

**BIRMINGHAM CITY COMMISSION
SPECIAL MEETING AGENDA
WORKSHOP
VIRTUAL MEETING ON ZOOM
MONDAY, MAY 10, 2021
MEETING ID: 655 079 760
6:00 P.M.**

WORKSHOP SESSION

This will be considered a workshop session of the City Commission. No formal actions will be taken. The purpose of this workshop is to participate in a discussion regarding Parking Special Assessment District.

I. CALL TO ORDER

(6:00PM)

Pierre Boutros, Mayor

II. ROLL CALL

Alexandria Bingham, City Clerk

III. Presentation & Discussion

(6:00PM-6:05PM - 5 minutes)

Introduction – Tom Markus, City Manager

A. Presentation

1. Birmingham Automobile Parking System Defined
2. What is a Special Assessment District?
3. Where is The Parking Assessment District?
4. The City is Granted Legal Authority to Create Special Assessments, Including a Special Parking Assessment District.
5. Historical Information
6. Map Of Original Separate PSAD
7. Funding Chart of Each Structure
8. Formulas – Past and Present
 - a. Parking Demand Factor
 - b. Special Use Factor
9. Funding

B. Discussion - Where Do We Go From Here?

- a. Does the Commission want to have ongoing discussions regarding these issues in the near future or to wait until there is occasion to implement change?
- b. If there is a lot or structure developed in the Triangle District, should there be a new and separate PSAD? Or, should it be added to the existing PSAD?

- c. Should there be an ongoing assessment in the PSAD for major repairs, and if so, what would be the formula? Or, are the user fees that are currently being collected for the parking system sufficient and equitable?
 - i. Who would be on the roll, and what percentage of share be assessed against property owners versus the Birmingham Automobile Parking System?
- d. Should new development to an existing building that has already paid into the PSAD in its initial assessment be required to have a new assessment based upon increased density?
- e. If property owners outside the PSAD request to “buy in” to the PSAD should they be allowed to? If so, which formula should be used to assess costs to them?

IV. Public Comment

V. ADJOURN

This meeting is open to the public and the public is welcome to attend.

PLEASE NOTE: This meeting will be held virtually on Zoom.

NOTICE: Individuals requiring accommodations, such as mobility, visual, hearing, interpreter or other assistance, for effective participation in this meeting should contact the City Clerk's Office at (248) 530-1880 (voice), or (248) 644-5115 (TDD) at least one day in advance to request mobility, visual, hearing or other assistance.

Las personas que requieren alojamiento, tales como servicios de interpretación, la participación efectiva en esta reunión deben ponerse en contacto con la Oficina del Secretario Municipal al [\(248\) 530-1880](tel:2485301880) por lo menos el día antes de la reunión pública. (Title VI of the Civil Rights Act of 1964).

