

MINNEAPOLIS PARKING SERVICES BUSINESS PLAN

**DRAFT
4/15/03**

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MISSION STATEMENT

The mission of Parking Services is to construct, own, operate, and maintain an off-street and on-street parking system that meets the transportation, planning, development and financial goals of the City.

ORGANIZATIONAL VALUES

In order to achieve its mission Parking Services strives to attain the following:

- 1) Provide quality service with an emphasis on customer service for all individuals and groups including those with specific needs, unique situations, and physically challenges.
- 2) Operate and maintain parking and transportation systems that are sound, safe, efficient, and aesthetically pleasing, while ensuring smooth transitions among different modes of transportation.
- 3) Maintain a climate of fiscal integrity.
- 4) Provide financial integration to support overall transportation objectives of the City, including transit, bicycle, pedestrian and parking.
- 5) Encourage transportation alternatives such as biking, walking, carpooling, and busing and attractive park and ride opportunities throughout the City.

DESCRIPTION OF THE BUSINESS

The Parking Services business is an operating entity within the Transportation and Parking Services Division of the Public Works Department. Parking Services provides the following services:

- Service Activity I. Off-Street Parking: Manage the operation, performance and maintenance of the City's off-street parking system, which includes parking ramps, lots, and skyways.
- Service Activity II. New Construction: Oversee the assessment, planning, design, location and construction of new off-street parking ramps and lots.
- Service Activity III. On-Street Parking: Manage the operation, performance and maintenance of the City's on-street parking system, which includes meters, parking and loading zones.
- Service Activity IV. Impound Lot: Coordinate the activities and manage the operation of the Municipal Impound Lot.

The Minneapolis Municipal Parking System was originally conceived to provide peripheral or fringe parking at the edge of downtown. This plan, which was implemented in the mid to late seventies, was a logical response to:

1. The private sector's desire to only finance and build parking facilities in the downtown core
2. The desire to intercept commuters before they enter the core

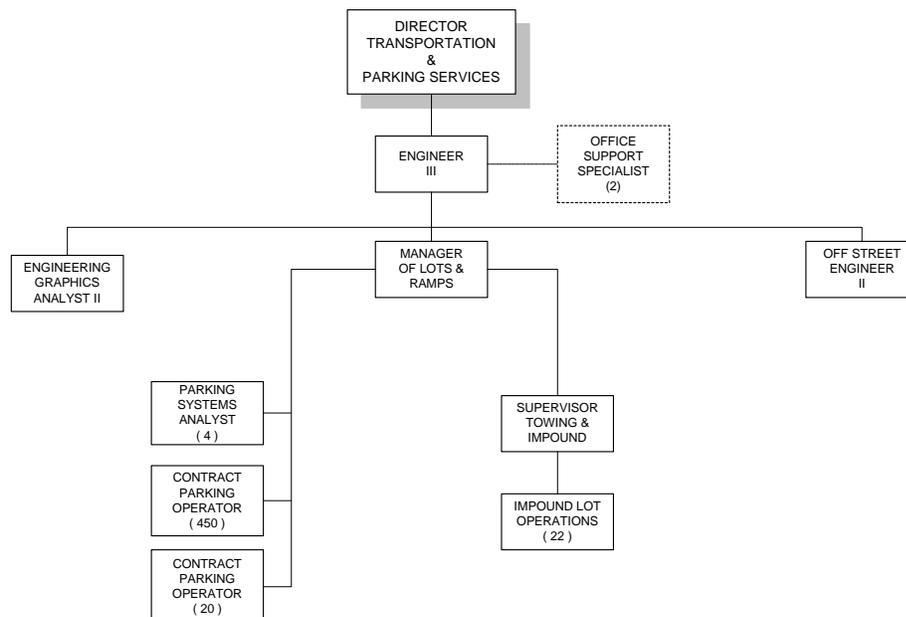
3. The need to minimize traffic congestion in the downtown core

In order to fulfill its mission, Parking Services and the parking system has evolved over the last twenty-five years in response to a wide variety of factors including:

- The need to construct ramps located on the downtown ‘fringe’ with skyways connected to the central business district as a means of encouraging new office and retail space within the core to support the effort to maintain core compactness and density. (e.g. Government Center Ramp)
- A decision by the private sector in the 1980’s to use the economic benefit of new projects as a bargaining tool in requesting a 50% or greater subsidy from the City for private parking ramp construction.
- A series of public / private task forces which determined the City could build and operate parking ramps at a lower cost than the private sector.
- Recognition of the need to further ease congestion and air pollution in the downtown area as reflected in the 1986 Surface Transportation Act which enabled the City and MnDOT to secure interstate funds to pay 90% of the capital costs of commuter garages to encourage car and van pooling (e.g. Third Avenue Distributor (TAD) garages).
- The addition of sports and Convention venues which created an increased demand for parking during peak and non-peak hours. (e.g.. Metrodome, Target Center, Convention Center).
- Increasing focus on inter-modal transportation resulting in ramps that are designed to support bus transfers and alternative modes of transportation such as bicycles (e.g. Gateway , and Leamington Ramps).
- Increasing focus on customer amenities resulting in ramps that are designed with retail space, vending and showers for bicyclists (e.g.. Haaf , Courthouse, and Hawthorne Ramps).
- Increasing focus on the parking facilities as profit centers in addition to meeting transportation and economic development goals.
- Recognition of the need to update the outdated technology currently in use to support parking access, revenue control, security and information functions.

ORGANIZATIONAL CHART

2002 TRANSPORTATION & PARKING SERVICES DIVISION DEPARTMENT OF PUBLIC WORKS PARKING SECTION



ALIGNMENT WITH CITY GOALS

Parking Services impacts and is impacted by several of the recently adopted City Goals and expectations.

- *Maintain the physical infrastructure to ensure a healthy, vital and safe City*
 - Available resources must first be focused on maintaining and improving the City's existing physical infrastructure rather than building or acquiring new infrastructure. The City will invest in new infrastructure only when those investments are essential for meeting critical City goals and where funding can be identified. Maintenance activities should develop and enhance a multi-modal transportation system where appropriate.
 - The City will coordinate infrastructure improvements with other development planning and implementation efforts in order to avoid unnecessary costs and disruptions. As we plan our infrastructure improvements, the City will consider the important role transit and physical and technological infrastructure plays in supporting a strong vital community.
- *Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets.*
 - City government will serve as a community catalyst for business development, job creation and transit access. The City's physical infrastructure will support our economic development policies and facilitate access to jobs and services. More specifically, the City will support building capacity within the business community, in order to strengthen the business community's ability to attract new businesses and foster entrepreneurship.
- *Deliver consistently high quality City services at a good value to our taxpayers*
 - Minneapolis will develop a culture of customer service within City government. We will make City services more accessible and user-friendly and will make our processes clear and understandable. City government will deliver all services in an effective and cost-efficient manner.
 - Minneapolis will continue to find ways of improving upon the way we do business. City departments will work together to seek out and address opportunities for improving service delivery.
 - Minneapolis will explore strategies and technologies that measure service delivery. These tools will be used to determine where resources are most needed and what services the City should deliver.
- *Strengthen City government management and enhance community engagement*
 - The City will focus on enhancing productivity and creating a customer service-oriented culture. We will create a work environment where employees can excel, by building employee skills and improving employee diversity. Better information and analysis will be used to allow for more informed decision-making at both the elected and staff levels. We will develop and maintain a long-term, sustainable financial plan for the City. Special focus will be given to engaging our employees and the community in how we address and communicate these financial challenges. Elected officials and departments will hold themselves accountable to City goals, policies and plans.

SERVICE ACTIVITIES AND KEY PERFORMANCE MEASURES

Parking Services provides the following four service activities: On-street Parking, New Construction, Off-street Parking, and the Impound Lot. Following each service activity is a brief description and the key performance measures that will be used to assess the success of Parking Services' ability to provide that service.

SERVICE ACTIVITY #1: OFF-STREET PARKING

Manage the operation, performance and maintenance of the City's off-street parking system, which includes parking ramps, lots, and skyways.

