



Robert E. Antonacci II, CPA
Comptroller

COUNTY OF ONONDAGA

Office of the

County Comptroller

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The Honorable County Executive
The Chairman of the County Legislature
The Administrator of Physical Services
The Administrator of Human Services
Commissioner of Facilities Management
Commissioner of Social Services
The Chief Fiscal Officer
The Clerk of the County Legislature

Contracts with Murbro Parking, Inc., GML Parking LLC, Lot 17 managed by the OnCenter and the OnCenter garage have been reviewed. The most significant findings in the audit relate to the OnCenter Lot 17. The following was noted in reviewing these agreements:

- The County used eminent domain to purchase the property from Murbro for \$2,100,000 via Molly and Murbro Parking vs Onondaga County dated March 5th 2004.
- The County subsequently rented the property to Murbro for a monthly fee of \$25,000.
- Murbro made its last full payment for October 2007 of \$25,000 and made its last partial payment of \$14,500 for the first portion of November 2007. It appears the OnCenter ran the lot for the later part of November 2007. Cars continue to park in Lot 17 but the County does not receive any monies from the OnCenter. Therefore, it appears the County lost approximately \$500,000 in revenue to date.

It is our understanding each year, OMB is supposed to determine whether to take the parking revenue from OnCenter or alternatively reduce the County's contribution to the OnCenter as an offset. Contract 00205 which governs the County's contribution to the OnCenter states the amount and the date of the contribution may be modified reduced or increased at the discretion of the County's CFO. It is recommended the OnCenter provide the County with financial statements of operations in regards to Lot 17 and the CFO should net any income the OnCenter generates from Lot 17 against the County's contribution to the OnCenter's operation.

Sincerely,

Robert E. Antonacci II, CPA

Audit - Parking Agreements

Contract 06808 Murbro Parking Inc.

Facilities Management entered into an agreement with Murbro Parking, Inc. to manage operate and maintain three County owned parking lots. The term of the contract is from March 1, 2008 through February 28, 2011. The minimum specifications for each of the three lots are illustrated in Exhibit A. The contract states that Murbro shall pay \$22,953 to the County no later than the 10th day of each month. The following amounts were received by the County under this contract for the period from March 2008 through April 2009.

Cash Report Number	Date Recorded	Payment
CR 81502	March 11, 2008	\$ 22,953
CR 82336	April 14, 2008	22,953
CR 83277	May 27, 2008	22,952
CR 83655	June 11, 2008	22,952
CR 84482	July 17, 2008	22,952
CR 85317	August 21, 2008	22,955
CR 85924	September 17, 2008	22,953
CR 86735	October 21, 2008	22,953
CR 87358	November 17, 2008	22,953
CR 88108	December 17, 2008	22,953
CR 090564	January 29, 2009	22,953
CR 090935	February 12, 2009	22,953
CR 091586	March 13, 2009	15,453
CR 092676	April 29, 2009	22,953

As illustrated, the County received \$7,500 less than what was stated in the agreement amount in March 2009.

The contract states that approximately twenty five (25) permits are for County employees, vendors, and individuals doing authorized work for Onondaga County. These parkers are transient and are allowed access as needed to Lot B at no charge. They are issued hang-tags by the Department of Facilities Management.

The CSEA union agreement states that employees who, upon the sole direction and requirement of the employer, use their personal vehicle in pursuit of business on behalf of the employer on a regular and consistent basis may be eligible for parking reimbursement.

There were 105 eligible employees parking in Lot B. Social Services paid Murbro Parking \$60 a space or \$6,300 per month (\$60 x 105) through January 2009.

Contract 17309 Hotel Syracuse Parking Garage

In January 2009, the Department of Social Services (Licensee) entered into a lease agreement with GML parking LLC (Licensor) for the rights to use and assign 282 parking spaces in the hotel Syracuse Parking Garage. The agreement states the Licensee shall pay the Licensor or its designee a total of \$50.00 for each licensed space every

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month. Since there are 282 spaces, the Department of Social Services paid a total of \$14,100 (282 x \$50) each month beginning in February 2009. As of April 17th 2009 the department of Social Services utilized 240 spaces.

The agreement stated that for any calendar month during the term of the lease, either Licensor or Licensee may require one or more reductions in the number of parking spaces available to Licensee for such calendar month (up to a total potential reduction of 150 parking spaces in any month).

