommendations have been ADOPTED:

- Back office processing is too manual – Passport enforcement eliminated this
- High costs of license plate lookup – Passport enforcement eliminated this
- Wayfinding is minimal - New signs have been installed, a parking map is online and viewed regularly and garage information is searchable within map applications
- Parking meters only accept coins – Pay by app supported by Passport
- Full Court Software Outdated – Replaced by Passport
- Enforcements handhelds are outdated – Replaced with app software on cell phones
- Garages use four different revenue control systems – Replaced with TIBA Parking System

The following Desman Study recommendations were NOT IMPLEMENTED:

- Rates Increases - rates have not been increased since 2010
- Rates do not generate sufficient revenue to fund operations and maintenance.

- Hooded meters are excessive, City should charge for parking or remove the meters and replace with strictly enforced time limits.
- No price differentiation between high and low occupancy areas creating localized shortages.
- Two-hour limits invite abuse, downtown employees move their cars to avoid ticketing.

Councilmember Ortiz asked when the downtown two-hour maximum parking limit was implemented. She stated she has been advised parking citations are being issued if people park downtown for more than a total of two hours in any location. She noted if this is the case, this was not the intent of the Governing Body when the parking regulations were adopted.

Budget and Analytics Manager Tryon, reported the City ordinance currently in place allows people to park in different downtown parking zones for two-hour time limits and has been in place since the yellow hooded meters were installed. He stated if the car is moved to another parking zone that individual will not receive a parking ticket.

Councilmember Emerson referenced a parking presentation by Staff stating a person could park in the two-hour parking zone for a maximum of two hours anywhere between 6<sup>th</sup> and 10<sup>th</sup> Streets, even if the car was moved to another parking spot. He suggested City Code be amended if this is not the wish of the Governing Body.

Budget and Analytics Manager Tryon reported on Kansas Avenue between 6<sup>th</sup> and 10<sup>th</sup> Streets, the maximum allowed parking time is two hours per day, which is not the current enforcement method for the yellow hooded parking meters that are located east and west of Kansas Avenue.

Councilmember Naeger thanked Staff for the presentation. She asked if the parking is being enforced Monday through Friday during work hours; and questioned if someone is parking downtown longer than two hours should they be utilizing parking garages.

Budget and Analytics Manager Tryon reported all parking enforcement occurs Monday through Friday from 8:00 a.m. - 6:00 p.m. and parking on nights and weekends is free of charge.

Staff encourages those that are downtown longer than two hours to park in a parking garage or to utilize ten-hour parking meter spots. He stated the City offers ten-hour parking permits as well as there are four-hour parking zones available for use in the downtown area.

Councilmember Emerson inquired about the contractual requirements to sell the Townsite Plaza Parking Garage. He questioned the value of the property being set by a panel of appraisers and how that process works.

Budget and Analytics Manager Tryon reported there are several parking garages that have ownership agreements that include a first right of refusal clause. He stated Staff will ensure the Governing Body is aware of such agreements before they pursue the sale of those assets; and appraised values are based on the appraisals conducted by Shawnee County.

Councilmember Dobler referenced the Profit/Loss with Capital Recommendations by Asset List (Attachment B) distributed as part of the presentation by Staff. He asked if the anticipated annual capital maintenance amount (approximately \$1.47 million) has been included in budgeted expenses.

Budget and Analytics Manager Tryon confirmed the annual capital maintenance amount was not included in the current 2022 annual budget; therefore, they did not include that amount as annual operating loss. He noted the \$1.47 million of annual capital maintenance represents what additional costs have been recommended at this point.

Councilmember Hiller asked if the Profit/Loss with Capital Recommendations by Asset List reflects the annual expenses for an extended amount of time and if the costs for the next ten years could be staggered. She inquired about parking garage rate increases and if Staff has performed modeling of the parking cost increase.

Budget and Analytics Manager Tryon stated those numbers are specific to the assessments that were completed in 2020; and it is estimated it will take approximately ten years to catch up the

deferred maintenance on garages that did not occur over the last few years. He reported a large amount of the expense would probably need to be incurred within the first few years as parking rates have remained the same since 2010. He confirmed the parking cost increase has been modeled.

Mayor Padilla requested to have an updated slide of the Profit/Loss with Capital Recommendations by Asset that includes fee increases be provided to the Governing Body.