Description: Oversee the operation of existing facilities by reviewing and adjusting rates, managing the maintenance of the infrastructure, and managing the City's parking contractor's performance. Review and implement new technologies to improve performance and enhance customer service.

Key Performance Measures:

To report to Mayor/City Council

Aggregate numbers

- Average revenue per parking stall per year vs. average operating cost per parking stall per year
- Average occupancy during a given weekday vs. downtown office occupancy

For Management Purposes

By ramp

- Rates as they compare to private sector
- Average revenue per parking stall per year vs. average operating cost per parking stall per year
- Average occupancy during a given weekday
- # of reported crimes in city ramps, lots and skyways
- # spaces out of service for ramp/lot infrastructure maintenance activities.
- # and nature of customer complaints/average time to respond

SERVICE ACTIVITY #2: NEW CONSTRUCTION

Oversee the assessment, planning, design, location and construction of new off-street parking ramps and lots.

Description: Analyze potential need for, feasibility of, and potential performance of proposed parking facilities. Assist in the design of approved new parking facilities. Oversee the construction management of new parking facilities.

Key Performance Measures:

To report to Mayor/City Council

- Projected vs. actual coverage ratios (cannot determine until ramp is in operation for several years)
- Average design and administrative costs as a % of total construction costs
- Number of new spaces added

For Management Purposes:

- Projected Vs actual coverage ratios

- Average design and administrative costs as a % of total construction costs
- Number of new spaces added
- \$ value of change orders processed during construction
- Time spent on feasibility studies
- Construction deadlines met

SERVICE ACTIVITY #3: ON-STREET PARKING

Manage the operation, performance and maintenance of the City’s on-street parking system, which includes meters, parking and loading zones.

Description: Review and adjust rates, hours of enforcement, and time limits in various areas of the system as analysis warrants. Maintain parking meters. Add or remove meters in various areas of the City based on usage patterns. Implement new technology to improve efficiency (e.g. smart cards, electronic meters).

Key Performance Measures:

To report to Mayor/City Council

- Average revenue per parking meter per year vs. Average operating cost per parking meter per year
- Average % of meters in non-working order on a given day

For Management Purposes:

- Rates as compared to ramps and lots in the area
- Average revenue per parking meter per year vs. Average operating cost per parking meter per year
- Average % of meters in non-working order on a given day
- Average time to repair inoperable meter

SERVICE ACTIVITY #4 IMPOUND LOT

Coordinate the activities and manage the operation of the Municipal Impound Lot.

Description: Receive, process, store and release vehicles towed from City streets due to police activities, snow emergencies, street sweeps and inspections activities. Staff the ‘auto’ desk which tracks stolen vehicle information from the Minneapolis Police Department. Collect fees from vehicle owners to cover towing and impound costs. Oversee the sale of unclaimed/abandoned vehicles.

Key Performance Measures:

To report to Mayor/City Council

- Number of tows per year processed (% police; % snow emergency or street sweeps)
- Average operating costs per stall
- \$ value of claims paid due to loss of or damage to vehicle while in the impound lot

For Management Purposes:

- Number of tows processed (% police; % snow emergency or street sweeps)
- Average revenue per stall Vs average operating costs per stall
- \$ value of claims paid due to loss of or damage to vehicle while in the impound lot
- Capacity of impound lot on a daily basis
- # of complaints
- Average space days

KEY TRENDS AND CHALLENGES LIKELY TO IMPACT PARKING SERVICES IN THE NEXT 5 YEARS

The key trends and challenges that are likely to impact Parking Services over the next five years include market conditions, ability to incorporate new technology, the viability of the Parking Fund, and addressing aging equipment and infrastructure.

▪ **Market Conditions**

- The downtown will continue to expand geographically outward as in the case of the proposed new Guthrie Theatre on the river; the end result will be the need for additional parking facilities in the outer 'fringe'
- As the downtown core expands, the parking facilities that were originally built as fringe ramps become more core ramps and their value increases along with their revenues as demand for parking increases.
- The private sector will continue to leverage the economic benefits of new projects to reduce and/or avoid costs associated with construction of new parking facilities
- Increased development outside the downtown area will result in the need for parking facilities to promote this development
- The introduction and anticipated expansion of multi-modal transit will create a need for additional parking facilities to support the 'commuter intercept' concept inherent for success
- Downtown office vacancy rates significantly affect the demand for parking.
- Some individual ramps are under-utilized.
- Increased congestion in the downtown core.

▪ **New Technology Opportunities**

- The use of technology and centralization could reduce expenses and improve service. Examples include utilizing automated pay stations that could reduce staffing levels in ramps, electronic fund transfers (EFT) that could reduce check handling costs, and alternative payment methods such as web-based payments, payroll deductions, or auto-pay that could improve customer service.
- Developing on-line, real-time systems rather than the current batch processes would make the parking system more agile and responsive to parking demand.

▪ **Parking Fund Viability**

- Both scheduled and unscheduled transfers can significantly affect operations. It is important to properly inform the decision-makers about the predetermined obligations for revenue from facilities such as the TAD ramps (4th, 5th and 7th Street).
- The mid-term and long-term viability of the Parking System depends on reinvestment in the system assets.

▪ **Aging equipment and infrastructure**

- The parking industry standard for revenue control updates is every 5-7 years while the City Parking Systems revenue control system is on a 9-12 year cycle. The current ticket dispensers and card readers now require excessive maintenance and are in need of replacement.
- A reserve fund could and should be established for equipment upgrades.

IDENTIFICATION OF MARKETS AND CUSTOMERS

For each of the four service activities, market and customer information is presented. This section expands upon the market conditions that are identified in the Key Trends section.

SERVICE ACTIVITY #1: OFF-STREET PARKING

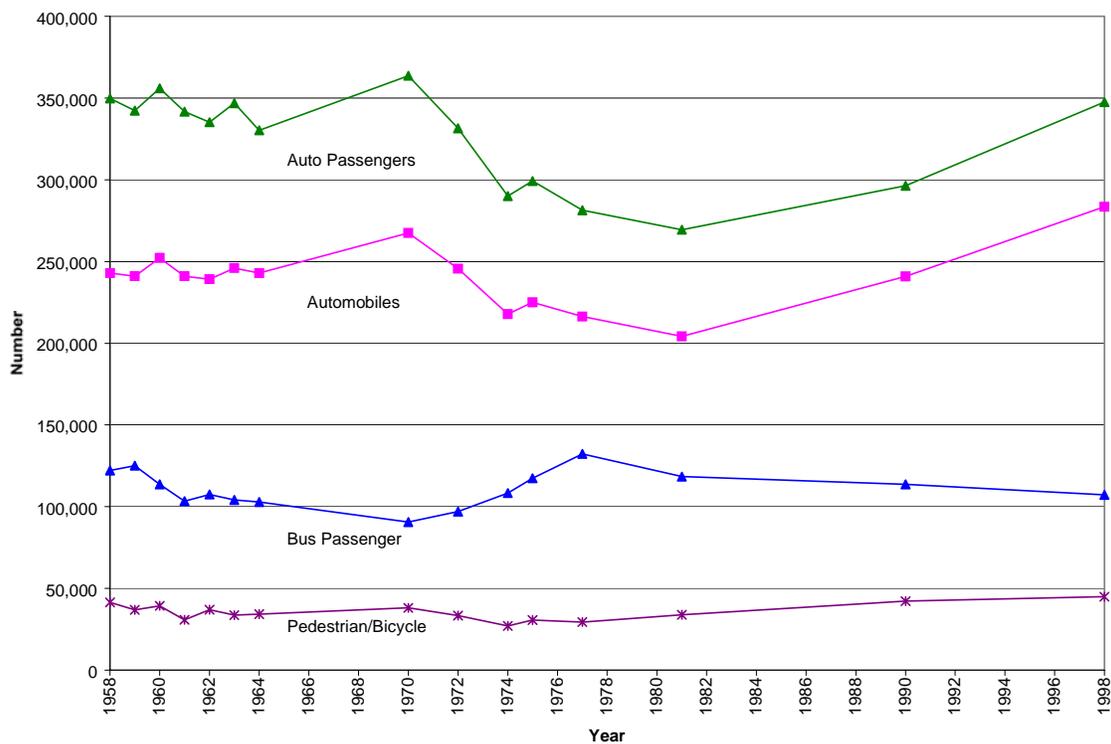
On a daily basis, many people make decisions on whether to come downtown for retail, entertainment or business. They also decide what mode of transportation to use for the trip. Pricing can make a difference in volume of parking demand and utilization rates.

