FY27 Parking Services Proposed Rate Changes And South Slope Expansion

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Key Takeaways

- The purpose of charging fees for public parking is to manage the supply and demand of a valuable public resource so that it can be used efficiently and be available to those who need it.
- Public parking infrastructure should be managed as a system; changes to certain rates, operations, or policy can affect other aspects of the parking system & its users.
- Proposed FY27 changes were developed holistically, using a methodology that incorporates data-driven demand management strategies, in addition to revenue opportunities.
- Revenue generation from parking is not “making a profit”; Additional revenues would likely remain with Parking Services Enterprise to fund continued maintenance.

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Methodology and Best Practices - Rates

- Rates for garages, lots, permits, and on-street metered parking are interconnected and must be viewed as a system rather than individual fees.
- On-street metered parking spaces are the most convenient spaces & should typically have the highest hourly and daily rates & time limit restrictions to encourage frequent turnover.
- Garages and lots should be priced lower than metered parking spaces to encourage longer-term parkers to use off-street facilities.
- Rate structures should seek to shift demand from overutilized to underutilized facilities to balance demand and optimize public parking resources.

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Methodology and Best Practices - Occupancy Targets

- Peak occupancy of 80% to 85% is generally considered optimal within the parking industry. This level reflects high utilization but retains adequate availability for drivers to reliably find a parking space at their desired location.
- Greater than 85% occupancy is undesirable. Exceeding 85% may discourage return visits if parking availability is perceived as unreliable or difficult to find.
- Waiting lists of greater than 6 months negatively impact residents and commuters who desire the convenience and reliability of having a monthly parking permit.

Methodology and Best Practices - Balancing Demand

- Balancing demand: Rates can be increased at an overutilized facility while retaining (or sometimes reducing) rates at underutilized locations to shift demand to the lower-utilized locations. This approach takes into account whether a viable alternative exists, and adjusts the rates specific to those locations and other facilities where demand could be impacted.
- Reducing demand: Rates can be raised to reduce demand for City public parking infrastructure to encourage mode shift or the use of other available off-street parking options not owned by the City. Changes may also seek to encourage a shift from hourly parking to monthly or vice versa.

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Goals of Parking Rate Change Recommendations

- Improve on-street availability during peak *evening* demand 5PM - 8PM.
- Reduce and shift demand for monthly parking permits at Rankin, Wall, and Biltmore garages. Improve availability, reduce wait times for permits. Shift demand to HCCA garage.
- Expand on-street metered & permit parking spaces in South Slope.
- Increase revenues to fund long-term capital maintenance and infrastructure improvement needs in parking facilities.
- Reduce losses associated with zero-dollar parking sessions by considering changing the “First Hour Free” to “First 15 Minutes Free” in City public parking garages.

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Parking Demands driving FY27 Recommendations

- Our data show that there are two daily peak parking demand time periods: 10AM - 2PM and 5PM - 8PM. Currently, on-street metered spaces are free and unrestricted during peak evening demand, resulting in limited availability.
- Rankin and Wall Street garages have monthly permit waiting lists exceeding two years. Biltmore's waiting list is more than a year.
- Over 20% of transactions in City parking garages generate zero fee due to parking for one hour or less, resulting in a net loss to the City for each transaction. Costs include paper stock, staff time, wear & tear on traffic coatings, and excess circulation with exit/re-entry traffic as parking motorists seek to avoid fees.

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Proposed Changes - Low Impact (L)

Proposed Change		Revenue Increase
L.1.	Create flat-rate Failure to Pay fee $15	No significant revenue impact
L.2.	Apply the special event rate to lots	No significant revenue impact
L.3.	Establish higher fees for use of space without an approved space closure. $100 & $200 (ADA)	No significant revenue impact
L.4.	Allow new monthly permit spaces to be designated at $30-$50 per month	No significant revenue impact

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Proposed Changes - Low Impact (L)

L.1. Create flat-rate Failure to Pay fee based on the daily max ($15) to invoice customers who are unable to pay when exiting parking garages.