City Attorney Stanley reported the contract for the Townsite Plaza Parking Garage states if the two parties, the City and the owner, which is Townsite, can agree on fair market value then that is the price paid for the property. She stated if fair market value cannot be reached that is when a three person appraisal panel is utilized. She stated one appraiser is chosen by the City, one by the owner of Townsite, and the third appraiser would be mutually agreed upon and the majority opinion of the three parties is binding.

Interim City Manager Cochran reported the maintenance of the parking garages cost is \$3 million for 2023 and \$2.1 million for 2024. He stated as a reminder, Staff is seeking guidance on whether or not parking operations should remain self-sufficient; what remaining recommendations should be adopted; and what is the preference of the Governing Body as it relates to ownership of parking assets. He noted other municipalities use General Funds to cover parking operations due to the astronomical cost.

Councilmember Dobler questioned if the suggestion to use General Funds to supplement parking operations was based on polling other cities and research. He spoke in opposition of supplementing the Parking Fund with the General Fund and expressed the importance of the Governing Body receiving the answers to questions that have been asked. He asked if the \$14 million cost is accurate at this time; what is the cost of routine maintenance as well as what revenue is needed to continue adequate operations of the parking garages. He stated it is

understood parking rates need to be increased; however, the Governing Body needs to know what the pro forma would be to make an informed decision. He reported at this time, they will not know if parking operations will remain self-sufficient until the Governing Body better understands the overall financials that will be involved.

Councilmember Naeger stated she concurs with Councilmember Dobler and noted there is a responsibility of the government to make certain amenities more available. She expressed her frustration with the high number of real estate properties in the downtown area that are untaxed while the city as a whole must subsidize the maintenance of the parking structures and spaces. She stated she believes the proposed model does not make sense in the long-term and asked if the Governing Body wants to move away from managing parking garages.

Councilmember Emerson stated he concurs with Councilmember Dobler and Councilmember Naeger. He opposes subsidizing downtown parking with the General Fund because he believes it is not fair to citizens. He questioned why a parking garage would remain open if the cost of the insurance is three times the amount of the revenue be generated.

Councilmember Ortiz stated until she fully understands the dynamics of downtown parking as a whole, she cannot make an informed decision.

Councilmember Valdivia-Alcala stated she concurs the Parking Fund should not be supplemented by the General Fund.

Councilmember Hiller requested Staff include what the shortfall will be when completing the modeling. She stated she concurs the Parking Fund should not be supplemented by the General Fund and noted there will be a need for some type of infusion of funds and questioned if bonding needs to occur.

Mayor Padilla asked what other alternatives are available for the Governing Body to consider.

Interim City Manager Cochran stated Staff is seeking recommendations to be adopted and asked if the Governing Body would like to move forward with the current parking plan or make alterations.

Budget and Analytics Manager Tryon reported the Uptowner Parking Garage is owned by the City; however, the City does not currently operate it. He stated the City does not receive any rental revenue for the garage other than a monthly revenue from the current operators. He also reported out-of-town visitors receive a warning ticket filed by license plate number; and if someone changes cars frequently it is possible those situations are not being documented. He stated the 5% - 6% annual revenue is from parking citations and if warning tickets ceased, it would potentially increase revenue by 1% - 1.5 %. He stated the current parking rates for all garages are the same price with the exception of the garage located at 215 SE 9<sup>th</sup> Street.

Hannah Uhlrig, Public Works Deputy Director, stated based on the study it was recommended to plan for a 10% parking rate increase every three to four years in order to keep up with the rate of inflation. She stated the study references the monthly parking garage current lease rate of \$67.75. It was suggested to increase the fee to \$75 at this time, and eight years later increase the fee to \$83, followed by a third increase to \$91.

Councilmember Emerson thought the Governing Body gave Staff the authority to differentiate parking rates.

Public Works Deputy Director Uhlrig stated Staff has a draft of the ordinance change but it has not been approved by the Governing Body. She stated in 2020, after the Covid-19 pandemic occurred it was delayed.

Councilmember Hiller noted the use of box meters and installing parking meters that accept credit cards was also to occur along with parking garage software system upgrades.

