

Jomsky, Mark

From: Wilson, Andy
Sent: Monday, October 16, 2017 2:25 PM
To: Rick Wetzel
Cc: Tornek, Terry; Sheldon Joel; Kenneth McCormick; Jim Mizes; Jay Reisbaum; Jomsky, Mark; Mermell, Steve
Subject: Re: Support FOR the park at 50 S Madison

Rick — Adding the City Clerk so he can add this to the record. Also to be clear, this is just an informational item with a recommendation to commence outreach as part of evaluating possible locations for a new park. AW

Andy Wilson
Councilmember
City of Pasadena
District 7
awilson@cityofpasadena.net

On Oct 16, 2017, at 1:37 PM, Rick Wetzel <rick@Blazepizza.com> wrote:

Hi Andy & Terry,

I hope you are both doing great! In advance of tonight's Playhouse District park discussion, I'd like to let you know that we support a new park in the district, however we strongly oppose removing any parking spaces from the El Molino lot.

Here are a few supporting points:

- 1) We are a fast food concept and easy/close parking is critical to our success.** 27% of our customers that park are using the El Molino lot. In fact, we counted on using the El Molino lot when we made our decision to lease our space.
- 2) Moving the El Molino parking spaces to the 40 S Oakland structure is simply too far for our customers to walk.** 95% of our customers that park are using lots that are east of El Molino & north of Colorado. This is consistent with shopping the 'vibrant' business cluster that includes Blaze Pizza, Laemmle, Vroman's, Target and (coming soon) Total Wine.
- 3) Conversely, moving the Madison parking spaces to the 40 S Oakland structure would be much less disruptive** to those neighboring businesses since the lots are virtually across the street from each other.

Andy & Terry, I am confident that removing El Molino parking spaces will have a negative impact on Blaze Pizza. And, if our sales drop more than 20%, it will fail. And I will close the restaurant.

I hope that we can place the park at 50 S Madison.

Thanks!
Rick Wetzel

17 OCT 16 03:52PM

CITY CLERK

The Honorable Mayor Terry Tornek and
Members of the Pasadena City Council

Dear Mayor Tornek and Council

I am writing concerning the council agenda item " Update on efforts to establish new park space in underserved areas" scheduled for this evening. The staff recommends moving into a period of public outreach on the subject of using existing city parking resources in the Playhouse District as a possible location for park space on a track separate from implementing a solution for replacement or additional parking in the district. This fragmented approach may result in the following:

- Foreclosing the opportunity for multiple uses of scarce city property resources;
- Moving forward to implement the park project without resolution of the parking need solution;
- A protracted and chaotic public engagement as those in the District who advocate for a holistic planning and implementation solution will continue to do so rather than limit the discussion merely to park issues.

I would encourage to that the staff be directed to continue to seek a coordinated solution to both increasing much needed park space and enhancing automobile and bicycle parking resources in the District.

The staff report suggests that the current preliminary efforts to seek public parking commitments will mitigate any potential loss of parking in either of the City-owned lots in the district. I wholeheartedly commend the City's efforts to maximize the use of existing public and private parking resources within the District. However for such spaces to serve the particular need of retail, restaurant and entertainment uses in the District, the operation of the parking needs to take on the character of public parking. Like public parking in Old Pasadena and South Lake Avenue, the parking needs

- to be highly visible as public parking, segregated from private parking,
- well secured and lit
- and importantly priced to encourage both short term and longer term parking

While the staff report suggests that the owner of spaces at 40 S. Oakland has agreed to make such spaces available to the public, in recent meetings with stakeholders, in staff has been unable to provide copies of the agreement or to share any of the important operating terms. Without terms that require the parking to be operated as described above, the mere availability of spaces does not suggest they can truly substitute for the publicly owned parking being considered as park space. Staff seems to acknowledge that the conditions necessary for the 40 S Oakland spaces to be truly public parking have not been met in the current discussions with the owner seeking entitlements from the City. This argues strongly for not proceeding with plans to remove public parking until a viable solution for replacement/augmentation is developed and implemented.

