

# Memorandum



CITY OF DALLAS  
Report No. 381

DATE: April 11, 2003

TO: Terrell Bolton  
Chief of Police, Dallas Police Department

SUBJECT: Dallas Police Department Headquarters – Parking Facilities

We have conducted a review of the parking facility at the Dallas Police Department (DPD) headquarters. We conducted this review under the authority of Chapter IX, Section 2 of the Dallas City Charter and in accordance with the Annual Audit Plan approved by the City Council.

We performed this review in accordance with generally accepted government auditing standards and included tests of the accounting records and other procedures that we considered necessary in the circumstances.

The objectives of our review were to determine whether:

- The parking facility at the new DPD headquarters will provide adequate parking for official employee vehicles.
- The utilization of the parking facility is economical and efficient.

To develop an understanding of relevant control structure policies and procedures, we reviewed the following:

- Comparable City Facilities
- Private Parking
- Applicable Administrative Directives
- Applicable Contracts
- Facility Structure
- Security Systems

We examined individual departmental related reports, analyzed historic results, and observed operating procedures.

## Overall Conclusion

As a result of our inquiries, examinations, and tests, we conclude that the parking facility will provide adequate official and employee parking. However, the City will not recoup any portion of the facility's monthly expenses from the

employees who will park in the garage. Over the life of the lease, the City may forgo \$3.6 million.

**Background**

The construction for the Jack Evans Police Headquarters, located at 1400 South Lamar Street, began in 2000. Move-in began in March 2003. An IBM Corporation building and parking garage is situated adjacent to the headquarters building. The parking garage is a three-story, covered facility.

To accommodate parking for official and employee vehicles, the City entered into a lease/purchase agreement with IBM. On March 8, 2000, the Dallas City Council approved Resolution 000912, which authorizes the lease/purchase of 170,814 square feet of the 224,528 square foot parking garage.

The lease commenced on April 1, 2000, and expires on September 30, 2023. At lease end the City has the option to purchase the entire facility for \$1.00. The lease cost for 23 years is as follows:

Years	Monthly Cost	Yearly Cost	Period	Total Period Amount
1-3	\$33,333	\$399,966	3 years	\$ 1,199,988
4-14	\$83,333	\$999,996	11 years	\$10,999,956
15-23	\$29,167	\$350,004	9 years	\$ 3,150,036
<b>Total</b>				<b>\$15,349,980</b>

The lease agreement delivers the facility to the City as is. The lease and resolution state that the City, at its expense, shall construct certain alterations to the parking garage to include:

- Separating the leased area from the remainder of the garage.
- Providing entrance ramps and controlled access for both areas.
- Improving lighting in the lease premises.
- Providing video monitoring security cameras and controlled elevator access.
- Paying for all utilities for the leased area.
- Providing garage maintenance and maintaining the parking landscaping.

The number of available DPD parking spaces is as follows:

<u>Level</u>	<u>Spaces</u>	<u>Type</u>
First	114	Covered
Second	412	Covered
Third	492	Partially covered
Total	1,018	

Presently, the DPD plans to have 492 parking spaces for official vehicles and the remaining spaces for staff parking. A pedestrian bridge connects the third floor of the headquarters building to the third story of the parking garage.

Parking garage entrance and egress will be electronically controlled. Official vehicles will have a windshield tag (similar to toll tags), and staff will have electronic key cards. DPD staff (civilian) and video cameras will monitor the facility for security.

The limited parking spaces inside the headquarters building are for specialized vehicles and DPD top management. The site has a fenced area with surface parking, which is mainly for visitors.

There are parking spaces available on the streets and private parking lots across from the front entrance. DART light rail stops near the front of the headquarters.

Equipment and Building Services (EBS) will be responsible for various areas of the new DPD facility, including the parking garage. In the parking garage, EBS will be responsible for cleaning and replacing and repairing lights. EBS will have the following staff at the DPD facility:

- One supervisor, one electrician, and one maintenance mechanic.
- Four equipment operators.
- Other temporary staff supplemented by other maintenance divisions.

#### **OPPORTUNITY FOR IMPROVEMENT**

**The City will not recoup any portion of the facility's monthly expenses from the employees who will park in the garage.**

Presently there are no plans to charge staff for parking in the garage. The DPD parking facility provides 526 spaces for employee parking.

In the long-term, the DPD plans to station 1,365 employees at the new headquarters. For the March 2003 move-in, the DPD will station approximately 900 employees, who will work various shifts, 24 hours a day, 365 days a year.

Several variables are analyzed when determining needed parking spaces. These variables include:

- Employees stationed at the facility.
- The distribution of stationed employees among different shifts.
- Management employees who will park inside the headquarters.
- Employees with home storage vehicles that will occupy spaces assigned to City vehicles.
- Employees who carpool and/or use DART.

The covered parking garage at City Hall is comparable to the parking facility at the new DPD headquarters. There are various fee schedules for parking in the City Hall facility; however, the most common schedule is \$27.06 a month (\$25 plus tax), which is for general employees.

Outside surface lots (with no security) at the new facility cost \$1.00 a day, or approximately \$21.00 a month.

As outlined on page 2, the total lease expenditure for the parking facility for 23 years is \$15,349,980. This amount does not take into consideration the renovation expenditures (around \$950,000), regular maintenance expenses, and the additional staff salaries (EBS & DPD civilian). There are no provisions to recoup any portion of these expenditures by charging employees for parking.

The following table reflects the potential return to the City if DPD employees were charged the same parking fee as general employees at City Hall:

Individual Fee w/o tax	Monthly For 526 Spaces	Yearly For 526 Spaces	Life of Lease
\$25	\$13,150*	\$157,800	\$3,629,400

\* This amount does not reflect potential revenue from 2<sup>nd</sup> and 3<sup>rd</sup> shifts.

Over the life of the lease, the City may forgo \$3.6 million.

**We recommend** that the City Manager establish and implement procedures to charge DPD employees a rate comparable to the City Hall rate for parking in the DPD garage.

**City Manager's Response:**

*I have decided to take this issue up during our 2003-04 budget deliberations. I am confident that during this process, we will be able to make a final recommendation on whether to charge city employees to park in the garage.*

If you have any questions or comments pertaining to these matters, please call me at 670-3223 or James Martin, Audit Manager, at 670-5095.

*Thomas M. Taylor*

Thomas M. Taylor, CPA  
City Auditor

c: Honorable Mayor and City Council  
Teodoro J. Benavides, City Manager  
Charles W. Daniels, Assistant City Manager