Public Works Deputy Director Uhlrig reported in 2020, it was planned to install digital



parking meters; however, the parking meters were instead modified to allow for payment by mobile application due to the costly capital expense of installing digital meters. She noted in reference to street differentiation, it would potentially be limited to Kansas Avenue. She stated the City could move towards payment by mobile application only similar to other cities.

Councilmember Hiller inquired about pay station locations and suggested that this would be a good plan for the City of Topeka. She requested all parking meters be addressed in year one of the modeling being completed by Staff.

Councilmember Dobler stated it was understood parking rate increases need to occur. He recommended reviewing rate increases, possibly removing meters on side streets and not placing meters on Kansas Avenue. He stated he would like to know how the funding works before getting into the price differential. He suggested Staff consider certain funding scenarios such as, if using bonded funds would provide enough financial support to repair garages to include ongoing maintenance of the garages and what will it take to achieve this revenue; or what could the City do to dispose of one or more garages that will increase the stability of the fund, possibly lower the amount of rates to be increased? He stated by providing these types of scenarios as discussion topics it will help the Governing Body better understand the situation from a financial standpoint.

Mayor Padilla stated he agrees that parking rates need to be increased and a decision needs to be made regarding hooded meters in order to accommodate downtown growth.

Councilmember Dobler asked Staff to provide modeling options to the Governing Body well in advance of the Governing Body meeting allowing them sufficient time to provide direction to Staff as to what ordinances and resolutions the Governing Body would like to see generated out of the modeling options.

Councilmember Naeger stated she would like to see a draft ordinance outlining modified parking rates for self-sufficiency prior to making a decision.

Councilmember Hiller stated in 2020 the Governing Body received an update regarding the parking deployment plan that projected the next ten years of revenue and maintenance of the parking garages. She suggested Staff begin with that plan and determine how it would look with different models.

Mayor Padilla stated he wants to make sure all alternatives are considered as well as if maintaining the parking garages is helping or hindering the overall downtown parking plan. He requested the options for consideration be distributed to the Governing Body in two weeks so they can make a decision as soon as possible.

Councilmember Dobler expressed his appreciation to Staff for providing a presentation with good detailed information.

Councilmember Naeger requested Staff provide information on zoning requirements for businesses downtown and if those businesses are required to have a certain number of parking spaces.

Public Works Deputy Director Uhlrig stated Staff will review the dates to ensure they can provide the requested information to the Governing Body in two to three weeks for review; and plan to place the item on a future Governing Body meeting agenda in four to eight weeks.

NO FURTHER BUSINESS appearing the meeting adjourned at 7:08 p.m.

(SEAL)

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Brenda Younger City Clerk

**Kelly L. Bogner**

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**From:** Joseph Ledbetter <joe@josephledbetter.com>  
**Sent:** Tuesday, May 31, 2022 3:11 PM  
**To:** City Clerk; City Council; Neil Dobler; Michael Lesser; Tony Emerson; Spencer Duncan; Neil Dobler; Sylvia Ortiz; Mike Padilla; Michael Padilla  
**Cc:** Bill Cochran  
**Subject:** Parking Garages: City Council Discussion

Dear Governing Body:

My client Mr. Petersen ACB brokers has developed over \$100 million dollars of commercial real estate in Topeka. He is interested in buying the three oldest parking garages, The Coronado, The Uptowner, The Park N Shop( these need the most repairs) and a fourth city owned parking garage at 512 SW Jackson. These four garages are owned by the City outright, as I understand, with no first right of refusal language on them.

The advantage to the City of Topeka of selling these parking garages to Tom Petersen (ACB brokers), is the City will no longer have to pay for the maintenance and operations costs of these facilities. Additionally, the City won't have to borrow bonds (that are rising in cost) to repair the older parking garages. The City could cut some personnel costs, as well on the operations side.

Some of you know I have advocated for several years at budget time to sell off at least some of the parking garages, as a way to save the City money. I still believe that is a very good idea. Thank you.