The staff report seems to suggest that additional public parking may not be needed in the Playhouse District. While seeming to acknowledge that studies have shown there are shortages during peak demand periods, partial data is presented to imply that there is an abundance of parking during the mid week-afternoon. The methodology of this study has not been shared with District stakeholders. More importantly, it does not deal with the need of desire of the city and the District stakeholders to increase economic performance of the district, which will place increased demands on properly priced public parking resources. This was acknowledged in the formative years of the Old Pasadena renaissance when the issue at the time was not insufficient parking (here was very little demand). The development of a comprehensive policy and strategy that ultimately created attractively priced parking (in advance of demand) and regulatory change to encourage reinvestment and re-tenanting of the historic resources.

Much work has been done over the past few years by District stakeholders and City staff such that a comprehensive strategy right for the District is in reach. Bifurcated approach to parks and parking when there are such limited resources is not the appropriate course of action.

Sincerely

Cal Hollis

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Jomsky, Mark

From: Kenneth McCormick <ksmcc@pacbell.net>
Sent: Monday, October 16, 2017 3:44 PM
To: Tornek, Terry
Cc: Jomský, Mark
Subject: Staff Report on New Parks
Attachments: Playhouse District Parking Presentation 10.16.17.pdf

Dear Mayor Tornek:

I am glad to see staff reporting back to Council on the creation of parks in the Playhouse District at tonight's meeting. The City Manager's efforts in this direction have been greatly appreciated.

There is reference on page 4 to working with certain property owners about a financial analysis "related to the construction of subterranean parking structures." I am attaching that work for you and Council should it be of interest. I also wanted to let you know that we're meeting this Thursday with Finance and Transportation staff to discuss the numbers and a potential strategy. We used Santa Monica's operating and transaction costs for the model, and I understand that those are somewhat lower than what we experience in Pasadena.

In the next paragraph of the staff memo, it is recommended that parking considerations "should not be considered a prerequisite to considering the establishment of a park in the Playhouse District."

After 15 years of working on both parks and parking in the district, I would respectfully disagree, as I and others on the Open Space Committee have been trying to articulate. With only two public lots in the district, utilizing either of them for parks only, whatever short term or interim solution might eventually be achieved from the private sector, would jeopardize our ability to move forward as the Arts District we've been trying to create.

That is why we did the attached analysis. The scenario analyzed does not necessarily my favored solution, incidentally, but rather a means to open up the dialogue for what many of us have anticipated for years - the creation of more "Park Once" stalls (including 90-minute free parking, like Old Pasadena, as we're hearing strongly from the new residential community here), funded partially by on-street meters. We also have been working on identifying other sources for both parks and parking which could help create a win-win solution for everyone.

Best regards,

Ken

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Open Space Planning Committee

**Playhouse District Parking
Construction Analysis**

July 25, 2018

Mill Creek Capital

Summary

- **Thesis:** Parking revenue bonds are viable for building subterranean parking garages on the City's two Playhouse District surface lots
- **Presentation Audience:** City staff and bond underwriters
- **Project Parameters**
 - 515 District parking meters
 - +/- 450 underground parking stalls, 60% tandem
- **Conclusions:**
 - A good underwriting case can be made
 - Non-recourse to the City almost a certainty
 - City commitment to support admin & personnel costs would lower bond rate (and might be required anyway)