There were approximately 18 employees left in Lot B after the majority of people moved into the Hotel Syracuse Lot. Therefore, Social Services continues to pay a total of \$1,080 (18 x \$60) to Murbro Parking for Parking Lot B.

Recommendations:

- 1) Murbro Parking should continue to pay the \$22,953 a month as specified in CT 06808.
- 2) A large number of payments were made after the 10th of each month. It should be ensured the amounts be paid no later the 10th of each month as stated in the contract.
- 3) The Department of Social Services should reduce the number of parking leases by any unused spaces in the Hotel Parking Garage.

OnCenter Lot 17 and OnCenter Garage

Lot 17 is located at 422-434 Harrison St in Syracuse, NY. The County owns Lot 17 via Molly, Inc. & Murbro Parking vs Onondaga County, dated March 5th 2004. The County subsequently rented the property back to Murbro for a monthly fee of \$25,000. Murbro made its last full month's payment for October 2007. Subsequent to October 2007, it appears the OnCenter runs the lot. Cars continue to park in Lot 17 but the County does not receive any monies from the OnCenter.

The building and management of the OnCenter garage is established in CT51292 between the County, City of Syracuse, and the Syracuse Urban Renewal Agency, a public benefit corporation of the State of New York. Any income/loss in general was to be allocated by the amount of the monetary contribution the City and the County made in construction of the garage.

We performed a limited review of Molly, Inc & Murbro Parking vs Onondaga County as well as a limited review of payment histories for Lot 17. A limited review of CT00205, which outlines the County's contribution to the OnCenter was also performed. In addition, there were also discussions with Facilities and Law Departments to determine what management role if any the County has in the OnCenter garage. We performed a

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limited review of CT51292 governing the construction and management of the OnCenter parking garage.

Lot 17

Audit's understanding of Lot 17 is as follows:

- Per Molly & Murbro vs. Onondaga County, the County used eminent domain to purchase the property from Murbro for \$2,100,000.
- After the acquisition date, Murbro (Vendor number 592659) would run Lot 17 and pay the County \$25,000 per month for the rights to do so.
- The County is responsible for payment of all prospective real estate taxes following acquisition date.
- It appears Murbro made the last full month's payment for the rental of Lot 17 for October 2007 in the amount of \$25,000.
- It appears, subsequent to the last payment made by Murbro, the Oncenter has taken over the management of the lot. However, it appears there is no fee paid to the County.

Per the OnCenter financial statements, the first six months of 2008 showed an increase of \$298,373 over 2007 in parking revenues which may be attributed to the OnCenter taking over the management of Lot 17. Since the County paid \$2,100,000 for the rights to Lot 17, it appears the County should receive a piece of the revenue from Lot 17.

Parking revenues for the OnCenter for the first 6 months for 2003-2008 below:

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Parking Revenues	\$381,818	\$404,191	\$403,811	\$435,739	\$466,768	\$765,141

Per discussion on 4-29-09 with the Law Department, there is no contractual agreement with the OnCenter in regards to Lot 17. It appears there may have been a verbal agreement regarding Lot 17 between Onondaga County and the OnCenter.

Our understanding is that each year, OMB is supposed to determine whether to take the parking revenues from the OnCenter or alternatively reduce the County's contribution to the OnCenter as an offset. The OnCenter appears to have begun running Lot 17 in November 2007. However, it appears the parking revenues for 2007-2008 were not netted against the County's contributions to the OnCenter. The below contributions were governed by CT00205 and were paid to the OnCenter in full:

	<u>2007</u>	<u>2008</u>	<u>2009</u>
County Contribution to the OnCenter *	\$1,830,000	\$1,830,000	\$2,189,000

*The above payments exclude \$250,000 in annual payments made to the OnCenter for capital improvements.

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CT00205, which governs the County's contribution to the OnCenter, states the amount and/or date of the contribution as set forth herein may be modified reduced or increased at the discretion of the County's CFO. The contractor shall report directly to the CFO. The contractor must submit detailed programs proposals and approval of programs must be approved in writing from the Division of Management and Budget. This appears to give the County the authority to net the parking revenues against the County's contribution to the OnCenter.