Special Parking Assessment District Workshop

BIRMINGHAM AUTOMOBILE PARKING SYSTEM

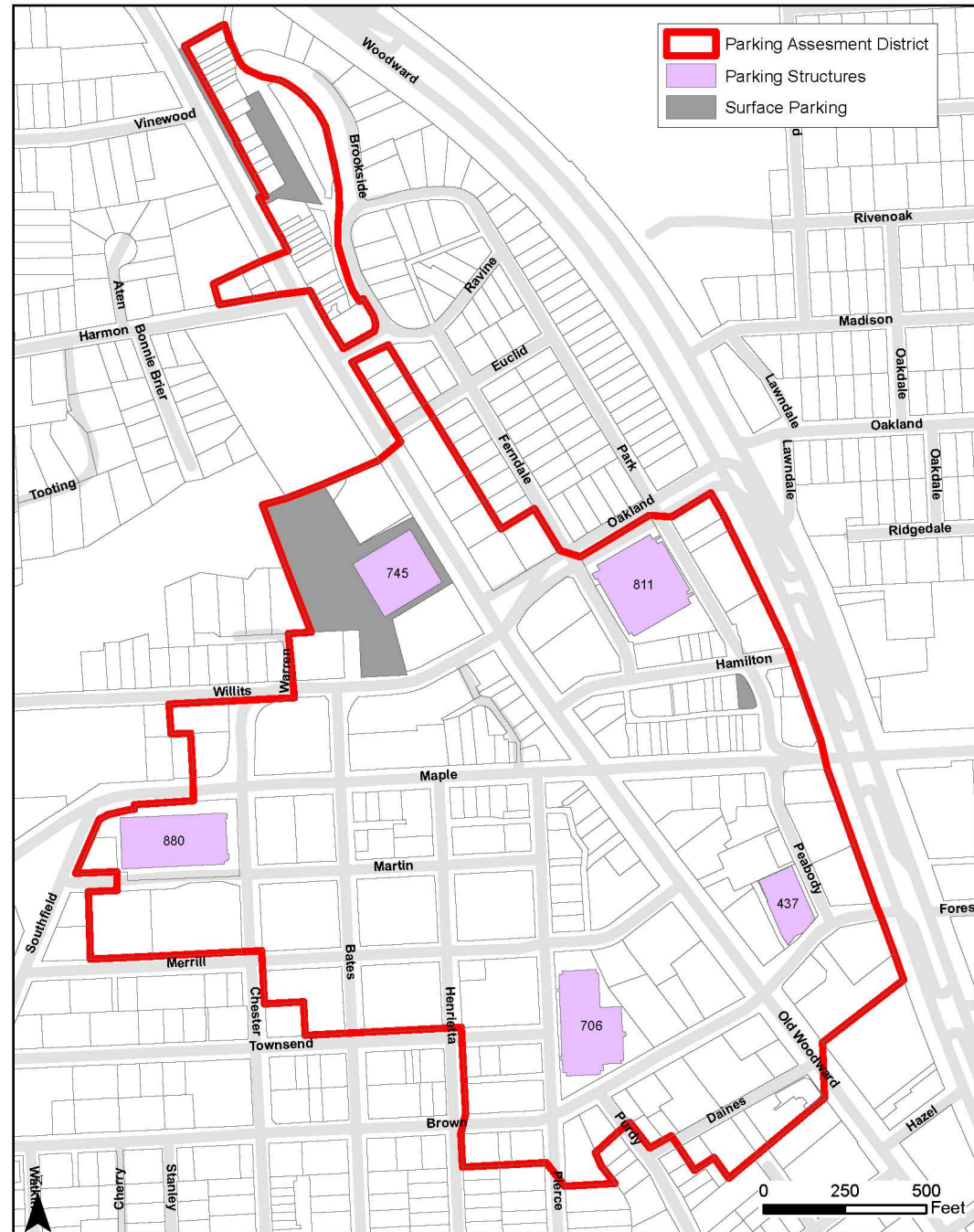
- Created by ordinance in December of 1954
- For the purpose of traffic control, public benefit, welfare and safety
- System includes all parking matters where fees or charges are collected

What is a Special Assessment District?

- A special charge imposed on real property
- Assessed in order to pay or defray costs of a specific service or public improvement
- One of the best ways to ensure property owners that benefit from a special project shares the costs
- Multi-step process, including public hearings

City of Birmingham Parking Assessment District

Where is the Parking Assessment District?



The City is granted legal authority to create special assessments, including a Parking Special Assessment District.

- State law – MCL § 117.4d – general authority
- MCL § 125.981 and §125.982 Principal Shopping District
- Charter at Chapter 10
- Ordinances at Chapter 94
- Specifically 94-15

HISTORICAL INFORMATION

- July 18. 1950 Off Street Parking Committee in an attempt to find solutions to the public parking problems offered the City Commission and the Planning Commission 6 different plans to fund public parking
- Each plan had different ways to pay which included full City obligations, public parking system funding and benefited businesses with special assessment
- At that time, it was forecasted and contemplated that parking charges would be used to pay operating expenses and accumulate funds for erecting multi-level sites and additional sites when needed
- It was contemplated that after completion of the original installation of the first lot, “new business enterprises should either incorporate adequate provision for parking in their plans or be assessed fully for the need it provided by the City”
- 1954 created the first Assessment District for Merrill Lot
- Purpose was and remains to address the needs of the properties in the business district