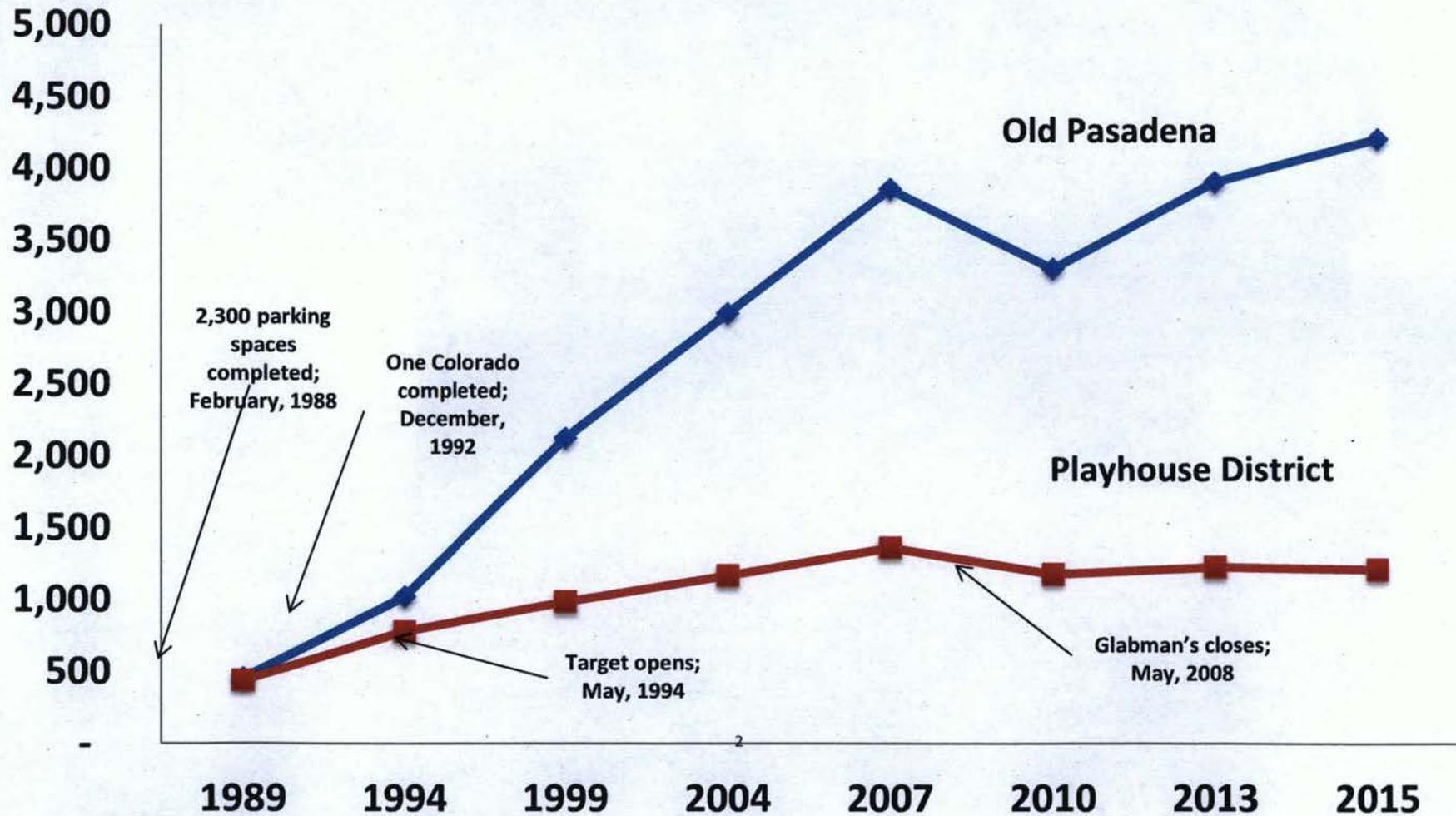
Addresses Strategic Issues for Multiple Audiences

- **City:** Sustains City's growth and expands property & sales taxes
- **Bondholders:** Satisfies key underwriting objectives
- **District Stakeholders**
 - Accelerates the area's place-making momentum
 - Unleashes usage of remaining "gap teeth" parcels
 - Helps intensify usage of historic properties
 - Unlocks District's open space potential
- **Pasadena Residents**
 - Improves the City's cultural core as an important destination
 - Channels growth into downtown, away from neighborhoods
 - Contributes positively to the City's budget

PLAYHOUSE DISTRICT ECONOMICS:

Tale of Two Cities

Retail Sales Tax Growth, Old Pasadena¹ and the Playhouse District



1 - Including One Colorado

2 - Estimate; raw data unavailable

PLAYHOUSE DISTRICT ECONOMICS:

