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MEMORANDUM

TO: Coral Gables City Commission

FROM: Thomas F. Magenheimer, MAI
Quinlivan Appraisal, P. A.

DATE: March 2, 2021

SUBJECT: Zoning Code Proposal – Miracle Mile

The Coral Gables City Commission is considering several proposals to the zoning code for the Miracle Mile overlay district. One option being considered is allowing property owners to pay a fee in lieu of providing required parking to the city's public trust fund. This memorandum will analyze the payment in lieu fee.

A previous memorandum dated February 1, 2021, calculated the difference between allowing remote parking versus constructing on-site parking in a garage. The rent per month in a city owned garage is presently \$110 per space or \$1,320 annually. The rent per month in a privately owned garage is presently at least \$150 per space or \$1,800 annually (\$150 per month x 12 months). The impact on market value of remote parking was calculated as follows:

Annual Rent		Overall		Market Value
Per Space	÷	Rate	=	Per Space
\$1,320	÷	6.00%	=	\$22,000
\$1,800	÷	6.00%	=	\$30,000

Based on the above analysis, the impact on the market value of a property of the remote parking option would be between \$22,000 and \$30,000 per space, indicating a midpoint of approximately \$26,000 per parking space.

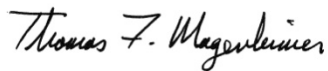
The City of Coral Gables has constructed several parking structures in the recent past. Therefore, the city Parking Department is considered a good source for providing construction costs for parking structures. The City of Coral Gables Parking Director, Mr. Kevin Kinney, reported that the most recent parking structure built on Andalusia Avenue cost approximately \$26,000 per space. However, Mr. Kinney reported that other recently constructed parking structures had costs up to \$35,000 per space. As discussed in the previous memorandum dated February 1,

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2021, the cost of constructing a parking garage is estimated to be between \$25,000 and \$35,000 per parking space, indicating a midpoint of \$30,000 per parking space.

For the fee in lieu of providing on-site parking to be equitable with the cost of constructing a parking garage, the fee in lieu would approximate the difference of constructing parking and the expense of renting remote parking. As stated previously, the cost of constructing parking averages \$30,000 per parking space and the expense of renting remote parking averages \$26,000 per parking space, indicating a difference of \$4,000 per parking space. It should be noted that a property would achieve some nominal cost savings for payment in lieu as opposed to constructing parking. The nominal cost savings would include a shorter construction time, lower builder's risk insurance, lower architectural and engineering fees, and lower permit fees. The cost saving for paying a fee in lieu is estimated at \$1,500 per parking space or approximately 5% of the cost of constructing a parking space. Therefore, an equitable payment in lieu is estimated to be \$5,500 (\$4,000 + \$1,500) per parking space.

Respectfully submitted,



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