



Date: August 15, 2016

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Harmon E. Crutchfield, Interim Transportation Director
Subject: Ordinance to Change Parking Fees

Executive Summary

With the effective date of November 1, 2016, the amendment to Part 17-107 (Parking Fees) of the Fee Schedule anticipates generating an additional \$1,156,835 in parking revenue (includes revenue collected from the Paid On-Street Parking Program and the increase in off-street hourly and special event parking rates during operational hours).

There have been four parking fee changes within the last fifteen years: June 18, 2001; June 18, 2007; July 1, 2010 and October 2014. The June 18, 2007 change was minor, adding a special parking fee for motorcycles as well as modifying the initial fee for hourly parking to be charged within the first hour instead of the first two hours. The changes in June 18, 2001; July 1, 2010; and October 1, 2013 were significant changes where both hourly and monthly rates were changed.

Attached is a copy of the current ordinance identifying the changes to be applied to Part 17-107 (Parking Fees) and Part 17-108 (Special Events Parking Fees) of the Fee Schedule along with a copy of the ordinance to be approved, amending the parking fees.

Recommendation

The Department recommends that City Council adopt an Ordinance to Revise Parking Fees and to Establish Fees for Parking in On-Street Metered Parking Spaces effective November 1, 2016.

Background

The City has implemented parking fee changes four times within the last fifteen (15) years. On June 18, 2001, the City implemented three changes: 1) increased hourly rates at parking decks and surface lots; 2) increased monthly contract fees; and 3) eliminated employee subsidy for parking. The fee changes increased parking fee revenue by approximately \$126,500. On June 18, 2007, the City implemented two changes: 1) a motorcycle fee and 2) the fee charged in the initial hour instead of across the first and second hours. The changes did not represent a significant revenue increase. On July 1, 2010, the City implemented two changes: 1) increased hourly rates at parking decks and surface lots; 2) increased monthly contract fees. On October 1, 2013, the City increased monthly residential permits for Downtown residents, increased special events parking by \$1.00 per vehicle and implemented additional options for residential parking.

The City completed a Comprehensive Parking Study for Downtown and Ninth Street. A presentation of the findings and recommendations of the study was provided to City Council at a work session on October 24, 2013. The study recommended the adoption of an Ordinance to change parking fees (change to Part 17-107 of the Fee Schedule) by generally

establishing an hourly rate for the Paid On-Street Parking Program and a convenience fee for the Pay-By-Phone Mobile Payment System; increasing the hourly parking rate for Off-Street Parking facilities to \$1.25 per hour; and increasing the special event parking fee to \$5.00 per vehicle. Staff conducted a peer city benchmarking analysis that found that the City is currently charging at or below rate(s) of other comparable cities and private entities.

As a result of the public and stakeholder outreach, as well as the duration and turnover data that was collected, it became evident that time limits for on-street parking spaces in the Downtown study area were being exceeded by visitors and downtown employees. The on-street parking program is proposed to be operated and enforced to encourage high turnover of vehicles, resulting in a lively and business friendly Downtown environment. Taking into account the feedback obtained as a result of the outreach process, paired with the assessment of available on-street parking technology and best practices, the Parking Study recommended that the City implement a Paid On-Street Parking Program. In general, the Paid On-Street Parking Program includes approximately 1,000 parking spaces within and adjacent to the Downtown Loop, the area surrounding the American Tobacco Campus and the Durham Performing Arts Center, West Village, the Brightleaf District, Central Park, the Durham County Human Services Complex, and the North Corporation and Geer Street District.

The recommended hourly rate increase for parking in City-owned off-street parking garages and surface lots is \$1.25 per hour from the current rate of \$1.00 per hour. The recommended rate for on-street parking is \$1.50 per hour. This relationship (higher rate for on-street, lower rate for off-street) encourages those with plans to stay in the area for longer periods of time to use the off-street facilities leaving the on-street spaces for those requiring shorter durations. Further, the Department recommends aligning the operational hours for both the On- and Off-Street Parking Programs to be 8:00am until 7:00pm, Monday through Fridays, excluding City-designated holidays.