Key Changes in the Area's Tax Contribution

New Property Tax Drivers

- Trio
- Archstone
- Granada Court
- 888 East Walnut
- Playhouse Plaza
- Andalucia
- Graystar

Preconstruction Taxes:	\$ 220,044
2015 Taxes:	
	\$1,037,289
2019 Forecast Taxes:	\$1,632,663

Sales Tax Growth

(& Pedestrian Generators)

- Target
- Vroman's Expansion
- Laemmle
- Trio – ground floor
- Urth Café
- Playhouse Plaza – ground floor
- Andalucia – ground floor

PLAYHOUSE DISTRICT ECONOMICS:

Tale of Two Cities

Property Taxes, Old Pasadena and the Playhouse District

Because of more parcels under development triggering re-assessments, and more projects being sold and triggering reassessments, the Playhouse District is generating substantially more property tax revenue for the City's General Fund than Old Pasadena

	2015	2019 Forecast
Old Pasadena		
Est. Assessed Valuation	\$925 bn	\$1,117 bn
Est. Property Tax Contribution to City	\$2.4 mm	\$2.9 mm
Playhouse District		
Est. Assessed Valuation	\$1,305 bn	\$2,115 bn
Est. Property Tax Contribution to City	\$3.4 mm	\$5.5 mm

1 – Forecast based on 2015 to 2017 projected increases, plus Playhouse Area projects triggering reassessments

2 – Management District only; excludes Parsons offices and new project

3 – PDA area only; excludes Pasadena Towers

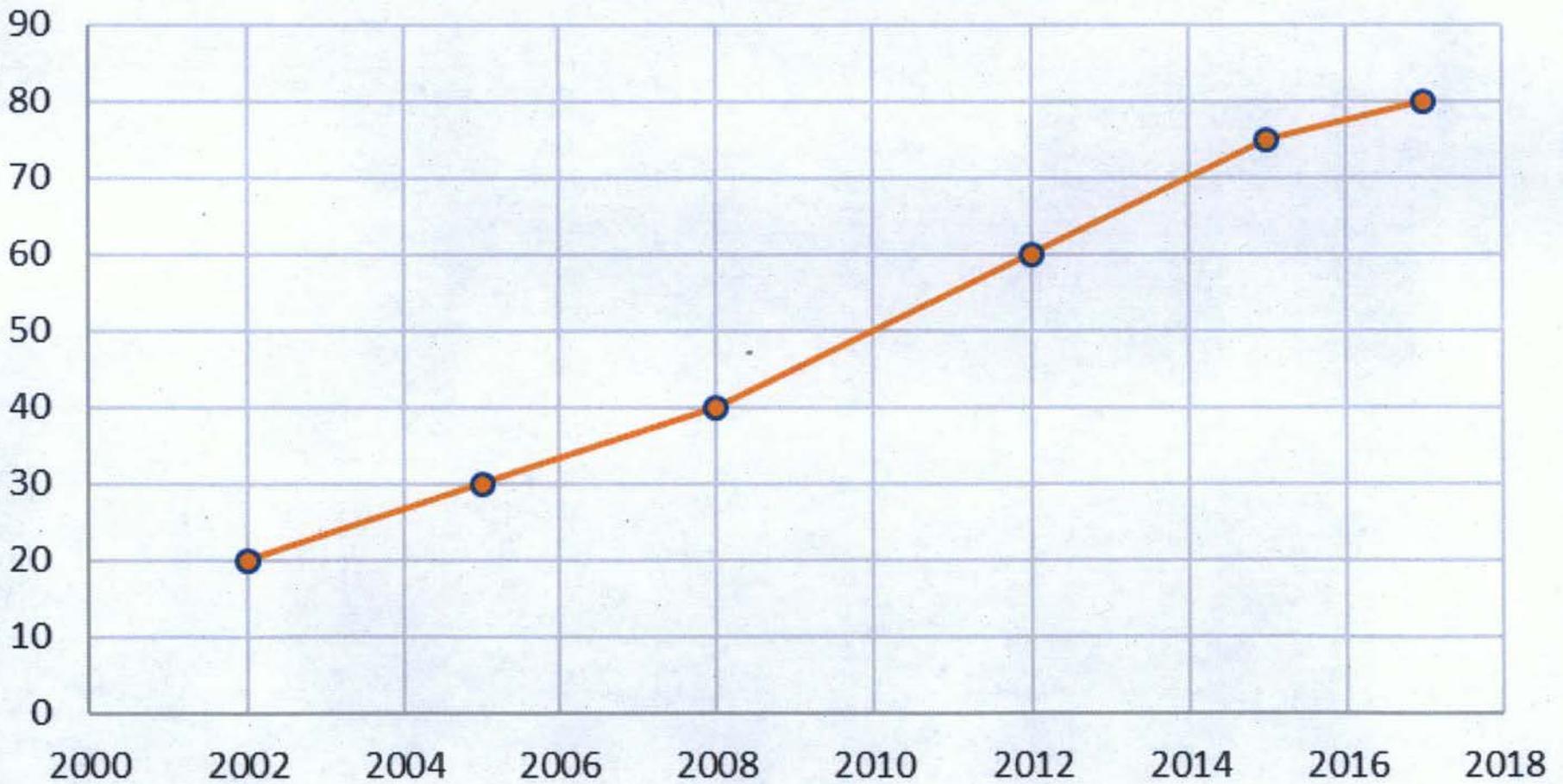
Primary Underwriting Findings Needed:

