PARKING STRATEGIC PARTNERSHIP PROJECT
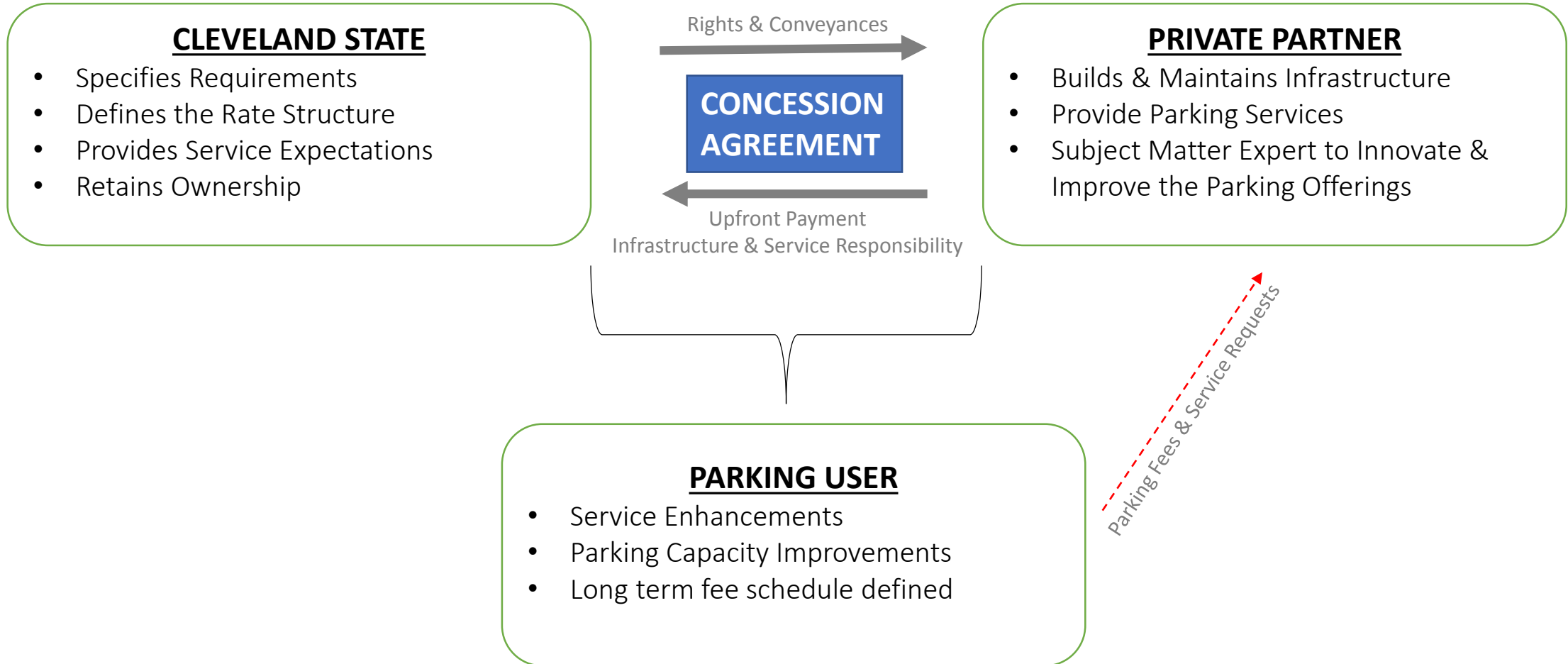
GENERAL INFORMATION -- FALL 2017

WHY are we doing this?

- CSU's Pathway to 2020 Project
  - Asset Utilization Study

- Governor's Executive Order 2015-01K
  - Governor's Task Force on Affordability & Efficiency
    - Recommendation 4: Asset & Operations Review
      - Sell, Lease, or Repurpose non-core University assets
      - Regional Cooperative, Private Operator, or Other Entity

- Parking Services is a non-core function of the University

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WHAT is a Parking Strategic Partnership?

CLEVELAND STATE
- Specifies Requirements
- Defines the Rate Structure
- Provides Service Expectations
- Retains Ownership

Rights & Conveyances →

CONCESSION AGREEMENT

← Upfront Payment
Infrastructure & Service Responsibility

PRIVATE PARTNER
- Builds & Maintains Infrastructure
- Provide Parking Services
- Subject Matter Expert to Innovate & Improve the Parking Offerings

PARKING USER
- Service Enhancements
- Parking Capacity Improvements
- Long term fee schedule defined

Parking Fees & Service Requests

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HOW does this impact CSU?

- Routine annual rate increases creates additional asset value leading to a large upfront payment.

- The loss of day-to-day operational control will shift the risk and liability away from the University.

- Future service enhancements may increase parking capacity and grow revenues for the consortium; no additional revenue for the University.

- University commitment to parking inventory levels will restrict other campus uses, but require the consortium to invest into facilities including the demolition and replacement of the Central Garage.

- The agreement would eliminate a non-core function of the University but create contractual obligations, governance, and oversight.

