



PARKING DECK LAKESHORE DRIVE CORRIDOR OPPORTUNITIES PROPOSAL

09 February 2022

Last July the Council voted to begin the process to remove the 1978 Parking Deck

- › Portions of deck closed due to structural issues and high cost of repair
- › Two years of comment since 2019 SOQ
- › Two facilitated public engagement sessions since vote
- › The legacy of the deck presents a significant financial liability to the City to avoid future safety liabilities
- › Deck maintenance or removal has not been grant-eligible in the past

Issues and Opportunities

- › Fund a project without burdening taxpayers
- › Manage parking on the deck property post-deck
- › Lakeshore Drive corridor after deck
- › Help some businesses adapt and capitalize on new opportunities
- › Better manage and optimize our parking assets
- › Determine an acceptable future use of the property
 - Recent input sessions
 - Future input sessions
 - More professional guidance available

The first issue is how to fund the removal of the deck

- › Even IF it were our plan to construct a new deck and we had the funds to do it, removal of the existing deck comes first and at a significant cost itself
- › Past work to extend the useful life of the deck was paid for primarily from the General Fund.
 - Smaller amounts from DDA and Equipment Funds
 - About \$1.9 Million was retasked to Parking, most of it from the General Fund

From a presentation earlier this year:

GL NUMBER	DESCRIPTION	Totals		2019-20
		2005 to 2020	2009 to 2020	ACTIVITY THRU 06/30/20
Dept 001 - REVENUES				
1 516-001-590.255	LED LIGHTING GRANT			0.00
2 516-001-652.000	PARKING METER			723.05
3 516-001-653.000	PARKING SPACE PERMIT			64,260.25
4 516-001-654.000	PARKING FINES			8,095.00
5 516-001-655.000	TOWING FEES			2,000.00
6 516-001-665.000	INTEREST			527.21
7 516-001-669.000	MISCELLANEOUS			55,000.00
				130,605.51
1 516-001-670.000	GENERAL FUND	105,000.00	30,000.00	0.00
1 516-001-699.101	GENERAL	1,319,638.79	1,319,638.79	0.00
2 516-001-699.248	DDA FUND	316,450.00	291,450.00	50,000.00
3 516-001-699.661	EQUIPMENT FUND	230,000.00	230,000.00	0.00
4	Totals for dept 001 - REVEN	1,971,088.79	1,871,088.79	180,605.51
5	ESTIMATED REVENUES	0.00		180,605.51

The Project:

- › Demolition and removal of the existing deck structure has to be done in a controlled manner protecting adjacent properties.
- › Minimal restoration of surface parking areas to maximize post-deck parking in the near term
- › Approximately 2 months to take it down
- › Total estimated cost: \$1,000,000
- › Will need cash-in-hand to pay for work

Where does \$1,000,000 come from?

- › The City of Houghton is on solid financial footing, but we do not have \$1,000,000 just lying about
- › We could “save up” like we did before, but that takes years (which we might not have)
- › Propose that we obtain a bond to finance the work.
 - \$1M borrowed for 10 years is \$130,000± annually
 - \$1M borrowed for 15 years is \$95,000± annually

How do we repay it?

- › Sell part of the property for redevelopment
 - Could raise \$400,000 to \$600,000 by sale
 - Future taxes when developed create long-term revenue
 - There is time to work through what that piece looks like – and what would be an acceptable development plan
 - MEDC, through RRC, can help us get there
 - Proof-of-concept is there (2019 RFQ responses)
- › Sell some other property for redevelopment
 - Could raise significant amounts
 - Tax revenue from development
 - Fill needs in community (housing, retail, etc.)