- Historical positive rate trends
- Supply restrictions
- Quantifiable demand
- Quality of the collateral, cash flow characteristics
- Debt service coverage metrics & margins

PLAYHOUSE DISTRICT ECONOMICS:

Playhouse District Parking: 9.68% annual increase

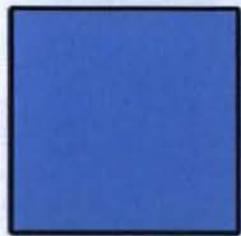
Vroman's Block Monthly Parking Costs



Parking Supply & Demand Analysis & Methodology

- Evaluated 46 parcels or sets of parcels in the District's core blocks
- Estimated actual current excess parking, code required parking and shortfalls, potential development envelopes and parcel restrictions
- Arbitrarily discounted code requirements for multi-use supply (no peak analysis)

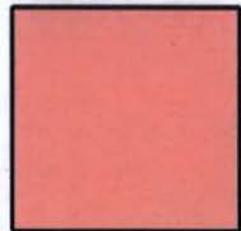
Playhouse District Parking Capacity Type – Legend



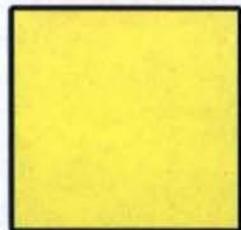
Reasonably Well-Parked



New Planned Projects:
Reasonably Well-Parked



Significantly Under-Parked