Per the Law Department, there is State Legislation which requires the County to ensure the OnCenter is a viable facility due to the construction of the hotel. Therefore, if the County takes the parking revenue from the OnCenter, the County would most likely have to increase its contribution to the OnCenter to make the OnCenter whole.

Regardless of the State Legislation, in the opinion of the Comptroller's Office any income derived from Lot 17 be given to the County or offset as a separate line item in calculating the County's contribution to the OnCenter.

Recommendations:

- 1) It is recommended the County enter into a written agreement regarding Lot 17 outlining the responsibilities of both parties including any financial consideration.
- 2) It is recommended the OnCenter provide the County with financial statements of operations in regards to Lot 17. Annually, OMB should document whether the County will reduce/increase its contribution to the OnCenter as a result of Lot 17 operations.
- 3) It is recommended the OnCenter report Lot 17 parking revenues and expenditures separately from those pertaining to the parking garage.
- 4) It is recommended the CFO net any income the OnCenter generates from Lot 17 against the County's contribution to the OnCenter's operations.

OnCenter Garage

It is Audit's understanding CT51292 governs the construction of the garage between the County, the City of Syracuse, and the Syracuse Urban Renewal Agency, a public benefit corporation of the State of New York.

CT51292-Appendix 3 January 1, 1993 Convention Center Garage outlines the following:

- Section 2.2-Title is transferred to the City and the County for \$1.
- Section 3.1-There is to be a minimum of 1,000 spaces and a maximum of 1,100 spaces.
- Section 3.6-Any amendment in excess of \$50,000 must be approved by the City and NYSUDC.

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- Section 4.0-Expense of constructing the garage is estimated to be at least \$10,000,000 and is to be split between the City and County.
- Section 4.4-The City will contribute a maximum amount of \$5,000,000. The County is responsible for books and records and must provide a final accounting upon completion of construction of the garage.
- Section 5.0-Upon completion of the garage, the County shall operate, maintain and manage the garage. The County shall determine the appropriate management structure of the facility.
- Section 6.0-Any net income shall be distributed to the City/County based upon their contribution.
- Section 6.3-The County shall keep detailed records of Garage receipts and expenditures. At the end of the fiscal year, the County shall prepare a final accounting of net income/loss. The County shall pay to the City of Syracuse its portion any operating income based on the City's contribution to the garage or the City shall pay any share of the operating loss based on its contribution to the garage.
- Section 6.7-The City and the County agree the parcel has a value of \$1,742,000. The city may take a credit of \$1,742,000 towards any share of net loss or capital expenditure.

Recommendations:

- 1) It is recommended the County request from the OnCenter, the OnCenter garage financial statements of operations in accordance with the contract (section 6.3). This would allow the County to determine whether the County has any income/loss liability to the City of Syracuse or income due to the County from the OnCenter.

Murbro Parking Inc.
Summary of Minimum Specifications

Exhibit A

Lot A Justice Center Lot	Designated for	Number	Cost
	Criminal Justice Center's Day Shift 6:45 a.m.- 3:00 pm	68 spaces	\$60.00 per month for each permit
	Criminal Justice Centers Evening Shift 2:45 pm. -11:00p.m.	68 spaces	\$40.00 per month for each permit
	Criminal Justice Center's Night Shift 10:45 p.m.- 7:00 a.m.	68 spaces	\$20.00 per month for each permit
	Sheriff's designated vehicles	28 spaces	no cost
	Correctional Health Personnel working at the Justice Center (24 hours a day 7 days a week)	10 reserved spaces	Monthly fee \$700
	Event Based Parking	Unused spaces	\$6.00 per vehicle
Lot B Behind the Everson	Designated for	Number	Cost
	County Employees	135 permits	\$60 per permit
	Handicapped Parkers	10 spaces reserved	\$60 per permit
	Night Custodial Workers (4:45 p.m.-12:00 a.m. Monday-Friday)	30 employees	No charge
	Employees doing authorized work for the County	25 permits	No charge
	Event Parking		\$6.00 per vehicle
Lot D Steam Station Lot	Designated for	Number	Costs
	County employees working shifts, employees responding to facility emergencies and vendors servicing downtown government complex.	approximately a total of 48 spaces 20 designated for handicapped	no cost
	Event Based Parking	Only for unused spaces not required for County Employees holding permits	\$6.00 per vehicle