

SRJC Trustees, Please use our TAXES wisely.

Yes, Measure A is for capital investments (not to directly fund operations or administrators). Reality is that investing \$20 to \$30M in classrooms and student facilities would produce more income for the JC than a garage. Income generated by use of capital, generally, is unrestricted. The higher return would likely exceed the operating cost of parking alternatives. Some parking alternatives may well cover their own operating expense.

Before investors make a decision like this, they need economic analysis of alternatives to compare the CHOICES.

Cost Analysis of proposed

Parking Garage:

Data per Press Democrat and SRJC

Garage Capacity	1,081	Cost of Structure	\$30,400,000	Construction
Existing spaces displaced	-387	Bailey Lot		
" " "	-61	Bear Cub Way	\$1,500,000	Related Costs
Net Gain in Spaces =	633	Est. Cost to add spaces	\$31,900,000	Financed with Bonds
Existing JC Spaces =	3,544	New spaces =	18%	Gain
(Cost) / (# of space added) =	\$31.9	M divided by	633	=
Annualized Cost per Space			\$50,395	per space
Principal and Interest payments	\$50,395	@	5.0%	for
			30	years
			\$ 3,278	/garage space/yr

Cost Analysis of just ONE VIABLE Parking Alternative to the Garage

"Stack parking" means park your car as directed, leave keys in case attendants need to move to allow others to leave before you.

Data thanks to UC Davis Parking Service
Aug 2004

"Stack Parking" statistics

UC Davis increases lot capacity an average of 35% through management. Average cost is \$ 4 per space per 10 hour day. UCD contracts AMPCO Parking to provide staffing and liability coverage for stack parking for this total cost.

SRJC's existing parking space inventory is 3,544 (EIR Vol. 2, Appdx B-3 p7). Applying a gain from parking management of 35%, SRJC could increase parking by up to 1,255 spaces **without** any building. 633 spaces, the equivalent to the garage could be added by managing only 50% of SRJC's existing on-campus parking.

Cost to add capacity at SRJC using "Stack Parking":

(Based on parking study included in parking structure Environmental Impact Report)

4 days per week times	35 wks/yr =	140 days/yr
	times	\$ 4 /day
	Annual Cost =	

Costs of Garage vs. "Stack"

per Space	633 Spaces
\$ 3,278	\$ 2,075,141
to	
\$ 560	\$ 354,480
\$ (2,718)	\$ (1,720,661)

ANNUAL Excess Cost of Garage =

Over \$1 MILLION per year of local taxes is real money to me.

What about you?

Why spend \$31.9 MILLION on an immovable building when a flexible parking solution with a human touch costs 1/4th as much???

A mix of strategies should be analyzed to seek an even better bottom line, for the JC's budget AND for the public. Any individual or business would look for the best way to use its capital. The public expects the same of the Trustees.

SRJC Trustees, please use our tax dollars wisely.

Parking Revenue Estimates

for net new spaces added by parking structure

2004 Student Parking Fees

Daily Rate **Permits**
\$3.00 \$60
per day per semester

Assuming **100%** Occupancy

Annual Parking Revenue

Paying PERMIT rate: **5** users/space X **2** semesters =

Paying DAILY rate: **3** users/space X **140** days per yr =

per Space	633 Spaces
\$ 600	\$379,800
\$ 1,260	\$797,580

Est.Total Revenue \$ 930 \$ 588,690

Compare these Annual Revenue Estimates to the Costs from Attachment #1

Est. Principal & Income (annual paymt) **Parking Garage:**
(Deficit)/Excess re Average Annual Revenue

Cost to add capacity at SRJC using **"Stack Parking":**
(Deficit)/Excess re Average Annual Revenue

\$ 3,278	\$ 2,075,141
(2,348)	(1,486,451)
\$ 560	\$ 354,480
370	234,210
per Space	per 633 Spaces

Additional Parking Fee information

Meter Rate **\$1.00** per hour

Classrooms vs. the Parking Garage

NOTE: The higher of the two Annual Parking Revenue estimates is used in the following comparison of two capital investment choices:

(see Attachment #3)

Marginal Rate of Return MODEL

Classroom Investment

Capital Investment

Investment per Classroom			
16	sq ft/student	30	Classroom Capacity (students)
\$300	per sq ft *	480	sq ft = \$144,000
25%	commom space	\$36,000	Additional Space Cost
Gross Capital Investment		\$180,000	per Classroom