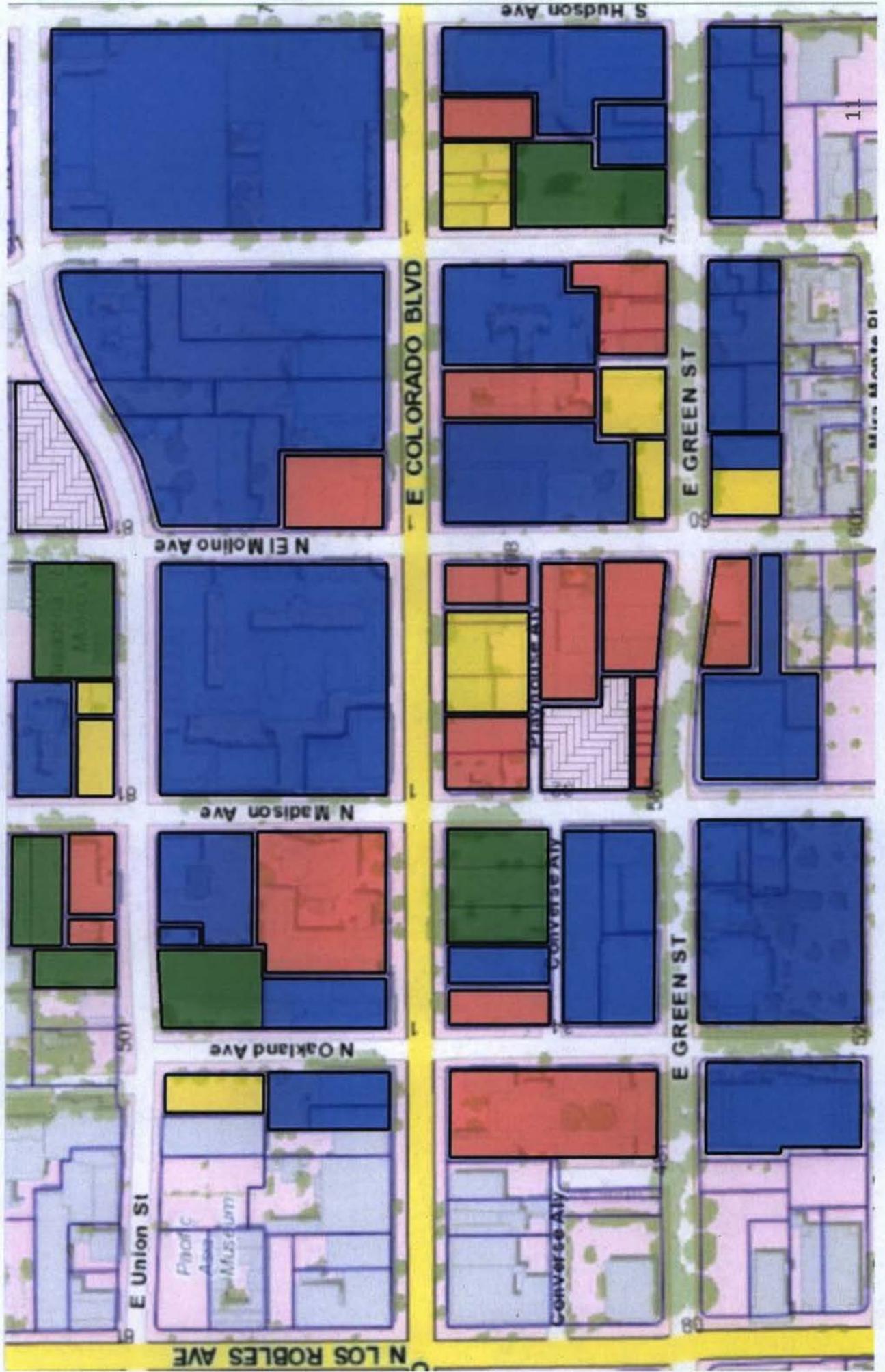


Small Development Opportunities:
Limited Self Parking



Surface Public Parking Lots

Playhouse District Core Blocks by Parking Type



Parking Supply/Demand Observations

- Reasonably Well-Parked excess supply 110-520
- New Planned Projects excess supply 0
- Significantly Under-Parked demand
 - Absolute spaces by code (1406)
 - Weighted spaces by use (arbitrary) (499)
- Current public supply
 - On street (core area only) 178
 - Off street (two lots) 203
- Future small project demand, limited parking
 - Parking lot infill (four lots, 59,890 SF) (574-754)
 - Two redevelopment projects (285-427)
 - Intensified use of existing buildings (200-400)

Significantly Under-Parked Characteristics

	Total	Weighting	Effective
• Event Spaces (4)	651	20%	130
• Restaurants & Retail (8)	278	30%	83
• Mixed Use & Other (8)	477	60%	286
Total	1,406		499