The mode of transportation into the downtown business core has been counted on an occasional basis since 1958 and is detailed in the Central Business District Cordon Count report. The Central Business District Cordon Count is a count of all traffic that enters and leaves the core of downtown between 6:30 a.m. and 6:30 p.m. The count does not include the downtown east area. Therefore, people who drive, park by the Metrodome, and walk into the core would be counted as pedestrians.

The results of the counts show that during the 1970s, auto usage decreased while bus usage increased. Since 1981, the number of bus passengers has decreased while the number of automobiles and automobile passengers has increased. It is interesting to note that bus fares doubled from \$.30 to \$.60 from 19## to 19## over the same period as bus ridership began to decrease. There has been a fairly constant relationship between auto passengers and automobiles which indicates that carpooling levels have remained steady.

Downtown mode splits may shift towards more transit riders when the LRT and downtown circulator begin operating.

Downtown Core Cordon Count, 1958-1998.



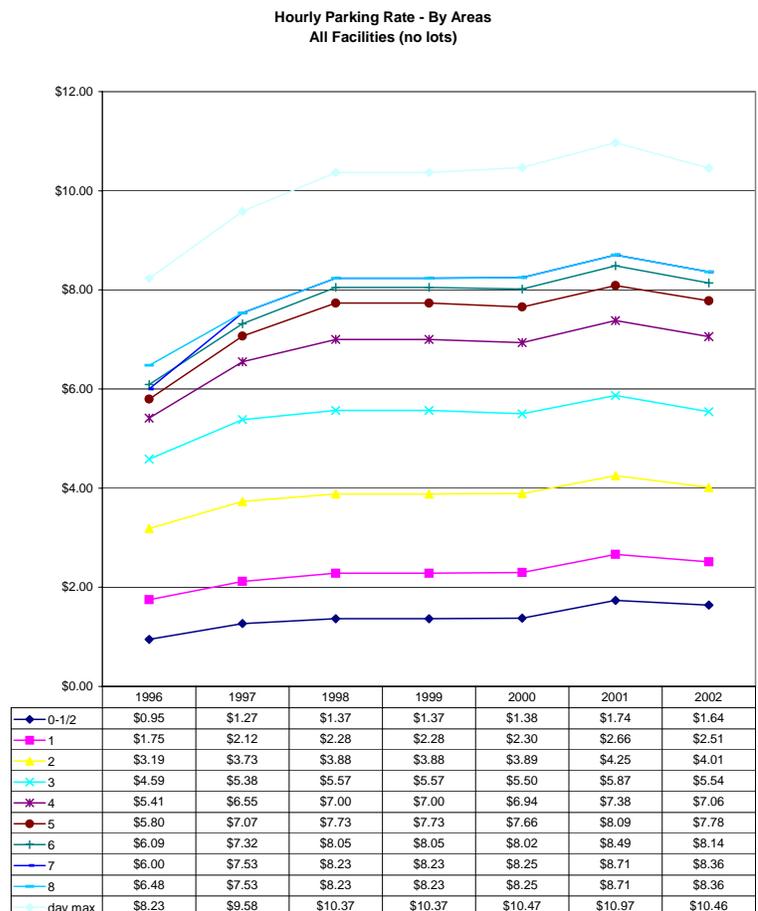
Parking ramp pricing is set at different rates for different types of customers. Distinct customer markets include hourly, daily, monthly contract, event and valet parking. These customers come to the downtown for a variety of reasons including employment, retail shopping, school, entertainment events and some customers live downtown.

When determining rates for the ramps and lots, the following four guidelines are used:

1. Review the supply and demand within the facility as well as the local area
2. Review of the utilization factors which includes monthly and transient levels as well as the ratios of each to the overall capacity. (The maximum daily utilization should range between 94% and 96%.)
3. Evaluate the changes in the business climate within the local area
4. Compare the rates within the local area to other facilities (current market rate)

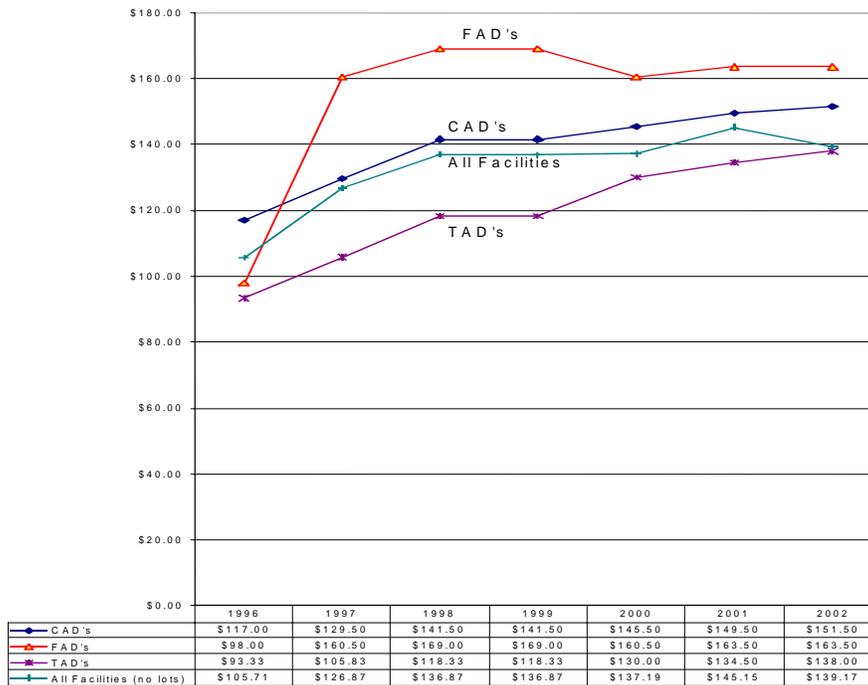
There is also an interrelationship between setting hourly, daily and monthly rates and changing one type of rate may have ripple effects on utilization for a variety of customer types. Setting rates high for the first few hours of parking and then lowering them for longer stays for example will discourage the short term parker and encourage the long term parker to use the facility, while setting the rates lower for the first few hours and then raising them for longer stays will have the reverse effect. This concept also applies to the daily and monthly rates as well. The proximity to the different types of venues, such as retail shopping versus outer fringe typically drives how the relationship between hourly, daily and monthly rates are established. Special programs such as early bird rates or office occupancy incentives are used to address low utilization rates and as support for local area needs.

- Taking into account all the factors that influence pricing, the hourly parking rates in the public ramps have been fairly constant since 1998.



- Average monthly contract rates have been increasing in the TADs (TAD4, TAD5, TAD7, Hennepin at 10th and Hawthorne) and the CADs (Leamington, Loring, Plaza, Hilton Hotel, Orchestra Hall) Average monthly rates for the FADs (Center Village, Gateway, Govt. Center, Courthouse, Haff) increased greatly in 1997 due to _____ and fell in 2000 due to _____.

