

By the Numbers

A Guest Editorial

Speaking out about the Rising Costs of Education has been a real eye opener. The decision to build a five story garage with 1200 parking slots, in the middle of multi-million dollar budget shortfalls facing the University and the State demonstrates at minimum seriously bad judgment on the part of University administrators who requested it and the IHL who approved it. The garage built in a “public/private partnership” cost [\\$15.5 million to construct](#). However, the agreement with USM’s “public partners” is costing \$77,753 per month or \$933,030 per year for 31 years. If my calculator is working properly, that totals out to a potential cumulative payment of \$28.9 million.

The IHL allowed that the garage would be “[privately funded](#) for design/construction, and be leased back to the university for a period not to exceed 31 years. The revenue stream to cover the lease payments would be generated by increasing [parking permit fees](#), ticket surcharges on athletic and performing arts events on campus and by instituting a visitor parking fee.”

The question is whether it is possible for the thing to generate enough cash to pay for itself. Obviously, it isn’t self supporting. Let’s assume 3,600 permitted vehicles use the parking garage, that every spot is used three times every day, and that every permitted vehicle parking in one pays a \$135 annual parking fee. Yes, we are assuming that visitors who use the garage chip in at least \$135. Unlikely, but let’s give the powers-that-be the benefit of every doubt that they actually thought this through. In other words, let’s assume the best case possible case for funding, i.e., the most revenues possible from user fees associated with the garage.

Let’s look at the numbers

3,600 permitted vehicles x \$135 per vehicle per year = \$486,000 per year

It doesn’t take calculus to figure out there is an annual shortfall of \$447,030 per year. That means everyone who has a car on campus has to contribute to the cost of the garage – even s/he parks on gravel on the other side of Hardy Street. Is that shared pain enough to cover the lease payment? We have no way of knowing just how many people park cars somewhere on campus.

However, even if there is a shortfall, don’t worry. The lease on the parking garage will get paid every month. After all, more money can always come out of your pockets. For example, the IHL says you are subject to “ticket surcharges on athletic and performing arts events on campus”. So, even if you don’t drive or have a car on campus, you get to help pay the “lease” on the parking garage.