The special event parking rate is \$3.00 per vehicle at all City-owned parking garages and surface parking lots. To more align the City's special event rates with other parking venues, the Administration recommends that the City increase all special event rates to \$5.00 per vehicle effective November 1, 2016. Currently, the special event parking fee at the North, East and South Garages at the American Tobacco campus is \$5.00 per vehicle. The special event fee at the Durham County Justice Center Garage is \$5.00 per vehicle. The proposed fee increase is projected to increase parking special event parking revenue by \$105,717.

Issues and Analysis

The City's parking lots and garages operate as an enterprise fund. The FY 2017 projected budget breakdown for the Parking Fund before and after the proposed increase is illustrated below:

			Projected	
Parking Revenue	FY16	FY17	Revenue Increase	FY18
Total On-Street Meter Revenue	\$ -	\$ 960,000.00	\$ 960,000.00	\$ 1,728,000.00
Hourly	FY16	FY17		FY18
Chapel Hill Garage	\$ 168,385.00	\$ 196,449.00	\$ 28,064.00	\$ 210,481.00
Church St Garage	\$ 66,692.00	\$ 80,140.00	\$ 13,448.00	\$ 86,723.00
Corcoran St Garage	\$ 166,838.00	\$ 194,644.00	\$ 27,806.00	\$ 208,547.00
Durham Centre Garage	\$ 109,038.00	\$ 127,211.00	\$ 18,173.00	\$ 140,387.00
Lot 8/14	\$ 37,640.00	\$ 41,267.00	\$ 3,627.00	\$ 45,047.00
Total Off-Street Hourly	\$ 548,593.00	\$ 639,711.00	\$ 91,118.00	\$ 691,185.00
Special Events	FY16	FY17		FY18
Chapel Hill Garage	\$ 20,464.00	\$ 30,051.00	\$ 9,246.00	\$ 34,675.00
Church St Garage	\$ 37,394.00	\$ 54,914.00	\$ 16,897.00	\$ 63,362.00
Corcoran St Garage	\$ 71,993.00	\$ 105,723.00	\$ 32,530.00	\$ 121,989.00
Durham Centre Garage	\$ 104,115.00	\$ 152,894.00	\$ 47,044.00	\$ 176,417.00
Lot 8/14	\$ -	\$ -		\$ -
Total Off-Street Special Events	\$ 233,966.00	\$ 343,582.00	\$ 105,717.00	\$ 396,443.00
Notes:				
Parking Revenues are estimated for 8 months (November 2016 - June 2017)				

Alternatives

1. Establish the hourly parking fee for the Paid On-Street Parking Program as recommended, projected to generate annual parking revenues of \$960,000 during the first year of implementation and \$1,728,000 in subsequent years.
2. Increase hourly parking fee for the Off-Street Parking facilities as recommended, projected to increase annual parking revenue by \$91,118.00.
3. Increase special event parking fees as recommended, projected to increase annual parking revenue by \$105,717.
4. Increase hourly and special event parking fees and implement hourly paid on-street parking fees by an amount less than what is recommended.
5. Do not change parking fees at this time.

Financial Impact

The City's parking lots and garages operate as an enterprise. The total annual increase in parking revenues is estimated to provide an additional \$1,156,835 in FY 2017. The additional revenue is anticipated to be placed into the Parking Enterprise Fund to be used to pay for improvements to the parking system.

SDBE Summary

SDBE participation is not an issue that is associated with acceptance and implementation of fee changes.

Attachments

- Exhibit A: Changes to Fee Scheduled Proposed (Mark Up Version)
- Exhibit B: Ordinance to Revise Parking Fees and to Establish Fees for Parking in On-Street Metered Parking Spaces (Clean Version)
- Exhibit C: Peer City Rate Analysis