Monthly Contract Rates



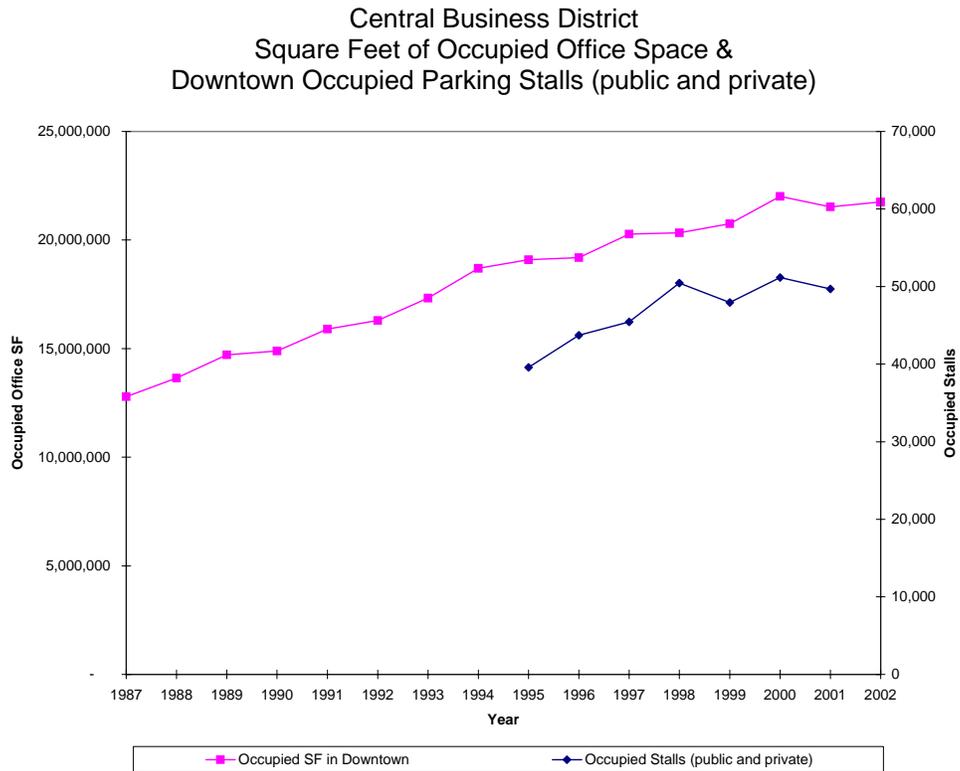
SERVICE ACTIVITY #2: NEW CONSTRUCTION

Requests for consideration of new parking ramps and lots come from MCDA/CPED or private developers, and neighborhood or business associations, usually for the purpose of supporting parking demands that are produced by other developments. The city's Parking Review Committee analyzes the feasibility of the proposed project at no charge to the developer. If we were to consider a fee, a time tracking system would need to be established.

Future demand for new parking facilities can be estimated by looking at trends in the increase of occupied office space and the increase in number of employees that work in the downtown area.

- The square footage of occupied office space is published in the Colliers Towle Real Estate report for the 2nd quarter of every year. The data does not include government office space. The overall trend is an increase in office occupancy with plateaus along the way. Over the past two years, the office occupancy has declined. Over the long term, growth is expected to return and is described in the North Loop / Downtown East Master Plan.
- The number occupied parking stalls in the downtown area for both public and private ramps has been counted since 1995. Over the seven year period, the trend has been an increase in occupied parking

stalls. However, year-to-year changes fluctuate and do not always follow the direction of change in the office occupancy.



- The Minnesota Department of Economic Security collects data from every employer about their number of employees. This data is reported as annual averages for the Central Community which is the roughly the area bounded by the freeway ring and the River, plus Steven’s Square neighborhood. The data shows the same general trend as the occupied office space with increasing employees in the downtown with a decline in 2001. In 2001, there were 16#,### employees in the Central Community.

The relationship between parking demand and parking supply changes over time as land uses change. The 2000 Downtown Minneapolis Transportation Study projected parking demand by looking at the gross building area of projected developments and calculating the expected additional demand for parking that those developments would create. Since that projection was made, fewer office buildings will be built by 2005 and more residential has and will continue to be built. The Planning Department does not expect another major office building boom to start until 2009. Planning continues to move forward for redevelopment with significant land use changes expected in Downtown East from surface parking lots to ramps, office space, entertainment and residential uses.

Throughout the city, 5 ramps are in the planning stages and another 10 ramps are possible. These ramps along with their number of spaces and square footage is listed below.

Future Additional Parking Ramps

Name	Projected Opening	Parking Spaces	Square Footage
Planned Ramps			
Walker Art Center	2003	700	245,000
11 th and Harmon*	2003	615	215,250
Brighton / Heritage Ctr	2003-4	500	122,500
Village Green**	2004	350	122,500
Guthrie/Parcel E	2005-7	1000	350,000
SUBTOTAL		3,165	1,055,250
Possible Ramps			
48th & Chicago	2003	250	87,500
Swedish Institute	2003	400	140,000
North Loop	2005	1800	630,000
Ritz/Powers Block	2005	1600	600,000
Great Lakes Center	2005	1200	420,000
DT South Distributor	2005	800	280,000
Lake and Nicollet	2006	400	140,000
Stadium Related - Twins	2007	1000	350,000
DT East Distributor	2008	2000	700,000
Stadium Related - Vikings	2009	1500	500,000
SUBTOTAL		10,950	3,847,500
TOTAL		14,115	4,902,750

*City will operate, but will not own

**Not included in total -- City will not own or operate, but Parking Services is working on the land sale and redevelopment agreement

SERVICE ACTIVITY #3: ON-STREET PARKING

The on-street parking system is made up of approximately 6700 meters citywide. There are 1900 meters in the area loosely described as the “downtown loop”, and within the “core” of downtown (Washington Ave-5th Avenue South-9th Street South-Hennepin Avenue), there are only approximately 330 meters all having a time limits of 1 to 2 hours. The remainder of the meters is found in fringe areas around downtown along Lake Street and around the University of Minnesota and other business nodes throughout the city.

In virtually all cases, with the exception of the 8 and 10 -hour meters, parking meters are installed to encourage turnover of the available on street parking. This turnover is accomplished through the use of time limits and hourly fees. In downtown, and particularly in the core area, on-street parking meter spaces are considered the prime parking spots because they are the most convenient and therefore most desirable.

Accordingly, in order to create the turnover necessary to provide the maximum number of parking spaces for the maximum number of users, these meters require a short time limit at a rate higher than at adjacent off-street parking facilities with short and/or long term rate structures. Originally, meters were considered somewhat self-enforcing with the “expired red-flags” and the threat of parking tickets. Today, regular enforcement is necessary to encourage on-going turnover because the general public is no longer concerned about the threat of a parking ticket and are willing to take the risk for the convenience.

Although the main purpose of a parking meter system is turnover, the hourly fees obviously provide a substantial source of revenue to the city. The revenue provided by the parking meter system is used to purchase new/updated parking meters, fund personnel to install, maintain and repair equipment, fund enforcement and collection activities, and provide a source of revenue to help finance new off-street parking facilities. The on-street parking meter system rates have only increased on an occasional basis

(4 to 6 times in the history of the system), as opposed to the off-street ramps and lots, which have annual rate adjustments. In late 2000, the Minneapolis City Council approved one of the rare parking meter rate increases to adjust the meter system to the rising off-street parking rates and keep the on-street meters in line with the “prime parking” theory. This rate increase was applied to the meters in the downtown loop and was implemented in January of 2001.

Early on it was clear (by manually monitoring revenue in the loop meters) that the parking meter revenues generated by the rate increase were not reaching the anticipated levels. In fact, the revenue collected in 2001 was only slightly higher than revenue collected in 2000 prior to the increase. A study was undertaken to determine possible reasons that would explain the lower than expected revenue. A series of meter usage surveys also were conducted in the downtown core during the meter study to help verify existing perceptions about the type of user, length of use, and extent of use of downtown meters. They were also used to identify general problems inherent in the downtown on-street parking system. The surveys were undertaken over a one and one-half year time period and done repetitively to see if any trends were occurring. The actual surveys were done in June 2000, July 2001, and January 2002, during the 8:00 a.m. to 5:00 p.m. time period on weekdays.

The survey results were as follows:

1. Parking meters in the “core” are heavily used (90% occupancy-essentially full).
2. A majority of the occupied parking meters were expired (over 60%).
3. 5 to 7% of expired meters in the core are occupied by emergency, service, commercial or city vehicles.
4. Approximately one half of all meters in the downtown core are occupied by disability designated vehicles.

