

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

00-575

SYNOPSIS -

AGENDA:

DECEMBER 18, 2000

Because the pending sale of the 7th and Grand Garage will not be completed by January 1, 2001, it is necessary to establish new rates for this garage that will go into effect at the same time as the new rates in the other facilities. In addition, it is recommended that the scheduled rate increase at the 4th and Grand Garage not be implemented January 1, 2001, but should occur in conjunction with the sale of the 7th and Grand Garage.

SUBJECT:

PARKING RATES -
7TH AND GRAND
GARAGE

FISCAL IMPACT -

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

At the current rates, the 7th and Grand Garage produces approximately \$62,000 per month in gross revenue. With the proposed new rates, the revenue would increase to approximately \$81,000 per month. The 4th and Grand Garage currently averages approximately \$93,000 per month, which would have been expected to increase to approximately \$115,000 per month with the scheduled rate increase.

SUBMITTED BY:

FLOYD BENTZ, P.E.
CITY ENGINEER

RECOMMENDATION -

Approval.

BACKGROUND -

On May 1, 2000, by Roll Call No. 00-1312, the City Council gave final approval to an ordinance change that implemented new parking rates for the parking facilities in the Municipal Parking System to go into effect July 1, 2000, and January 1, 2001. Because the pending sale of the 7th and Grand Garage was expected to occur before July 1, new rates were not established in the ordinance for this garage. An interim rate increase for the 7th and Grand Garage, effective July 1, 2000, was established by the Council on June 19, 2000, by Roll Call No. 00-1807. The rates at 7th and Grand were set at the same level as

the 9th and Locust Garage.

The sale of the 7th and Grand Garage will not be completed by January 1, 2001. It is recommended that rates for this garage increase at the same time as the new rates in the other facilities. The 7th and Grand Garage is located in a key area of the downtown and has a high demand for both daily and monthly parking. The location and parking demand is most similar to the 9th and Locust Garage. Therefore, it is recommended that the rates be set the same. Until the sale is complete, the City will continue to operate and manage the garage and the revenues will go into the Municipal Parking System.

In addition, it is recommended that the scheduled rate increase at 4th and Grand not be implemented until the sale of 7th and Grand is completed. The 4th and Grand Garage provides a large amount of monthly parking, with a lesser amount of daily transient parking. With 7th and Grand, 9th and Locust, and 5th and Walnut established as the high rate garages, keeping the existing rates at 4th and Grand fits well into the tiered rate structure that was recommended in the Parking Study, and provides a large supply of monthly parking at lower rates.

On the Council agenda is a roll call and ordinance change that establishes parking rates for the 7th and Grand Garage the same as for the 9th and Locust Garage, and maintains the current rates for the 4th and Grand Garage, all effective January 1, 2001.