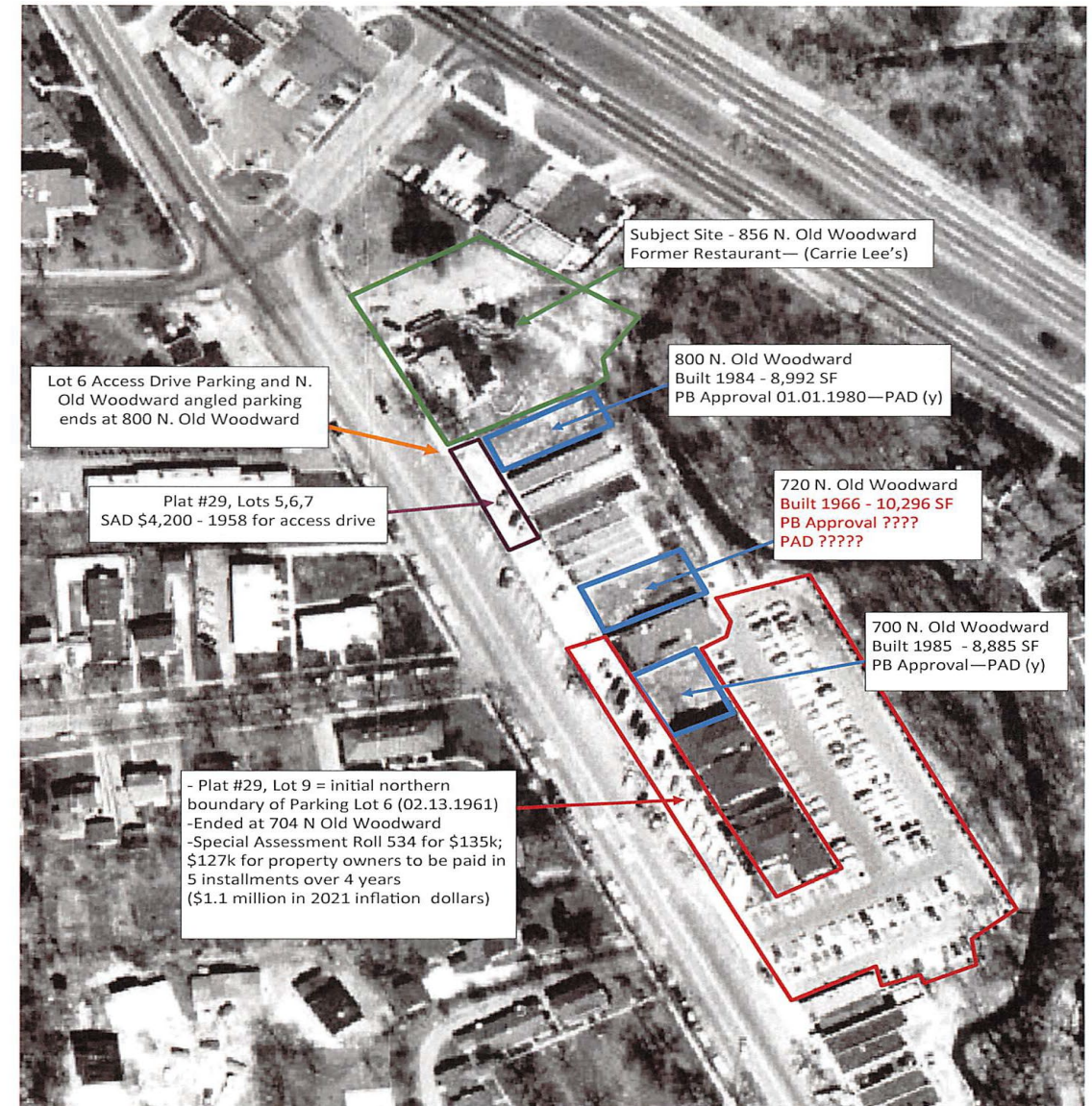
HISTORICAL INFORMATION (Continued)

- Throughout the 1950's – 1980's discussions regarding lots – much like today
- 1957 & 1958 ordinance of PSAD was created
- As the City grew so did parking needs
- Mid 60's new discussion regarding equitable formula
- Formula then focused on potential growth
- First structure in Lot 5 created thought towards a 40% assessment to property owners and 60% from parking system
- Ultimately a 10%/90% split
- 1973 structure constructed 40%/60% split in 10 payments
- 1982 – formulas revised with Brown Street structure
- Factors to formula change to a greater focus on building character vs. land amount.
- 1989 Chester Street structure built and assessed 15% in S.A. 85% from parking system
- In later years formula
- Emphasis upon existing buildings as demand decreased because central business district substantially developed