L.2. Apply the special event rate to lots (administrative change)

L.3. Establish higher fees for the use of space without an approved space closure. Rates proposed are $100 per regular and loading zone space (compared to $25-$45) and $200 per ADA space (compared to $60)

L.4. Allow new on-street permit spaces to be designated at current rates of $30-$50 during the fiscal year.

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Proposed Changes - Medium Impact (M)

Proposed Change	Revenue Increase
M.1. Increase monthly garage permits by $20 at all garages except Harrah's Cherokee Center Garage; and Increase Monthly Lot permits by $5	$75,000 $4,500
M.2. Increase Special Event Parking Fee by $1	$30,000

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Proposed Changes - Medium Impact (M)

M.1. Increase monthly garage permits by $20 at all garages except Harrah's Cherokee Center Garage, and increase lot permits by $5.

- Waiting lists for permits at Rankin, Wall St, are over 2 years and over 1 year for Biltmore Garage.
- Monthly lot permits are also proposed to increase slightly due to waiting lists.
- Harrah's Cherokee Center Garage has excess capacity for more monthly permits.
- Goal is to shift demand from high demand locations to Harrah's Cherokee Center Garage. Improve availability and shorten wait times.

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Proposed Changes - Medium Impact (M)

M.2. Increase Special Event Parking by $1.

- Increasing Special Event Fee from $9 to $10 ($11 to $12 with the Thomas Wolfe Auditorium Fee) will generate $30,000 in additional annual revenues.
- Special Event Fee could be considered for larger increase than $1. Revenue estimates are $30K per dollar increase.

Proposed Changes - High Impact (H)

Proposed Change	Revenue Increase
H.1. Change “First Hour Free” to “First 15 Minutes Free”	$231,000
H.2.(a) Recommended Alternative: *Extend* Parking Meter Hours from 6PM to 8PM	$460,000
H.2.(b) Alternative: *Shift* meter hours to 10AM - 8PM	$184,000
H.2.(c) Alternative: Enforce meters on Sundays	$384,000
H.3. South Slope Expansion - new request, not a fee change, but would add up to 170 new metered spaces.	$498,000

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Proposed Changes - High Impact (H)

H.1. Consider Changing "First Hour Free" to "First 15 Minutes Free" in Garages.

- 22% of transactions in City public parking garages are less than one hour in duration totalling $308,000 in lost revenue annually.
- Reducing the 60-minute grace period to a 15-minute grace period is estimated to generate $231,000 annually.
- Free transactions result in a net loss for each transaction due to costs associated with paper ticket stock, staff time, wear and tear on garage traffic coatings; also creates excess traffic circulation from drivers who exit/re-enter throughout the day to avoid paying for parking.

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Proposed Changes - High Impact (H)

H.2.(a) Extend Meter Enforcement Hours to 8PM (Recommended Alternative)

- Meters are currently enforced Mon-Sat, 8AM - 6PM
- Garage occupancy data shows two peak parking times during the day from approx 10AM - 2PM and 5PM - 8PM.
- The most convenient, highest-demand parking spaces (on-street metered spaces) are currently free with no time limit restrictions during evening peak demand hours, resulting in limited availability.
- Extending hours to 8PM would significantly improve parking convenience and availability downtown during evening hours.

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Proposed Changes - High Impact (H)

H.2.(a) Extend Meter Enforcement Hours to 8PM

***Costs:** $273,690 for first year & $151,690 for future years for additional staff and equipment.

*Note: There is a cost overlap with the South Slope expansion request. Both requests include two new half-time Parking Enforcement Officers (PEOs) and one full-time supervisor. However, if both were implemented, the request would be for two full-time PEOs and one full-time supervisor.

