

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: August 29, 2011
	Agenda Item No. 49 Roll Call No. <u>11-1477</u> Communication No. <u>11-543</u> Submitted by: Jeb E. Brewer, P.E. City Engineer

AGENDA HEADING:

Proposed changes to Municipally Owned Parking Garage Section of City Code.

SYNOPSIS:

City staff has been working closely with individual companies to provide short term parking incentives, sometimes in conjunction with other economic development incentives, to try and attract additional parkers into the City parking system. The current incentives are generally limited to four months, which limits the flexibility the City has in working with potential new businesses looking to locate or expand in the downtown area. To provide more flexibility to meet different businesses’ needs, staff recommends changing the code to allow temporary reduced rates for up to six months, or up to 12 months in conjunction with a contemplated long-term parking arrangement.

In addition, staff has worked with Ampco System Parking to develop a proposal for a limited reduction in free parking on Saturday that could generate a significant amount (estimated at up to \$200,000 per year) of additional revenue with modest expenses (less than \$15,000 per year). It is recommended that Saturday parking after 4 p.m. be pre-paid for \$3.00 per vehicle, which is the equivalent of two hours parking at the regular hourly rate, at the 3rd & Court, 5th & Walnut and 4th & Grand garages. By keeping free parking on Saturday until 4 p.m., parking for the Farmers Market will not be impacted. In addition, it is recommended to keep free parking on Saturdays at the on-street parking meters and other city parking garages.

FISCAL IMPACT:

Amount: \$185,000 estimated annual net revenue (estimated revenue up to \$200,000, with expenses up to \$15,000)

Funding Source: 2011-12 Operating Budget, Parking Administration, EN051, ENG100701, page 88.

ADDITIONAL INFORMATION:

As presented at the February 28, 2011 City Council workshop, the parking enterprise fund has experienced a significant decline in revenue from the current economic downturn. In addition to a drop in the number of employees in certain downtown businesses due to the downturn, the move of several major businesses to new buildings with their own parking has led to vacant space in downtown buildings and vacant parking spaces in the City’s garages. Added to the decline in monthly parkers is a concurrent decline in transient parkers, which are related to special events, conventions and daily or hourly parkers.

As stated in the March 28, 2011 response to Council questions, City staff has been working closely with individual companies to provide some short term parking incentives (such as a couple months of free parking, or free upgrade from basic monthly parking to preferred parking or a portion of parking needs at the lower rates at the Park & Ride garage), sometimes in conjunction with other economic development incentives, to try to attract additional parkers into the City parking system. The current City Code allows for charging temporary reduced rates as “an incentive to attract additional parking customers during times when unused spaces are available...when a preliminary analysis has indicated that total parking revenues will increase.” However, the current incentives are generally limited to four months, which limits the flexibility the City has in working with potential new businesses looking to locate or expand in the downtown area. To provide more flexibility to meet different businesses’ needs, staff recommends changing the code to allow temporary reduced rates for up to six months, or up to 12 months in conjunction with a contemplated long-term parking arrangement. Staff will continue to base incentives on a case-by-case analysis that will help increase total parking revenues, and the City Manager and City Attorney will review proposed temporary reduced rates to ensure they would be in compliance with parking system revenue bond covenants and restrictions relating to tax exemption.

The February 28, 2011 workshop presentation also stated that staff is working on ways to try and increase transient parking customers and revenues, and that staff would consider eliminating free parking in garages on Saturdays. Staff has worked with Ampco System Parking to develop a proposal for a limited reduction in free parking on Saturday that could generate a significant amount (estimated at up to \$200,000 per year) of additional revenue with very modest expenses (less than \$15,000 per year).

The success of existing and new businesses in the Court Avenue District has created a large surge in parking demand in this area, especially on weekends. This increase in parkers has increased transient parking revenue, but this revenue could be easily increased by pre-selling parking on Saturdays after 4 p.m. at the 3rd & Court, 5th & Walnut and 4th & Grand garages. Currently, parkers pay the regular garage rates on any weekday evening, including Friday evenings, and it does not generate complaints. Staff also does not get complaints about charging for special event parking on Saturdays or Sundays. All of the private parking facilities in this area have already begun charging for parking on Saturdays, and some even on Sundays.

By keeping free parking on Saturday until 4 p.m., parking for the Farmers Market will not be impacted. In addition, it is recommended to keep free parking on Saturdays at the on-street parking meters and the other City parking garages. This will keep an option for free parking available to customers, although most of this free parking will be a greater distance from Court Avenue than the paid parking. It is recommended that Saturday after 4 p.m. parking be pre-paid for \$3.00 per vehicle, which is the equivalent of two hours parking at the regular hourly rate, for customer convenience and to minimize the cost for collecting the fees. Most of the private parking facilities in the Court Avenue area are currently charging \$3.00 pre-paid parking.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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