

STAFF REPORT

To: Finance Committee Date: January 24, 2017
Via: Gary Jackson, City Manager
From: Ken Putnam, PE, Transportation Department Director
Subject: Proposed Parking Fee Rate Increases

Summary Statement: The consideration of a recommendation to increase parking fees.

Background: Parking meters date back to the 1980s and the Parking Enterprise Fund was established by City Council during June 1987 with the goal of making downtown parking operations self-sufficient. During FY 1988-89, 53% of the parking revenues came from the General Fund and today, the Parking Enterprise Fund is totally self-sufficient with a fund balance of \$1.9 million. Parking garage revenues at the end of FY 2015-16 totaled \$2.9 million compared to less than \$300,000 in FY 1988-89. The city has four parking garages with a supply of 1,437 parking spaces and three of the parking garages are debt-free.

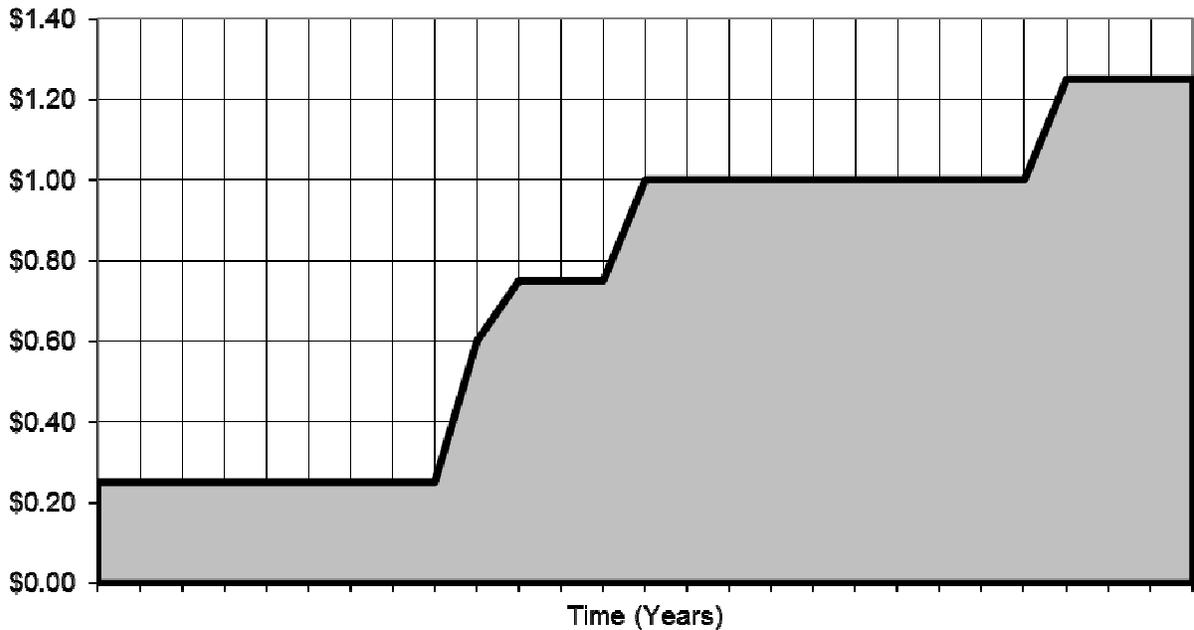
Review: Parking meter rates have ranged from \$0.25 per hour to the current \$1.25 per hour since FY 1990-91 but as you can see in Figure 1, for the most part, the rates have remained stable. The current rate has been in effect since July 1, 2013. When the \$1.00 per hour rate was approved beginning in FY 2003-04, City staff and the business community agreed to a differential rate between on-street hourly parking and parking garage hourly parking. The differential rate includes having the first hour free in the parking garages and keeping the on-street hourly rate higher than the parking garage hourly rate. The purpose of the differential rate is to encourage longer “stays” (greater than two hours) to use one of the parking garages while creating more turnover for the shorter “stays” (less than two hours) on the street.

The most significant asset belonging to the Parking Enterprise Fund is the parking garages and it is crucial that they are maintained in such a manner to ensure a long and cost efficient service life. The Civic Center Parking Garage is now 40 years old and a recent structural analysis has confirmed that its service life can be extended by 30 years if we commit to spending \$9.0 million on it over the next 30 years (which is an average of \$300,000 per year). A structural analysis is now being done on the Rankin Avenue and the Wall Street parking garages and those costs will be included in future years. Due to these needs and the numerous parking-related needs that continue to come up, staff has now created a 10-year capital improvements projects plan to help address the needs. The current plan includes; but not limited to, projects to modernize the elevators in the three oldest parking garages, to replace the existing parking meters with smart (credit card) meters, and to extend the Civic Center parking garage service life. The 10-year capital improvements projects plan will be reviewed annually and appropriate adjustments will be made which might trigger the need for parking fee rate increases.

Staff is moving forward to replace the existing parking meters within the next two years (including the current fiscal year) so that we will have more options available including extending enforcement hours, having the ability for variable pricing by location and/or time of the day or season, and having the ability to make parking fee rate increases effective much more quickly

compared to today (currently, it can take up to three months because of the age and condition of the existing parking meters).

Figure 1 - City of Asheville Hourly Meter Rate History



A consulting firm was recently hired to prepare a comprehensive parking study (now in draft form) which included the preparation of a financial model to help staff determine parking rate fee increases and benchmarking information from 50+ cities located in the southeast region of the United States. 30 of these cities use parking meters to control on-street parking and 12 of these cities have an hourly parking rate greater than \$1.25 per hour. Chapel Hill is the only city in North Carolina that has a rate greater than \$1.25 per hour and it is \$1.50 per hour. Four of the cities have a rate of \$2.00 per hour.

Table 1 provides a summary of the parking fee rate increases that staff is recommending for FY 2017-18. In addition, staff recommends that the parking meters fee rate increase be made effective on April 1, 2017 to enable staff to adjust the existing parking meters to be able to accept the increase and be fully operational by July 1, 2017.

Table 1 – Parking Fee Rate Increases

Description	Increase	Revenue Generated +/-
Parking Meters (Hourly)	\$0.25	\$275,000
Parking Garages (Hourly)	\$0.25	\$169,000
Civic Center Parking Garage (Monthly)	\$10.00	\$55,000
Civic Center Parking Garage (Discounted Monthly)	\$5.00	\$1,200
Rankin Avenue Parking Garage (Monthly)	\$10.00	\$12,000
Wall Street Parking Garage (Monthly)	\$10.00	\$3,600

Parking Meter Temporary Closures (Daily)	\$4.00	\$4,000
Timed Parking Space Temporary Closures (Daily)	\$22.00	\$5,500
On-Street Permitted Parking (Monthly)	\$10.00	\$12,700
Surface Parking Lots (Monthly)	\$10.00	\$12,000
Surface Parking Lots (Discounted Monthly)	\$5.00	\$600

Fiscal Impact: The total anticipated annual revenue generated is about \$525,300.

Recommendation: Staff recommends that the Finance Committee endorse and move forward to City Council for consideration the recommendation to increase parking fees as outlined in this staff report.

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