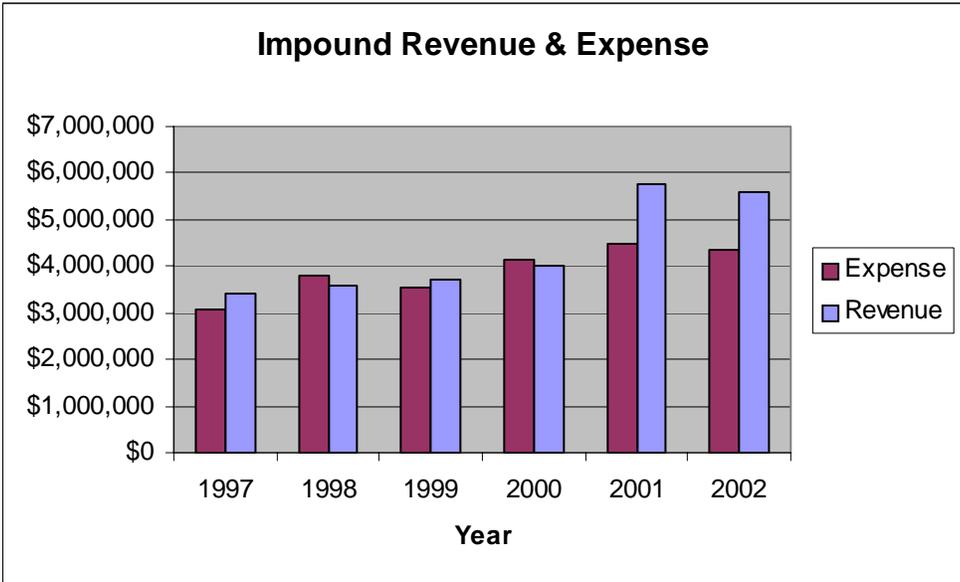
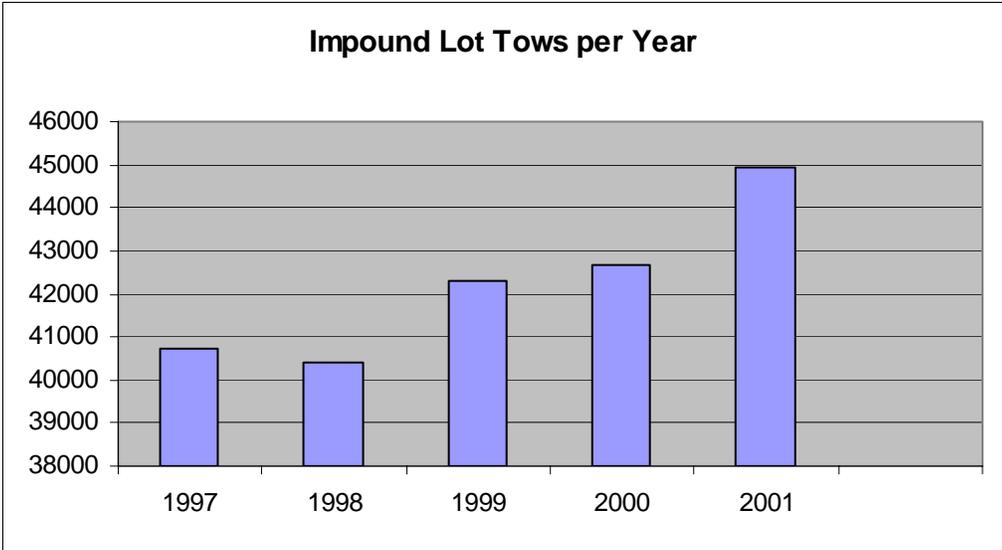
SERVICE ACTIVITY #4: IMPOUND LOT

The primary service of the impound lot is to receive, store, and release vehicles that have been towed to the lot for violating snow emergency, street sweeping or other parking restrictions. The number of cars towed in a year varies considerably and will depend on the number of snow emergencies that are declared.

If owners do not retrieve their vehicles from the impound lot, the impound lot auctions off the abandoned vehicles. The impound lot also provides auction services for a 10% fee to the Police Department, Park Board and School Board and provides these services to the Public Works Equipment Division for a 5% fee.

The other major customer of the impound lot is the Police Department which uses the impound lot as a safe storage place for vehicles that are related to a crime.

Comment on revenue and expenses chart.



RELATIONSHIP OF SERVICE ACTIVITIES TO OTHER DEPARTMENT'S AND AGENCIES' ACTIVITIES

SERVICE ACTIVITY #1: OFF-STREET PARKING

Contractor Operations:

A study conducted by the City in 1978 determined that utilizing city employees to operate parking facilities would be prohibitively expensive based on the 24 hour per day, seven day per week nature of parking facilities and city employee labor rates and contracts. As a result, the City contracts with private parking companies to operate parking ramps.

Per the current contracts, primary contractor responsibilities include, but are not limited to:

- **Fiduciary:** efficient collection and safeguarding of collected funds; bookkeeping and accounting; contract maintenance for monthly parking
- **Security:** safeguarding of customers and their property; safeguarding of City assets (facilities, equipment)
- **Maintenance:** facility (i.e. janitorial, snow removal); facility equipment (i.e. revenue control equipment, security systems, HVAC, fire protection equipment)

Parking Services Operations:

Primary Parking Services responsibilities include, but are not limited to:

- **Contractor Oversight:** proper oversight of all contractor personnel; contract maintenance and enforcement
- **Fiduciary:** analysis of City and operator expenses; analysis and adjustment of parking rates; analysis of facility utilization; audit of revenue control procedures; preparation of operating and capital budgets; customer service reviews
- **Facilities:** major repair/ restoration work on existing facilities; preventative maintenance

Other partners: Treasury, MnDOT, Property Services, private developers (Loring and 10th and Washington ramps)

SERVICE ACTIVITY #2: NEW CONSTRUCTION

MCD/CPED- typically brings new development proposals to Parking Services for input on required parking and whether the parking provided can be self supporting.

Finance – Reviews the financial proformas to determine if parking project can support the debt service

Planning – Reviews the project for compliance with planning/zoning goals for particular location

Private developers – Can act as design/builder for constructing the facility

Parking review committee- Grants informal approval for project to move forward

SERVICE ACTIVITY #3: ON STREET PARKING

The Transportation Division currently manages the Parking Meter System. Meters are purchased, installed, maintained, hooded, and administered (review locations, rates, time limits, days of

enforcement, debit cards use, etc.). The financial management, revenue control measures, revenue projections, and development of recommended technical improvements to the meter system are also the responsibility of the Transportation Division. The meters are enforced and revenue collected by the Traffic Control section of Licensing and Consumer Services. Revenue generated by the meter system is credited to the city Parking Fund, which also funds the enforcement and collection activities.

The role of Parking Services in parking meter operations is limited as indicated by the following table.

Function	Responsible Entity
Administration	Parking Services
Procurement	Parking Services
Maintenance	Transportation Division / Public Works
Funds Collection	Minneapolis Regulatory Services
Funds Counting	Treasury Division
Enforcement	Minneapolis Regulatory Services

SERVICE ACTIVITY #4: IMPOUND LOT

When a snow emergency is declared, Traffic Control and the Police issue tickets for vehicles that violate the parking restrictions. Next, the private towing contractors tow the ticketed vehicles to the impound lot. Impound lot staff process the receipt of the vehicle from the towing contractor. When the owner claims the vehicle, the impound lot staff process receipt of payment and release the vehicle.

Police

Departments that participate in the auction

SECTION TWO: BUSINESS STRATEGIES

KEY INITIATIVES

ASSESSMENT OF OTHER MODELS OF PROVIDING SERVICE

KEY INITIATIVES SUMMARY

The following key initiatives have been identified by Parking Services for implementation over the next five years. These initiatives have been prioritized into “Highest Priority Initiatives” and “Other Key Initiatives.” A more detailed explanation of each initiative follows the summary list of initiatives below.

