



COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 12/05/05
Agenda Item Type: Ordinance

Communication No.: 05-693
Roll Call No.:

Submitted by: Richard A. Clark, Acting City Manager

SUBJECT—

Amending Parking Rates.

SYNOPSIS—

This action approves an ordinance change to implement the following four-year strategy of adjustments to the basic monthly rate in parking system garages. This change also reduces the difference in basic monthly rates between high and low rate garages.

	Effective Jan. 1, 2006	Effective Jan. 1, 2006	Effective Jan. 1, 2007	Effective Jan. 1, 2008
Current Low Rate = \$75	\$85.00	\$90.00	\$95.00	\$100.00
Current High Rate = \$95	\$95.00	\$100.00	\$105.00	\$110.00

Rate adjustments are also included for the following:

- Expand preferred parking (20% above base rate) to all the garages and create premium parking (40% above base). Both of these programs are optional, and parkers may continue to park in a garage at the base monthly rate.
- Institute larger increases in hourly rates, especially for the first two hours.
- Increase daily parking rates to reflect the higher hourly rates.
- Increase special event rates by \$1 annually for the next three years. The current rate is \$2.00.
- Increase meter rates at a level less than garage hourly rates but higher than garage monthly rates.
- Maintain or reduce meter rates for short term parking in key retail and entertainment areas. Specifically, meters in the Court Avenue District and the area south of Court Avenue will be shifted from Meter District I to Meter District II, effectively reducing the hourly meter rate in this area from \$1.00 per hour to \$0.60 per hour. The rates in District III (East Village and all meters east of the river) will remain the same.

FISCAL IMPACT—

These changes are anticipated to generate the following additional revenues over the next four fiscal years:

Fiscal Year 2006	\$ 140,850
Fiscal Year 2007	\$ 952,600
Fiscal Year 2008	\$1,633,130
<u>Fiscal Year 2009</u>	<u>\$2,290,440</u>
Total	\$5,017,020

RECOMMENDATION—

Approval

BACKGROUND—

At the Council Budget Workshop on October 5, 2005, staff presented a status report on the parking enterprise fund. Projections included a \$1.4 million operating shortfall for the current fiscal year. Without action, annual operating deficits are anticipated to reach \$3.3 million by FY09. In response, City Council reestablished the Parking Advisory Committee to review and make recommendations to restore financial stability in the parking enterprise fund.

On November 16, 2005, the Parking Advisory Committee submitted a final report to Council at the Budget Workshop. Recommendations included a four-year strategy of rate adjustments, debt restructuring and tax increment infusion to the fund. This multi-tiered approach is consistent with the committee’s goal to minimize the impact on monthly parkers by making modest increases. Parking rate increases represent only 54% of the total solution recommended to stabilize the parking system over the next four years.

The last parking rate increase was approved by Council on May 1, 2000 by Roll Call No. 00-1312. This was a substantial increase implemented in two phases, with the first phase effective July 1, 2000 and the second phase effective January 1, 2001. Prior to this increase, parking rates had not been changed since November 1992.

Approval of this action will also allow temporary seasonal rate adjustments in order to better manage occupancy in the system. In general, this recommendation would allow staff to institute reduced rates for up to four months as incentives to market parking, primarily during the summer when additional spaces are available. The action would provide more flexibility to capitalize on shifts in occupancy without requiring specific Council action. Staff would only provide reduced rates when an analysis has indicated that it would increase parking revenues in the facility where such reduced rates are proposed. An example would be to allow an “early-bird” reduced rate if a parker enters the garage before an indicated time and parks on the roof. Staff will evaluate this program after one year to determine its effectiveness.

In addition to this ordinance change, the City Manager recommended on November 30, 2005 that the Parking Advisory Committee continue to meet and explore additional solutions for the fund, including but not limited to the following:

- Selling the parking system to a private operator.
- Selling one or more garages within the system.
- Building another Park and Ride facility.
- Retrofitting parking meters to accept prepaid debit cards in addition to coins.
- Installing electronic pay stations to accept credit and debit cards for meter payments.