[Yellow Box]
= input data

Revenue

Student Instructional Hours/Classroom/Year			
6	hr/day	4	days = 24 hrs/week
24	ave. students/ class	35	weeks 840 student weeks/yr
			20,160 student-hrs/yr
Revenue per Classroom			
20,160	hrs /	525	hrs/FTES 38.4 FTES * \$4,500 /FTES \$ 172,800

Instructional Cost

24 hrs divided by	15	hrs/instructor load =	1.6	instructors @	\$61,000	(\$97,600)
	40%	Admin and Overhead				(\$39,040)
						(\$136,640)

Gross Margin on Instruction

Revenue per Classroom -- Net of Costs for Instructional & Admin/Overhead	\$ 36,160
Return on Investment (ROI)	20%

Decision re: \$30,400,000

633 Parkings Spaces vs. 169 Classrooms
@ \$180,000 each

ANNUAL RETURN

- A. **\$ 797,580 vs. \$ 6,107,022**
- B. **2.6% vs. 20.1%**
- C. **1 to 7.7**

If the operating cost for "Stack Parking" were not covered by its own fee revenue, calculated below is the number of new students in new classrooms required to fully cover its cost:

"Stack Parking" Operating Cost of **\$ 354,480** covered by Gross Margin from **376** students (Full-time equivalent students) using **10** classrooms.

Capital Investment required = **10** times \$180,000 equals **\$ 1,800,000**

(NOTE: Stack Parking is just one of many alternatives to a large single-purpose structure.)

SRJC Parking Garage

David Harris 539-0241

Here it is, \$4m/acre.

Managed parking would pay for itself, 'create' up to 1,000 spaces soon, no construction disruption and save \$22m!

Land Equivalent Cost

	Area					
Garage Total	356,000	sq ft				
Acre size	43,560	sq/ft/acre				
	8.17	Acres				
Total	1,081	Spaces	→	329	sq ft per space	132 spaces per acre
Replacement	(448)	" "		41%	"Remanufactured"	= 3.4 Acres
Net Gain	633	" "		59%	New Inventory	= 4.8 Acres

				per Acre	
\$30,400,000	divided by	4.8	=	\$6,350,000	(inside garage)
				(\$250,000)	Paving & Lighting
				(\$330,000)	Shade Covering
				132	@ \$2,500
					Spaces per Space

Vacant Lot Equivalent \$5,770,000 per Acre

Nice Price for Bare Land in Santa Rosa!!!!

Small House LOT at this price

Width (in feet)	times	Length	=	Area (in sq ft)	(in acres)	
60		150	=	9,000	0.207	= \$1,192,149

Call the Trustees. Ask them to think again.

- | | | | |
|-------------------------|----------------------|-----------------------------------|----------------------|
| Don Zumwalt – President | 579-8861(res) | B. Robert Burdo -- Vice President | 823-4112(res) |
| Richard W. Call | 541-2214(o) | * W. Terry Lindley | 545-1200(o) |
| * Frank S. Briceno, JD | 542-2834(o) | * Kathleen Doyle, CPA | 795-2691(o) |

* Briceno defeated in Nov 04 election, Lindley did not run for reelect, Doyle retired and resigned from Bd almost 2yrs before end c

Car Ownership

Range of capital invested in a student car

	(low)	(high)
Vehicle Value	\$1,500	\$20,000

Est. Annual average cost per student

	(low)	(high)
10% Opportunity cost + Deprec	\$150	\$2,000
Liability Insurance	\$450	\$2,400
Fuel	\$140	\$1,050
Maintenance	\$400	\$2,000

mi/wk

wks

miles/yr

mpg

gal

Fuel exp
\$/gal

\$3

40
240

35
35

1400
8400

25
20

56
420

\$140 /yr
\$1,050 /yr

Annual Cost Range (est. \$1,140 (low) \$7,450 (high))

New Spaces added by Garage
633

Users per space per day
2.5

Cars enabled
1,583

Est. Annual Auto Expenditures

Garage P & I

enabled by Garage

(low)	(high)	1/3 of high
\$ 1,804,050	\$ 11,789,625	\$ 3,929,875
		\$2,075,141

Annual Garage cost to society =

\$6,005,016

Time Periods

	<u>Yrs</u>
Next Decade	10
Years until Taxpayer payoff Bond financing	30

Cummulative Auto Expenditures

(low)	(high)	1/3 of high
\$ 18,040,500	\$ 117,896,250	\$ 39,298,750
\$ 54,121,500	\$ 353,688,750	\$ 117,896,250
		\$20,751,408
		\$62,254,223

\$180,150,473

QUESTION:

What could the transit sector do with \$6 million per year?