MAP OF ORIGINAL SEPARATE PSAD

Lot 6 Parking Assessment District history research

1963 Aerial Image of N. Old Woodward



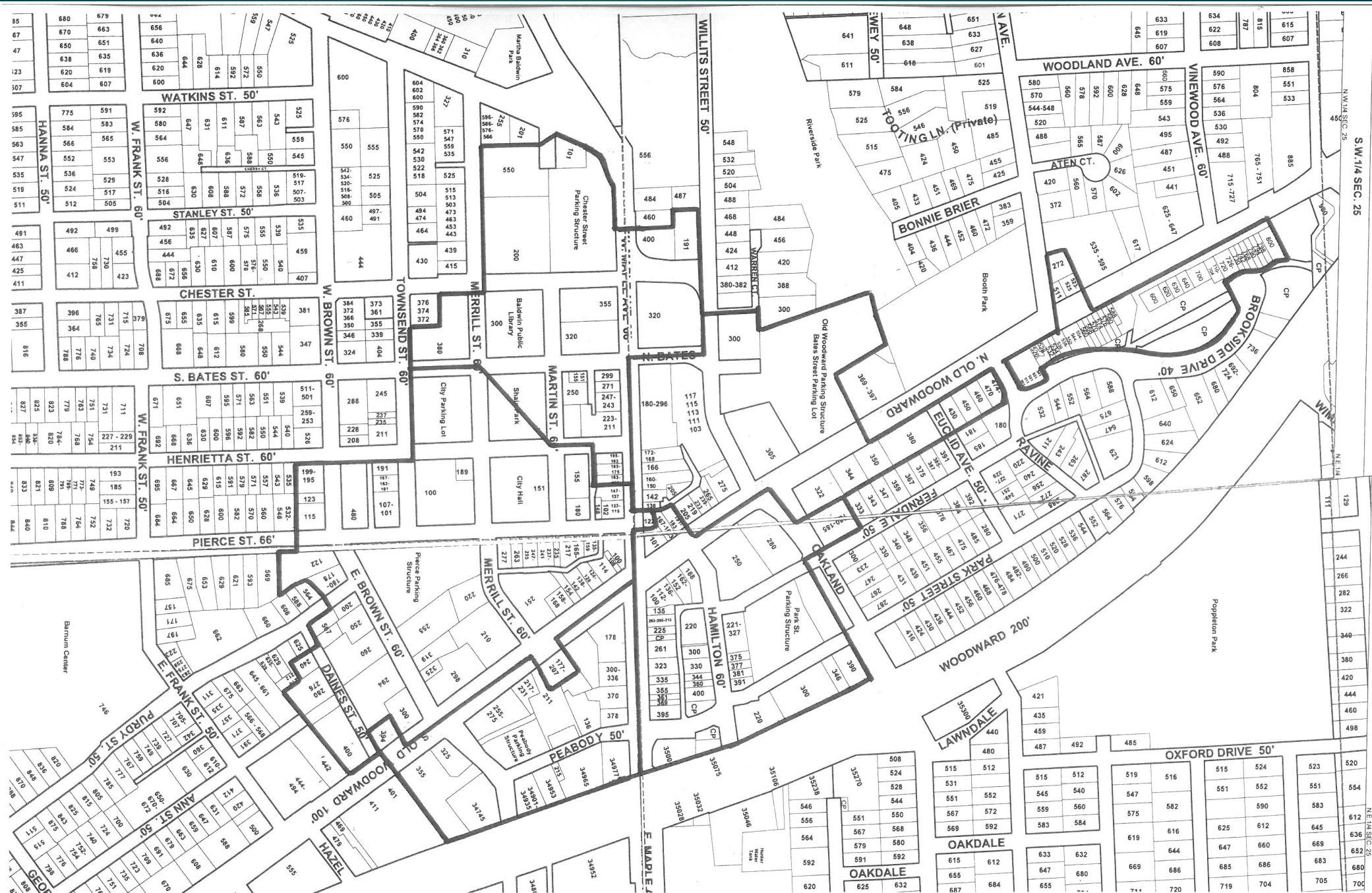


Chart of Each Structure

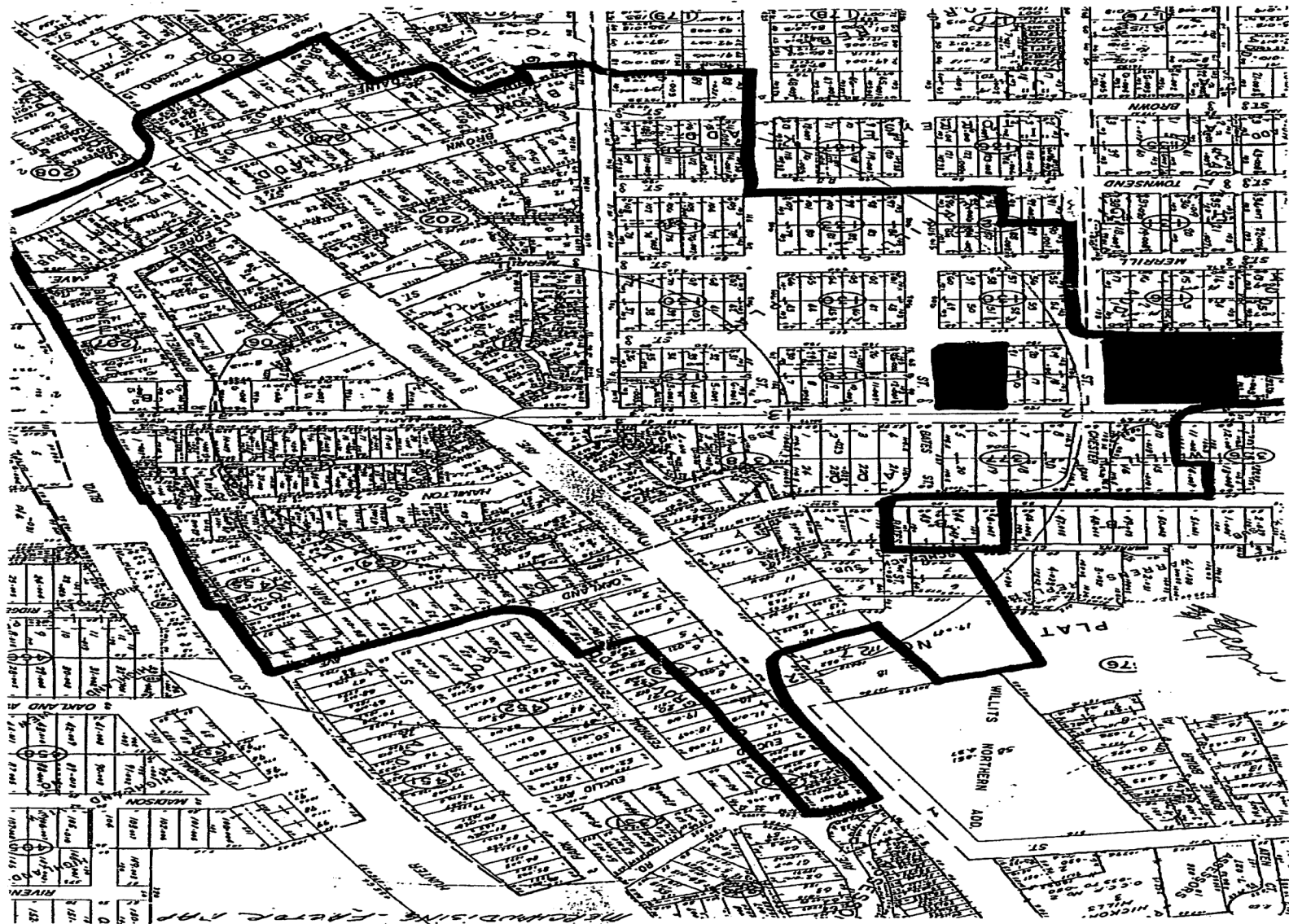
	N. Old Woodward	Pierce	Park	Peabody	Chester
Year Built	1966	1968	1974	1984	1989
Est. Total Cost	\$ 1,174,800	\$ 1,924,500	\$ 2,078,375	\$ 3,680,000	\$ 11,475,261
Construction Cost	\$ 1,016,600	\$ 1,543,900	\$ 1,754,350	\$ 2,743,000	\$ 9,870,000
Number of Parking Spaces	745	706	811	437	880
Number of Monthly Permits Issued	900	550	813	386	1081
Monthly Parking Rate	\$55	\$65	\$60	\$65	\$45
Date Bond Sale Approved by Commission	3/14/1966	1/8/1968	6/14/1973	6/6/1983	9/15/1988
Amount bonded	\$ 1,500,000	\$ 1,565,000	\$ 2,000,000	\$ 2,700,000	\$ 10,000,000
% of total cost assessed	10%	10%	40%	40%	15%
Total assessment	\$ 117,480	\$ 192,450	\$ 831,350	\$ 1,472,000	\$ 1,586,828
Deferred assessment					\$ 134,965

FORMULAS

The accompanying map shows the criteria for determining the distance and merchandising factors.