Revenues: $460,000 annually ($320,000 from meters & $140,000 from citations)

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Proposed Changes - High Impact (H)

H.2.(b) Alternative: Shift Meter Enforcement Hours to 10AM - 8PM

- Same number of enforcement hours per day, but aligns enforcement hours with higher demand and would improve parking availability during evening hours.
- Not enforcing from 8AM - 10AM could negatively impact loading, construction, and business operations with vehicles allowed to park overnight until 10AM.

Costs: Same as extending hours. Loading zones, permit parking, and other on-street restrictions would still be enforced beginning at 8AM.

Revenues: $184,000 annually ($128,000 from meters & $56,000 from citations)

Proposed Changes - High Impact (H)

H.2.(c) Alternative: Enforce meters on Sundays

***Costs:** $273,690 for first year & $151,690 for future years for additional staff and equipment.

*Note: There is a cost overlap with the South Slope expansion request. Both requests include two new half-time Parking Enforcement Officers (PEOs) and one full-time supervisor. However, if both were implemented, the request would be for two full-time PEOs and one full-time supervisor.

Revenues: $384,000 annually ($267,000 from meters & $117,000 from citations)

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Proposed Changes - High Impact (H)

H.3. South Slope Expansion

- Not a fee change; up to 170 new metered spaces & permit spaces would be added.
- New requests for the South Slope meter expansion project include additional enforcement staff and equipment, and budget authorization to purchase new meters, and contract for design, striping, and installation.

Costs: $463,190 for the first year, and $166,190 for ongoing. There is a cost overlap with extending meter hours. If both implemented, request is for two full-time PEOs rather than two half-time officers & total cost would be $531,860 for the 1st year and $234,860 per year in future years.

Revenues: $498,775 annually ($383,775 from meters & $105,000 from citations, $10K permits)

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Conclusions

- The fee changes are intended to work as a system and are meant to target a number of objectives related to better-managing parking assets
- The Low (L) impact changes are largely administrative and have little to no revenue generation or impact to residents or visitors
- The Medium (M) impact changes are expected to generate limited revenue, but will help reduce wait lists in garages, however monthly permit holders will be affected.
- The High (H) impact changes would generate larger amounts of revenue for the Parking Fund, providing for investments in parking infrastructure, however they will have larger financial impacts on downtown parking users.

Recommendations

- Staff recommends adopting all of the proposed Parking Services fee changes presented, as well as approve the South Slope Expansion “new request.”
- Staff recommends that Council adopt the following:

    - Proposed Low-Impact changes (L.1., L.2., L.3., L.4.)
    - Proposed Medium-Impact changes (M.1., M.2.)
    - Proposed High-Impact changes (H.1., H.2.(a)., H.3. with extended enforcement hours)

Proposal ID	Request Type & Impact	Estimated Annual Revenues/Costs	Operating Costs (1st yr/Ongoing)
Low Impact Changes			
L.1.	“Failure to Pay Fee” of $15 for Garages	$0	$0
L.2.	Apply Special Event fee to Parking Lots (in addition to garages)	$0	$0
L.3.	Use of on-street spaces without prior approval: $100 & $200 (ADA)	$0	$0
L.4.	Allow new monthly permit spaces to be designated at $30-$50 per month	$0	$0
Medium Impact Changes			
M.1.	Increase monthly permits in all garages except HCCA by $20 per month; and Increase monthly lot permits by $5	$75,000 $4,500	$0 $0
M.2.	Increase special event fee by $1	$30,000	$0
Higher Impact Changes			
H.1.	Change “First Hour Free” to “First 15 Minutes Free” in garages	$231,000	$0
H.2.(a)	Recommended Alternative: Extend Meter hours by 2 hours (from 8AM-8PM)	$460,000	$273,690 / 151,690
H.3.	South Slope Expansion	$498,000	*$463,190 / $166,190
	TOTAL OF L+M+H Proposals	**$1,298,500**	**$763,880 / $317,880**

Questions?

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