WHEN will this happen?

- Request for Qualifications (RFQ)
  - Completed in 2016
  - Six respondents – Three shortlisted for RFP

- Due Diligence
  - Risk & Deferred Maintenance
  - Definition of the asset & financial forecasting

- Board of Trustees Authorization
  - Establish Deal Parameters (September 2017)

- Request for Proposals (RFP)
  - Anticipated Release: November 2017
  - Anticipated Due Date: March 2018

- Evaluation, Decision & Recommendation
  - Evaluations, Decision, & Recommendation (March 2018 – June 2018)
  - Financial Close (Summer 2018)
  - Operational Transition (Fall 2018)

WHO are the shortlisted parking operators?

- ## IMPARK
  - Privately held (acquired by the Ontario Teachers' Pension Plan in 2011) provider of parking management, ground transportation, and ancillary services.
  - Operates approximately 3,400 parking facilities in more than 100 cities

- ## LAZ
  - Privately held provider of parking management, ground transportation, and ancillary services
  - Operates in 2,500 locations with nearly a million parking spaces (Merged with Indigo in 2007 with over 2.1 million spaces in 16 countries)
  - **Operator of the Ohio State Parking Partnership (**Operates as CampusParc)
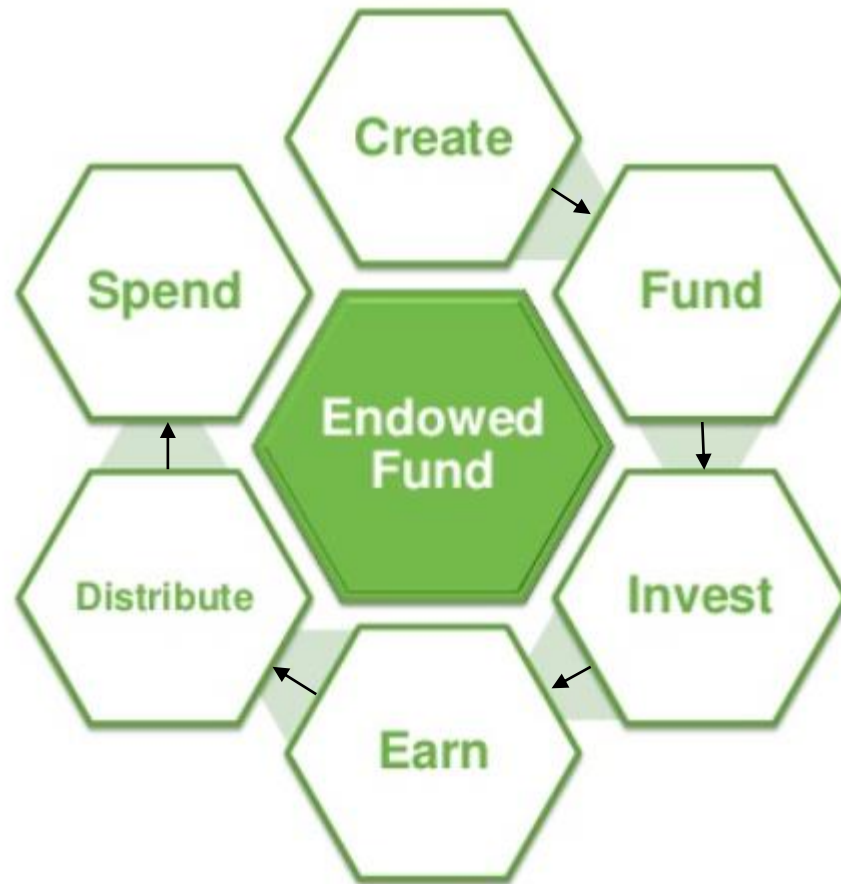
- ## SP+
  - Publicly traded on NASDAQ with a market cap of over $565 Million
  - Operates over 4,200 parking facilities with over two million parking spaces

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WHERE will the upfront payment go?

- Create an endowment fund that will produce an additional revenue stream
  - Annual distribution amounts (to be determined) will be used for:
    - Campus Infrastructure
    - Academic Programming
    - Campus Operational Support
    - Student Programming

- Annual contributions from the endowment are expected to outperform the annual cash flow generated by Parking Services without spending the upfront payment.

- The Ohio State upfront payment of $483M is estimated to become $3.1B over its 50 year life.

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WHERE can I get more information?

- Website
  - www.csuohio.edu/opm/parking-partnership
  - Includes project overview, team members, and Frequently Asked Questions

- Meetings / Town Halls
  - Two town halls are scheduled:
    - October 18 @ 10:00am – Fenn Tower Ballroom
    - October 19 @ 2:00pm – Fenn Tower Ballroom
  - The project team will present at various association and organization meetings. See the website for more detailed information

- Office of Performance Management
  - Available to discuss concerns, issues, and answer questions
  - Email: opm@csuohio.edu
  - Phone: 216.687.5330 (Ben Rogers)

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