Highest Priority Initiatives

- I. Centralization of security systems
- II. Extension of the parking system fiber optic backbone
- III. Automation and centralization of processes:
 - smart card for meters and off-street
 - web presence
 - other payment methods – credit, EFT, debit
- IV. Way-finding program - such as:
 - variable message boards
 - skyway signage
 - trail-blazing "P" program
 - ORION – travel advisory system
- V. Greater oversight and analysis of parking system through increasing staffing levels
 - Office Occupancy
- VI. TAD ride-share occupancy program
- VII. Plan for inspection, maintenance, and equipment replacement with Property Services and MPI (in refinement stages—immediate, short term, and long-term needs)
- VIII. Satisfying future parking and transportation needs
- IX. Parking meter management plan

Other Key Initiatives

- X. Technology and Space improvements at the Impound Lot
- XI. DT circulator –Operated by MetroTransit; funded by parking fund
- XII. Explore possible ramp sales and/or purchases
 - Possible Sales --working with Attorney's office to address legal issues: Center Village, Loring, 7 Corners, Federal Courts, St. Anthony Main
- XIII. Auction Vehicle Contents Separately
- XIV. Collection of Unpaid Tow and Storage Fees for Abandoned Vehicles
- XV. Haaf/Gateway Conversion
- XVI. *Standard contract and lease management program??*

DOLLAR VALUE OF INITIATIVES

Initiatives	Savings/Revenue	Cost
I. Centralized Security Command Center	1,838,665	
II. Extend Fiber Optic Backbone		(652,000)
III. Automation and Centralization of Processes	2,304,566	
IV. Wayfinding		(626,000)
V. Greater Oversight and Analysis		(2,296,440)
V. Office Occupancy Program	3,737,460	
VI. TAD Rideshare Occupancy Program		(4,401,992)
VII. State Infrastructure Maintenance Plan		(3,905,025)
VII. City Infrastructure Maintenance Plan		(12,656,745)
VIII. Future Parking & Transportation Needs		(290,000)
IX. Parking Meter Management Plan	3,656,101	
X. Impound Lot Vehicle Inventory System		(50,000)
X. Impound Lot Remodeling	-	
XI. Downtown Circulator		
XII. Ramp Sale	28,703,285	
XIII. Auction Vehicle Contents Separately	500,000	
XIV. Tow and Storage Collection	17,000,000	
XV. Haaf/Gateway Monthly Parking Conversion	995,292	
TOTAL	58,735,369	(24,878,202)

EXPLANATION OF KEY INITIATIVES

I. Centralization of security systems

Ensuring the safety of our customers and our infrastructure a top priority for Parking Services. In the late 1980s, in response to several major crimes, a downtown-wide committee established security standards for all public and private ramps. Since that time, Parking Services has continued to explore new ways of strengthening its security systems.

Over the next several years, Parking Services will continue its work on centralizing the security systems in the parking ramps. Prior to implementation, parking ramp security was monitored at each individual parking ramp or was shared between two ramps. By utilizing technology and centralizing monitoring at the Hawthorne Transportation Center, Parking Services can ensure a standard level of safety service for all ramps.

Centralized security monitoring is a more efficient and effective use of resources. The cost of installation (approximately \$150,000 - \$180,000 per ramp) can be recouped in one to two years through contractual savings. These savings occur through reductions in contractor staffing, equipment and maintenance costs. In addition, Parking Services can reuse retrofitted equipment to keep other ramps functioning until they can be retrofitted with the new equipment.

In 2002, Parking Services completed the centralization of security monitoring for the LaSalle & 10th and Hennepin and 10th ramps. Centralization for the TADs 4, 5, and 7 and Orchestra Hall and Plaza ramps are underway. In 2003, Parking Services plans on completing the Leamington, Hilton, Gateway and Haaf ramps. The Government Center and Centre Village ramps will be completed following the construction of the Hennepin County Safety building skyway.

City of Minneapolis Municipal Parking Fund Financial Plan Centralized Security Command Center						
	2003 Budget	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast	2008 Forecast
Revenue						
Charges for Service, Sales & Permits (Trans)	-					
Total	-	-	-	-	-	-
Expenditures						
Wages and Salaries Savings (City Ramps)	(165,000)	(336,600)	(515,064)	(700,667)	(700,667)	(700,667)
Operating Expenses (hardware and equipment)	250,000	470,000	315,000	330,000		
Total	85,000	133,400	(200,064)	(370,667)	(700,667)	(700,667)
Fund Margin						
TAD (State Owned) Ramps	-					
City Ramps and Lots	(85,000)	(133,400)	200,064	370,667	700,667	700,667
Total	(85,000)	(133,400)	200,064	370,667	700,667	700,667

II. Extension of the parking system fiber optic backbone

In 1997, Parking Services began building a fiber optic backbone to support its parking ramp operations. Beginning as a method for ramp data networking and security systems consolidation, this fiber optic backbone has grown to have significant benefit for the entire City and has the potential to continue to support enterprise-wide technology initiatives. The fiber optic backbone has linked the Currie, Border

and Royalston facilities to CITYNET. In addition, the Convention Center was connected at the end of 2002 and connection of Fire Station 6 is in process.

The fiber optic backbone has generated savings through the City's ability to eliminate T1 lines, which cost approximately \$400 - \$500 per month per line. In addition to savings, the fiber optic backbone has allowed the City to avoid additional technology infrastructure costs. For example, by connecting the Haaf ramp to the fiber optic backbone, the City was able to replace and enhance service to Public works surveying, the police emergency response unit and the Park Board.

Location	# T1 lines	Approximate Annual Savings
Currie	3 eliminated	\$14,400 - \$18,000
Border	1 eliminated	\$4,800 - \$6,000
Royalston	2 eliminated	\$9,600 - \$12,000
Convention Center	1 eliminated	\$4,800 - \$6,000
Fire Station 6	1 eliminated	\$4,800 - \$6,000
800 MHz	2 avoided	\$9,600 - \$12,000
Total	10	\$48,000 - \$60,000

In the next five years, Parking Services will continue to build on this fiber optic backbone. The goal is to create a continuous ring in order to ensure redundancy of service in case of a break. Parking Services will partner with other departments to identify needs and funding sources (both initial and on-going operational costs). Future links will be determined based upon the following factors:

1. Availability of resources (funds have not been dedicated to this effort in the past; Parking Services has constructed the backbone with budget savings and with in kind transfers).
2. When it coincides with planned street construction.
3. Enterprise-wide priorities.

This backbone is critical to and will enable Parking Services to implement the other key initiatives such as the centralization of security systems and the automation and centralization of processes, by providing the means and methods to transmit the information necessary for these initiatives to be successful.

**City of Minneapolis
Municipal Parking Fund
Financial Plan
Extend fiber optic backbone**

	2003 Budget	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast	2008 Forecast
Revenue						
Charges for Maintenance to Other City Dep.	10,000	20,000	25,000	30,000	35,000	40,000
Total	10,000	20,000	25,000	30,000	35,000	40,000
Expenditures						
T1 utility bill savings	(6,000)	(24,000)	(30,000)	(48,000)	(48,000)	(48,000)
Operating Expenses (hardware and equipment)	80,000	400,000	200,000	400,000		
Total	74,000	376,000	170,000	352,000	(48,000)	(48,000)
Fund Margin						
TAD (State Owned) Ramps	-					
City Ramps and Lots	(64,000)	(356,000)	(145,000)	(322,000)	83,000	88,000
Total	(64,000)	(356,000)	(145,000)	(322,000)	83,000	88,000

III. Automation and centralization of processes:

Over the next five years, technology will continue to play a key role in the operations of the parking system. By further automating and centralizing certain operational processes, Parking Services has the opportunity to reduce operational costs and enhance customer service. In addition, the existing equipment in many of the ramps is outdated and replacement parts are no longer available. As existing ramps are retrofitted, Parking Services will be able to use the equipment coming out of the retrofitted ramps to maintain other ramps until they can also be retrofitted.

Specific technologies proposed include:

1. Smart card for meters and ramps
2. Web presence for monthly payments and
3. Other payment methods – credit, EFT, debit

In order to implement these changes, Parking Services will need to work closely with ITS and Treasury to address issues of internal controls and appropriate software.

Costs associated with enhancing this technology include initial installation, ongoing operating support, and fees for credit card payments. Initial installation costs can be programmed into the planning of new ramps, but costs of retrofitting existing ramps could be significant. Potential savings include offsets in personnel costs. Other financial impacts include remaining competitive – ensuring revenue streams, as well as maintaining existing equipment.

