



## Request for City Council Committee Action From the Department of Public Works

**Date:** September 25, 2007  
**To:** Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee  
**Referral To:** Honorable Paul Ostrow, Chair Ways and Means/Budget Committee  
**Subject:** Modify Maryland Apartments Parking Policy

### Recommendation:

Modify the current parking policy for tenants of the Maryland Apartments as follows:

- a) Reduce the number of monthly contracts available at the Loring Ramp from 40 to the existing number of contracts.
- b) Do not permit any new users to join the program.
- c) Increase the monthly rate from \$8.52 up to \$25 effective January 1, 2008, and increase rate by \$10 effective January 1st each year thereafter until equal to market monthly rate at the Loring Ramp.
- d) Program will cease either through attrition of existing users or when the program rate equals or exceeds market monthly rate at the Loring Ramp.
- e) Authorize appropriate City officials to execute a reimbursement agreement with Alatus and/or the Loring parking ramp management firm to facilitate subsidy payments for qualified program users.

### Previous Directives:

- August 9, 1979 – Council approved the concept of leasing up to 40 parking stalls in Loring Ramp to facilitate rehabilitation of apartment buildings in Loring Park Development District for occupancy by low and moderate income persons.
- March 27, 1981- Council adopted a policy for monthly parking in Loring Ramp by tenants of the Maryland Apartments receiving Section 8 rental assistance

**Prepared by:** Mike Sachi, P.E. Parking and Skyway Systems Engineer 673-2519  
Jon Wertjes, P.E., PTOE, Director, Traffic & Parking Services

### Approved by:

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Steve Kotke, P.E., City Engineer, Director of Public Works

**Presenters:** Mike Sachi, P.E. Parking and Skyway Systems Engineer

Permanent Review Committee (PRC)      Approval \_\_\_\_\_ Not applicable   X  

Policy review Group (PRG)              Approval \_\_\_\_\_ Not applicable   X

**Financial Impact** (Check those that apply)

- No financial impact - or - Action is within current department budget (If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Business Plan:  Action is within the plan.  Action requires a change to plan.
- Other financial impact (Explain):
  
- Request provided to department's Finance Dept. contact when provided to the Committee Coordinator

**Community Impact**

- Neighborhood Notification: Not Applicable
- City Goals: Maintain the physical infrastructure to ensure a healthy, vital and safe city
- Comprehensive Plan: Not Applicable
- Zoning Code: Not Applicable

**Background/Supporting Information**

In 1979, the City Council approved the concept of leasing up to 40 stalls at a reduced rate in the Loring Municipal Parking Ramp on a monthly basis intended to facilitate the rehabilitation of existing apartment buildings in the Loring Park Development District for occupancy by low and moderate income persons. This action was taken in conjunction with plans for rehabilitation of the Maryland Apartments and conversion to Section 8 rental-assistance, and was intended to satisfy a requirement of the Minnesota Housing Finance Agency that off-street parking be provided for the building.

In 1981, the Council adopted a policy that included regulations for administering monthly parking for tenants of the Maryland Apartments (See Exhibit A) at a discounted rate. Key points of the policy included:

- 1) A maximum of 40 spaces will be available for qualified tenants of the Maryland Apartments on a monthly rate basis.
- 2) Parking will be available on a "space available" basis only, i.e., when the Ramp is fully occupied, a tenant will not be able to park in the Ramp until a space is vacated.
- 3) Only persons residing in the Maryland Apartments, and receiving Section 8 rental assistance, shall be entitled to park in the ramp under this policy, and only a vehicle owned by the tenant is to be parked in the Ramp. The parking privilege is not assignable or transferable.

This policy has remained in effect since 1981 until today, with little modification to the terms and conditions. However, the Loring Ramp is now in the process of being sold, and the existence of this program was not communicated to the buyers due to an oversight, and the buyers are not willing to continue to assume the burden of the City's subsidy for the residents of the Maryland. The current \$8.52 per month rate for tenants compares with a market rate of \$150 per month. Therefore, the current subsidy amounts to approximately \$1,698 per parker per year at current levels.

To avoid undue hardship to the existing tenants at the Maryland. the buyers are willing to allow Maryland Tenants to park in the ramp, and staff is proposing that the City continue to subsidize the discounted rates for existing tenants until attrition eliminates all the current users of the program.

In order to continue the program for existing Maryland users, but reduce the ongoing financial impact to the City, Public Works is recommending that the following modifications be made to the program:

- 1) Reduce the number of monthly contracts available at the Loring Ramp from 40 to the existing number of qualified contracts (approximately 17).
- 2) Do not permit any new users to join the program.
- 3) Increase the monthly rate from \$8.52 up to \$25 effective January 1, 2008, and increase rate by \$10 effective January 1st each year thereafter until the program rate equals or exceeds the market monthly rate at the Loring Ramp.
- 4) Program will cease either through attrition of existing users or when the program rate equals or exceeds the market monthly rate at the Loring Ramp.
- 5) The City will execute an agreement with the purchasers and/or management firm of the ramp in order to facilitate subsidy payments for qualified program users.

Based upon the existing levels of utilization, the financial impact to the City of the modified program is estimated to be \$25,500 in the first year, and will be reduced based upon the annual rate increase and number of eligible users.

We will request that Maryland Apartments management and Loring Ramp parking operator provide a list of users to the City on an annual basis in order to verify the eligibility of the users.

Exhibit A – Maryland Apartments