



**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

00-140

SYNOPSIS -

AGENDA:

APRIL 17, 2000

SUBJECT:

INCREASES IN
PARKING RATES

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

ERIC A. ANDERSON
CITY MANAGER

The municipal parking system is made up of a number of parking ramps, surface lots, and meters in the downtown. Currently, there are 10,485 spaces in the system (including 6,934 in 8 ramps, 251 in surface lots, and 3,300 meters) (see Map A). Rates are established for hourly and monthly parkers. Rates are paid by individuals, although in many cases, downtown businesses subsidize their employees' parking.

The system must be operated in a business-like way. It must also be recognized that the value of parking to the employees and businesses in the downtown is very high. Ramp parking, connected to the skywalk and the Link transit system, is an important economic development tool in our competition with the suburbs. We have worked hard to keep rates low since 1990, the last time there was a general rate increase. We must continue to keep rates as low as possible, consistent with business practice.

Our lots are full. Demand for parking in the downtown is high. Demand is so high that availability (or lack thereof) is cited by our users, including downtown employers, employees, and visitors, as an important issue.

To meet our business obligations, a general rate increase is necessary, phased in over the next 10 months (see Attachment A). We must simultaneously add a significant amount of additional parking that allows people a choice of parking at a little more distant lot, connected by Link Transit, without an increase in rates. Experience with the new Park and Ride Lot, located at 7th and Center Streets, demonstrates we can do so in a businesslike way. Our goal is to have our new rates be fixed at a level that is competitive with the existing rates in private parking facilities (see Attachment B).

FISCAL IMPACT -

The new rates will support the operation of the parking system, including annual operation, maintenance and depreciation, and will meet our obligations to our bondholders. With additions to the system, e.g., 11th and Market facility, we will also remain competitive.

RECOMMENDATION -

Approve first reading of the proposed ordinance establishing new rates.

BACKGROUND -

We need to operate our parking system in such a way that we provide parking at as low a rate as possible and still meet the requirements of good business operation and the representations we have made to our bondholders. This means that the rates must be as low as we can keep them while assuring, at the same time, that the system be self-supporting.

We have looked at the operation of the system very carefully over the last year, with the help of a Parking Committee created under the umbrella of the Downtown Coordinating Council, supported by a consultant, whose report is being forwarded to you tonight. Part of that study focused on rates. Another part looked at customer attitudes and was done with the assistance of focus groups of employees, representatives of employers, and visitors who use the parking system. Finally, a series of discussions with employers about rates has been conducted over the last several months with the assistance of the Downtown Partnership and the Downtown Advisory Committee of the Greater Des Moines Partnership. The rates are forwarded to the Council with the approval (albeit reluctant) of both of these groups, as well as the Downtown Coordinating Council.

We have looked at alternative actions. We could subsidize rates with contributions from the General Fund. Unfortunately, this would require a corresponding tax increase. In addition, it would not meet the representations we have made to our bondholders for the operation of the system. We have looked at eliminating the PILOT payments made by the system, at eliminating the indirect charges for General Fund support of the

administration of the system, and retaining the parking ticket fines in the Parking Fund. Unfortunately, again, each of these actions would require a corresponding tax increase and would not meet the representations we have made to our bondholders. Also, the effect of these actions would not avoid the need for a rate increase, although they would reduce the size of the increase marginally. There are no other uses of parking revenue to fund activities outside the parking system.

The proposed rates increase (see Attachment A) will support the system, including provision of adequate funds for repair, maintenance and depreciation, and meet our obligations to our bondholders. Implementation is proposed to be phased into two steps, one taken on July 1, 2000, and the other on January 1, 2001.

The new rates are based upon the concept of a pyramid, with the highest rates located in the center of downtown, closest to the major employers and connected to the skywalk system. The lowest rates are in ramps and lots that are some distance from the center of downtown, linked not by the skywalk but by transit. This concept allows parkers to choose to pay higher rates for the sake of convenience, or sacrifice convenience for lower rates. If adopted, the new rates will be competitive with private rates in garages downtown, not as high as in the premium private ramps underneath buildings and not as low as surface lots surrounding downtown.

To accomplish our goals, we must also provide new parking opportunities. This will be done by building a new lot at the corner of 11th and Market. It is proposed to be a single level lot, with approximately 1,200 new spaces, connected to downtown by Link Transit. Additional parking will be brought into the system and connected to downtown by Link. It should come into service at the same time that the final step of the rate increase comes on line, January 1, 2001. This will assure that both employees and employers will have choices that combine both convenience and cost in their parking decisions.

Finally, we must also provide our customers in the parking system with amenities that do not now exist. For example, if they experience a flat tire or a dead battery, or need an escort to be comfortable when using Link lots, they should be able to rely upon us to respond to their need, immediately. Services such as these, that relate to our customers' safety and security, should be provided without additional charges.

If our customers would like to have a service for their convenience, such as a car washed or oil changed, or other similar service, we should be able to provide for their need, with an appropriate additional charge.

Attachments

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