Proposed timeline: 2004-2005 – Research, design and planning; 2006-8 initial retrofitting of ramps --

**City of Minneapolis
Municipal Parking Fund
Financial Plan
Automation and Centralization of processes**

	2003 Budget	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast	2008 Forecast
Revenue						
Add'l Fees Collected: Smart Cards, Credit Cards	-		125,332	127,838	130,394	133,002
Total	-	-	125,332	127,838	130,394	133,002
Expenditures						
Wages and salaries savings	(31,200)	(365,600)	(365,600)	(365,600)	(365,600)	(365,600)
Armored car service & postage savings	(22,000)	(62,000)	(62,000)	(62,000)	(62,000)	(62,000)
Web Dev. (03), Credit Crd (04), Smart Crd (05)	75,000	150,000	200,000	-		
Total	21,800	(277,600)	(227,600)	(427,600)	(427,600)	(427,600)
Fund Margin						
TAD (State Owned) Ramps	-					
City Ramps and Lots	(21,800)	277,600	352,932	555,438	557,994	560,602
Total	(21,800)	277,600	352,932	555,438	557,994	560,602

IV. Way-finding program:

Parking Services Way-Finding program includes variable message boards, skyway signage, the trail-blazing "P" program, and the ORION travel advisory system. The purpose of the way-finding program is threefold:

1. Enhance movement within the Downtown transportation system
2. Maximize occupancy of City parking ramps
3. Enhance Customer Service

The variable message boards are intended to be able to direct traffic to parking ramps with available spaces. As one ramp fills, vehicles would be directed to the nearest available ramp; thereby minimizing congestion and maximizing ramp occupancy. Currently, there are 4 of these signs near the Convention Center and 5 near the Target Center (the four at the Convention Center are in the process of being replaced and 4 new ones are being added). These signs are manually changed. As automation of the ramps occurs, the signs would be updated automatically.

The ORION travel advisory system provides freeway congestion information on closed circuit televisions for commuters. Advertising opportunities may be available as well as using the system for public service announcements. This system is planned to be installed in the majority of the City's parking facilities.

The skyway signage is designed to provide a consistent directional system of signs to direct frequent and infrequent users to their destinations. This system was developed in partnership with the Minneapolis Downtown Council, and is referred to as the 'Blue Water' system because of the pattern of the sign background.

The "P" sign program is designed to guide users to public parking locations around Minneapolis, both Municipally and privately owned. These signs are installed in the public right-of-way, and Parking Services coordinates the installation and maintenance of these signs, as well as managing the leasing

of these signs to the private sector. There are currently over 50 of these signs installed , mainly around downtown.

**City of Minneapolis
Municipal Parking Fund
Financial Plan
Wayfinding program**

	2003 Budget	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast	2008 Forecast
Revenue						
Charges for Service, Sales & Permits (Trans)	-					
Add'l Fees Collected						
Total	-	-	-	-	-	-
Expenditures						
Maintenance Expenses		5,000	6,000	7,000	8,000	
Sign Purchase and Installation	-	200,000	150,000	120,000	130,000	
Total	-	205,000	156,000	127,000	138,000	-
Fund Margin						
TAD (State Owned) Ramps	-					
City Ramps and Lots	-	(205,000)	(156,000)	(127,000)	(138,000)	-
Total	-	(205,000)	(156,000)	(127,000)	(138,000)	-

V. Greater oversight and analysis of parking system through increasing staffing levels

The Minneapolis' parking system has grown significantly over the past 20 years, from 3,504 spaces in 1980 to 24,586 spaces (including ramps and lots, but excluding metered spaces) in 2002. Managing a parking system of this size requires an appropriate number of staff with specific analytical and engineering expertise. In order to properly manage the system and reduce operating risks, Parking Services proposes adding six new staff positions: One (1) Assistant Manager of Ramps and Lots; One (1) Engineer II; One (1) Engineer I; and Three (3) Parking System Analysts.

A number of the benefits to be derived from additional personnel are detailed below:

Fiduciary

- Ability to increase the frequency and scope of review and audits of cash handling methods (operator) thereby reducing the probability of theft and the severity of any thefts that might occur
- Ability to more thoroughly monitor the City's parking operator to insure the City's investment is being adequately protected
- Ability to perform more timely and thorough analysis of proposed or implemented rate changes (on street and off-street) to determine the economic impacts on such factors as facility utilization, user migration to less expensive City owned facilities, user migration to private facilities and overcrowding effect on City owned facilities from user migration
- Ability to analyze new revenue control technology and assess the potential economic benefit of new technology resulting from such factors as increased utilization, increased customer satisfaction and decreased operating costs

- Ability to standardize the contract and lease management program

Security

- Ability to increase the frequency and scope of review and audits of security procedures (operator) thereby reducing the probability and severity of any security incidents relating to customers, customer property, City property or City equipment
- Ability to analyze new security technology and assess the potential economic benefit of new technology resulting from such factors as increased utilization (due to increase in customer comfort level) and decreased operating costs

Maintenance

- Ability to increase the frequency and scope of facility maintenance reviews thereby reducing the frequency and duration of ramp closures (floors/sections) thereby reducing the corresponding revenue loss and high repair bills associated with these closures

The table below demonstrates that the number of staff have not kept up with the expansion of the parking system over the past 20 years. It is also important to note that primary responsibility for the Impound Lot was shifted from Transportation "Operations" to Parking Services in 1999 and primary responsibility for parking meter system management was shifted from Transportation "Operations" to Parking Services in 2000.

Year Ending	Parking Spaces	Square Footage	# of Staff
1980	3,504	1,083,000	2
1990	13,556	4,754,000	3
2002	22,933	8,065,750	7

In recommending additional staff to provide greater management and oversight of the parking system, Parking Services suggests following the model of 1 parking analyst per 5000 spaces (including ramps, lots and on-street.) There are approximately 32,000 spaces in the parking system (including metered spaces), therefore necessitating 6 parking analysts. (See Workforce Plan on page x for additional information as to functions.)

Position	Base Salary	Benefits	Total Salary w/Benefits	Positions Requested	Total Cost
Engineer II	50,844	15,860	66,704	1	66,704
Engineer I	40,170	14,344	54,514	1	54,514
Asst. Manager Ramps & Lots	45,610	15,120	60,730	1	60,730
Parking Systems Analyst	42,364	14,648	57,012	3	171,036
				Total 2003	352,984

Assumes positions starting at Step 1

**City of Minneapolis
Municipal Parking Fund
Financial Plan
Greater Oversight and Analysis**

	2003 Budget	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast	2008 Forecast
Revenue						
Charges for Service, Sales & Permits (Trans)	-					
Total	-	-	-	-	-	-
Expenditures						
(1) Wages and Salaries	352,984	393,366	423,154	456,015	492,819	531,086
Total	352,984	393,366	423,154	456,015	492,819	531,086
Fund Margin						
TAD (State Owned) Ramps	-					
City Ramps and Lots	(352,984)	(393,366)	(423,154)	(456,015)	(492,819)	(531,086)
Total	(352,984)	(393,366)	(423,154)	(456,015)	(492,819)	(531,086)

(1) Already part of base budget, not included in summary

Office Occupancy program

Although the proposed 2002 Office Occupancy Program was not approved by the City Council in the summer of 2002, Parking Services has included the outline of this program as part of the business plan in order to hold it as a potential future tool if economic conditions downtown deem it necessary.

The Office Occupancy Program is intended to encourage greater use of Municipal Parking Ramps and alleviate some of the high office vacancy rates currently found in the City. Very broadly, the Office Occupancy Program targets businesses considering relocating in Minneapolis and is modeled after the Downtown Office Occupancy Program initiated in 1993. As with the first program, this effort provides businesses new to Minneapolis and its downtown less expensive parking than is normally available in Municipal Ramps. To qualify for rate reductions the businesses must move downtown and lease property for no less than three years. Their reduced parking rates are gradually scaled up over three years after which time the business pays regular monthly rates. The Office Occupancy Program is meant to be simple and keep paperwork to a minimum. It is an understandable tool usable by leasing agents and property owners in promoting the downtown.