The current formula gives a 50% weighting to land size and a 50% weighting to building size. The formula has within each weighting category (i.e. Land Frontage, Land Area and Building Area) several factors that are used to determine the benefits each particular piece of property receives from a given parking project. These factors are as follows:

- **Distance Factor:** This factor is determined by a property's distance from the proposed parking facility. The theory is simply that the further a property is located from the facility, the less it benefits from that facility. This factor is weighted from 1 to 10.
- **Merchandising Factor:** This factor is a location factor determined by the property's distance from the Maple-Woodward intersection. The theory is that the closer a property is located to the center of the CBD, the more it benefits from the parking system. This factor is weighted from 1 to 3.
- **Parking Demand Factor:** This factor relates to the building portion of the overall assessment. Using the guidelines in the zoning ordinance, a factor from 1 to 5 is computed based upon the actual parking demand created by a particular building. The theory behind this factor is that the greater demand a building creates, the more it benefits from the parking system.



FORMULAS

PAST

Land Frontage	
Overall Weight	45%
Factors:	
Distance	1-10
Merchandising	5-50
Land Area	
Overall Weight	45%
Factors:	
Distance	1-10
Merchandising	5-50
Building Area	
Overall Weight	10%
Factors:	
Distance	1-10
Merchandising	5-50
Building Use	1-5
Typical Project Cost Allocation:	
SAD Share	40%
Parking System Share	60%
Total Cost	100%

PRESENT

Land Frontage	
Overall Weight	25%
Factors:	
Distance	1-10
Merchandising	1-3
Land Area	
Overall Weight	25%
Factors:	
Distance	1-10
Merchandising	1-3
Building Area	
Overall Weight	50%
Factors:	
Distance	1-10
Merchandising	1-3
Parking Demand	1-5
Typical Project Cost Allocation:	
Primary SAD Share	40%
Deferred SAD Share	24%*
Parking System Share	36%
Total Cost	100%

*The Deferred SAD share would be advanced by the Parking System to be repaid in part or in full at some time in the future.

PARKING DEMAND FACTOR

Zoning requirements for Parking

Retail/Office	1 space/each 300 square feet
Medical/Office	1 space/each 150 square feet
Service	1 space/each 550 square feet
Restaurant	1 space/each 75 square feet

<u>Parking Demand Factor</u>	<u>No. of Spaces</u>
1	0 – 79
2	80 – 158
3	159 – 237
4	238 – 316
5	317 – 345

Formula for Determining above Factor - Present Demand Factor (Gross Building Area) divided by Zoning Requirements equals Number of parking spaces.

Formula for Potential Parking Demand Factor - Present Demand Factor plus potential Additional Building Area divided by Zoning requirement equals Number of Spaces if fully developed.

Calculation for Parcel No. 08-19-25-456-012

Parking Demand Factor	–	Zoning Requirement	=	No. of Space
1528	-	150	=	10

Deferred Calculation:

Parking Demand Factor	+	Potential Additional Building Area	-	Zoning Requirement	=	No. of Spaces
1528	+	4513	-	150	=	40

Demand Factor “1” for each calculation

SPECIAL USE FACTOR

The Special Use Factor is used for properties that have, primarily, weekend and evening use of the structures, for example, churches and the Community House.

This factor is applied to the land only and is calculated at $\frac{1}{3}$ of the land frontage factor. All other parcels are calculated at 1.0 times the land frontage factor.

FUNDING

5 STRUCTURES AND 3 LOTS ARE PART OF AUTOMOBILE PARKING SYSTEM

- Uniform budgeting and accounting act as guides for all local government
- MUST follow the Michigan Department of Treasury Uniform Chart of Accounts (MCL § 141.421)
- Parking funds are classified as a special revenue fund and are restricted to parking use only, if the sole source of revenue is from parking meters
- Otherwise, a fund should be established which is an enterprise fund. The enterprise fund is what the City currently uses. While not restricted like a special revenue fund, the purpose of the fund is to record the revenues and expenditures of the City's parking system.

WHERE DO WE GO FROM HERE?

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