Sincerely,

Joseph Ledbetter JD,MPA

# Profit/Loss with Capital Recommendations by Asset

	Revenue	Maintenance	Insurance	Utilities	Pilots	Employees	Internal Services	Office	Debt	Current Ann Profit/Loss	Rec Cap Impr. (10 Year Avg)
<b>Total System</b>	\$2,583,222	(\$521,019)	(\$218,147)	(\$261,976)	(\$196,103)	(\$651,531)	(\$175,998)	(\$13,679)	(\$605,826)	(\$61,057)	(\$1,475,549)
Centre City Garage	\$313,948	(\$19,190)	(\$14,956)	(\$26,435)	(\$23,074)	(\$54,654)	(\$12,076)	\$0	(\$134,602)	\$28,961	(\$74,950)
Coronado Garage	\$119,902	(\$14,190)	(\$18,994)	(\$32,439)	(\$12,887)	(\$25,805)	(\$12,158)	\$0	\$0	\$3,429	(\$178,000)
Crosby Place Garage	\$140,975	(\$20,255)	(\$18,486)	(\$31,880)	(\$10,382)	(\$38,536)	(\$12,076)	\$0	(\$471,224)	(\$461,864)	(\$101,937)
512 Jackson Garage	\$223,672	(\$15,307)	(\$26,392)	(\$31,982)	(\$33,746)	(\$50,847)	(\$12,076)	\$0	\$0	\$53,322	(\$84,388)
Ninth Street Garage	\$302,498	(\$28,392)	(\$43,378)	(\$39,348)	(\$33,811)	(\$92,181)	(\$12,158)	\$0	\$0	\$53,230	(\$142,090)
Park N Shop Garage	\$249,480	(\$20,645)	(\$20,844)	(\$16,106)	(\$22,445)	(\$46,841)	(\$12,076)	\$0	\$0	\$110,523	(\$72,127)
Townsite Garage	\$622,614	(\$55,347)	(\$47,579)	(\$70,485)	(\$59,758)	(\$151,589)	(\$13,148)	(\$4,168)	\$0	\$220,540	(\$412,557)
Uptowner Garage	\$8,000	(\$190)	(\$22,534)	\$0	\$0	\$0	\$0	\$0	\$0	(\$14,724)	(\$409,500)
Monroe Lot	\$8,575	(\$250)	\$0	(\$1,329)	\$0	(\$2,446)	\$0	\$0	\$0	\$4,550	\$0
Water Tower Lot	\$4,000	(\$500)	\$0	\$0	\$0	(\$1,270)	\$0	\$0	\$0	\$2,230	\$0
4th and Jackson Lot	\$37,485	(\$250)	\$0	\$0	\$0	(\$7,212)	\$0	\$0	\$0	\$30,023	\$0
Other Lots	\$12,100	\$0	\$0	(\$4,471)	\$0	(\$2,758)	\$0	\$0	\$0	\$4,871	\$0
8th and Madison Lot	\$900	\$0	(\$250)	\$0	\$0	(\$2,296)	\$0	\$0	\$0	(\$1,646)	\$0
On Street	\$539,073	(\$346,503)	(\$4,734)	(\$7,501)	\$0	(\$175,096)	(\$90,230)	(\$9,511)	\$0	(\$94,502)	\$0
<b>Total Garages</b>	<b>\$1,973,089</b>	<b>(\$173,326)</b>	<b>(\$190,629)</b>	<b>(\$248,675)</b>	<b>(\$196,103)</b>	<b>(\$460,453)</b>	<b>(\$85,768)</b>	<b>(\$4,168)</b>	<b>(\$605,826)</b>	<b>\$8,141</b>	<b>(\$1,066,049)</b>
<b>Total Lots</b>	<b>\$63,060</b>	<b>(\$1,000)</b>	<b>(\$250)</b>	<b>(\$5,800)</b>	<b>\$0</b>	<b>(\$15,982)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$40,028</b>	<b>\$0</b>
<b>Total On Street</b>	<b>\$539,073</b>	<b>(\$346,503)</b>	<b>(\$4,734)</b>	<b>(\$7,501)</b>	<b>\$0</b>	<b>(\$175,096)</b>	<b>(\$90,230)</b>	<b>(\$9,511)</b>	<b>\$0</b>	<b>(\$94,502)</b>	<b>\$0</b>
<b>Total System</b>	<b>\$2,583,222</b>	<b>(\$521,019)</b>	<b>(\$218,147)</b>	<b>(\$261,976)</b>	<b>(\$196,103)</b>	<b>(\$651,531)</b>	<b>(\$175,998)</b>	<b>(\$13,679)</b>	<b>(\$605,826)</b>	<b>(\$61,057)</b>	<b>(\$1,475,549)</b>