Key Model Assumptions

- Tandem Strategy – 4 spaces
 - El Molino/Union: 3.05 cars/1000 SF, 23,600 SF floors (2)
 - Playhouse Lot: 3.6 cars/1000 SF, 27,000 SF floors (3)
- Garage Costs - \$109/SF (fully loaded), 128,200 SF: \$14 million
- Air Rights Valuation - \$111/usable SF (+/- \$88K/door): \$5.6 million
- Garage Revenues
 - 150 monthlies @ \$80
 - 350 average ST users 4X daily @ \$1.25
 - 25 annual entitlement sales @ \$12,000 (and revenues, credits)
- Garage Opex
 - Parallels private sector costs
 - Excludes property taxes
- 515 District Meters
 - Installation cost of \$9,000 for 25 multi-car stations
 - Meter hosting cost of \$.14 per transaction on average
 - CC processing fees of \$.21 per transaction on average
 - Transactions run at 67% of Old Pasadena's per meter

Parking Authority Projected Cash Flows, DSC Ratios

	2018	2019	2020	2021	2022
Contributions from Meters					
Revenues			836,875	901,250	965,625
Transaction Costs			(234,325)	(252,350)	(270,375)
Contribution from Garages					
Revenues from Monthlies				144,000	144,000
Revenues from ST				638,750	638,750
Operating Costs				(82,500)	(82,500)
Attendants				(265,000)	(265,000)
Parking Entitlement Revenue					
Annual upfront sales				150,000	150,000
Annual fees				15,000	15,000
Parking credits				(24,000)	(48,000)
Administrative Costs	(150,000)	(200,000)	(210,000)	(220,500)	(231,525)
Total Net Operating Income	(150,000)	(200,000)	392,550	1,004,650	1,015,975
Capital Sources & Payments					
City Borrowing	400,000				
Meter Installation	(225,000)				
Bond Proceeds		10,000,000			
RIF Proceeds		5,616,600			
Construction Costs		(13,973,800)			
Reserve		(1,000,000)	536,923		
City Repayment		(400,000)			
Interest from Reserve			20,000	20,000	20,000
Annual Debt Service			(536,923)	(536,923)	(536,923)
Total Capital Sources & Payments	175,000	242,800	20,000	(516,923)	(516,923)
Net Cash Flow	25,000	42,800	412,550	487,727	499,052
Cumulative Cash Flow & Reserve Fund	25,000	1,067,800	943,427	1,431,154	1,930,206
DSC Ratio				1.87	1.89
DSC Ratio w/o Personnel & Admin				2.78	2.82
DSC Ratio w/o Entitlement Sales, Personnel & Admin				2.51	2.60

Jomsky, Mark

From: Brian Wallace <Brian@playhousedistrict.org>
Sent: Monday, October 16, 2017 4:02 PM
To: Jomsky, Mark
Cc: Klug, David; Mermell, Steve; Brian Baker
Subject: PDA Comments on Open Space Item

Mark:

The Playhouse District Association, through its Specific Plan Advisory Committee, offers the following comments and recommendations in advance of tonight's Council meeting. At its most recent meeting, the advisory committee discussed the transformative value of new public open space in the Playhouse District. As Council hears an update from City staff on the process to develop open space in this underserved area of the Central District, SPAC members were compelled to offer their 100% agreement on a recommendation and collective voice to Council that:

- Emphasizes the collaborative process undertaken by SPAC under the purview of the PDA Board;
- Recommends a combination of three park sites (Madison/Playhouse lot, Union/El Molino lot, and Union/Oakland/Fuller prayer garden site), each with unique qualities and purposes;
- Urges a comprehensive solution to replacing and possibly augmenting any lost or reduced parking from either City parking lot; and
- Acknowledges that funding and implementation mechanisms are both already available and additional ones are being explored, focusing on capturing value of the amount of real estate development underway or proposed within the Playhouse District.

While SPAC's recommendation does not serve as a formal "position" of the PDA Board – as there is no action before Council tonight – it represents a wide majority of Board members as well as a diverse spectrum of other interested Pasadena perspectives and serves to unify a preferred approach to the search for open space options.

Staff and members of the PDA and the SPAC will also be present tonight to offer further thoughts.

Kind regards,

Brian Wallace

Executive Director

Playhouse District Association

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10/16/2017

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