If the Office Occupancy Program were to be utilized in the future, Parking Services would develop specific criteria tailored to the City's needs at that time. These criteria would be brought to the City Council and Mayor for review and approval.

**City of Minneapolis
Municipal Parking Fund
Financial Plan
Office Occupancy Program**

	2003 Budget	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast	2008 Forecast
Revenue						
Charges for Service, Sales & Permits (Trans)	-	450,000	598,500	795,960	960,000	990,000
Total	-	450,000	598,500	795,960	960,000	990,000
Expenditures						
Wages & Fringes for Counting Facility .5FTE	-				28,000	29,000
Total	-	-	-	-	28,000	29,000
Fund Margin						
TAD (State Owned) Ramps	-					
City Ramps and Lots	-	450,000	598,500	795,960	932,000	961,000
Total	-	450,000	598,500	795,960	932,000	961,000

VI. TAD ride-share occupancy program

Parking Services currently is working with MNDOT representatives to improve the ride-share occupancy program in the TAD garages. Proposed changes include elimination of the drop-off provision, establishing a marketing team, and adjusting rates.

Elimination of the Drop-Off Provision

- Proposed effective date is April 1, 2003. Carpoolers must now enter the garage with at least two people.
- Carpoolers would still be allowed to enter garages off City street entrances, but through specially designated lanes.
- Courtesy downtown zone bus passes will be available to all contract parkers in the TAD Garages
- Courtesy passes would be valid to and from downtown local workplace
- Data collected at entry both electronically and manually to prove compliance
- Data compiled and reviewed on a weekly basis
- Enforcement will occur by staffing vehicle entry lanes during the first 12 weeks after implementation
- Enforcement activities will take place weekdays during the initial 12 week period. After this period the schedule will be reviewed and modified based on results
- Penalties for non-compliance – registered carpoolers will be required to pay the all day rate whenever they enter the garage without their passengers during the enforcement times
- Application for exceptions to the drop off rule will be reviewed on a case by case basis
- Modify lease agreements to formalize changes customers renewal dates. Enforcement will begin effective April 1, 2003

Future options could include:

- Carpools enter through special designated lane
- Electronic enforcement could include video records, fingerprint I.D., iris scans and drivers license/I.D. card verification

- Customer accessible internet account management and tracking
- Bus passes, rider verification, applications etc... could be issued or processed via new multi-functional kiosks

Establish a Marketing Team

- Establish a marketing team consisting of City, Commuter Services and MNDOT representatives
- Determine/implement best communication and advertisement strategies for regular or ongoing promotional activities

Future Marketing Options could include

- Develop a kiosk system internal to the garages to issue bus passes, rider verification or parking applications, etc...
- Could implement a consumer interactive web site
- Consider expanding program to include other public or private facilities

Adjusting rates

- Current carpool rates of \$40.00 per month will be reduced to \$20.00 per month
- Current bus rates are \$60.00 to \$90.00 during peak usage and lower carpool rates would be incentive to drive versus taking the bus
- People that ride bikes pay to use City bike lockers
- People are willing to pay for carpooling to offset costs of the program
- Registered van pools of five or more should be free – driver permitted to enter alone
- Lift the restriction on the number of I-94 East bound carpools at TAD 4 from 100 to unlimited

Future rate options include:

- Offer further discounted carpool rates to carpools of 3 or more
- Open Carpool availability to western suburbs
- Add more carpool availability in public and private ramps

**City of Minneapolis
Municipal Parking Fund
Financial Plan
TAD Ride Share Occupany Program**

	2003 Budget	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast	2008 Forecast
Revenue						
Tad Revenue decrease assuming 0% carpool increase	(533,071)	(554,394)	(576,570)	(599,632)	(623,618)	(648,562)
Total	(533,071)	(554,394)	(576,570)	(599,632)	(623,618)	(648,562)
Expenditures						
Wages and Salaries (State Ramps)	-	-	-	-	-	-
Contractual Services (State)	189,210	244,518	254,300	264,472	275,050	286,053
Operating Expenses (State hardware and equipment)	37,360	13,814	14,367	14,942	15,540	16,160
Total	226,570	258,332	268,667	279,414	290,590	302,213
Fund Margin						
TAD (State Owned) Ramps	(759,641)	(812,726)	(845,237)	(879,046)	(914,208)	(950,775)
City Ramps and Lots	-	-	-	-	-	-
Total	(759,641)	(812,726)	(845,237)	(879,046)	(914,208)	(950,775)

VII. Plan for inspection, maintenance, and equipment replacement with Property Services and MPI (in refinement stages—immediate, short term, and long-term needs)

**City of Minneapolis
Municipal Parking Fund
Financial Plan
State Infrastructure Maintenance Plan**

	2003 Budget	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast	2008 Forecast
Revenue						
Charges for Service, Sales & Permits (Trans)	-					
Total	-	-	-	-	-	-
Expenditures						
Contractual Services (5000) City	-	781,005	781,005	781,005	781,005	781,005
Total	-	781,005	781,005	781,005	781,005	781,005
Fund Margin						
TAD (State Owned) Ramps	-	(781,005)	(781,005)	(781,005)	(781,005)	(781,005)
City Ramps and Lots	-					
Total	-	(781,005)	(781,005)	(781,005)	(781,005)	(781,005)

**City of Minneapolis
Municipal Parking Fund
Financial Plan
City Infrastructure Maintenance Plan**

	2003 Budget	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast	2008 Forecast
Revenue						
Charges for Service, Sales & Permits (Trans)	-					
Total	-	-	-	-	-	-
Expenditures						
Contractual Services (5000) City	-	2,531,349	2,531,349	2,531,349	2,531,349	2,531,349
Total	-	2,531,349	2,531,349	2,531,349	2,531,349	2,531,349
Fund Margin						
TAD (State Owned) Ramps	-					
City Ramps and Lots	-	(2,531,349)	(2,531,349)	(2,531,349)	(2,531,349)	(2,531,349)
Total	-	(2,531,349)	(2,531,349)	(2,531,349)	(2,531,349)	(2,531,349)

VIII. Satisfying future parking and transportation needs

The following tables outlines the new parking ramps that are planned over the next five years. In addition, possible ramps, which have been discussed, and may or may not be constructed, also are shown.

Future Additional Parking Ramps

Name	Projected Opening	Parking Spaces	Square Footage
Planned Ramps			
Walker Art Center	2003	700	245,000
11 th and Harmon*	2003	615	215,250
Brighton / Heritage Ctr	2003-4	500	122,500
Village Green**	2004	350	122,500
Guthrie/Parcel E	2005-7	1000	350,000
SUBTOTAL		3,165	1,055,250
Possible Ramps			
48th & Chicago	2003	250	87,500
Swedish Institute	2003	400	140,000
North Loop	2005	1800	630,000
Ritz/Powers Block	2005	1600	600,000
Great Lakes Center	2005	1200	420,000
DT South Distributor	2005	800	280,000
Lake and Nicollet	2006	400	140,000
Stadium Related - Twins	2007	1000	350,000
DT East Distributor	2008	2000	700,000
Stadium Related - Vikings	2009	1500	500,000
SUBTOTAL		10,950	3,847,500
TOTAL		14,115	4,902,750

*City will operate, but will not own

**Not included in total -- City will not own or operate, but Parking Services is working on the land sale and redevelopment agreement

City of Minneapolis Municipal Parking Fund Financial Plan Future Parking & Transportation Needs

	2003 Budget	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast	2008 Forecast
Revenue						
Charges for Service, Sales & Permits (Trans)	-					
Total	-	-	-	-	-	-
Expenditures						
Wages and Salaries	-	45,000	45,000	55,000	55,000	65,000
Supplies	-	5,000	5,000	5,000	5,000	5,000
Total	-	50,000	50,000	60,000	60,000	70,000
Fund Margin						
TAD (State Owned) Ramps	-					
City Ramps and Lots	-	(50,000)	(50,000)	(60,000)	(60,000)	(70,000)
Total	-	(50,000)	(50,000)	(60,000)	(60,000)	(70,000)

IX. Parking Meter Management Plan

Following the 2000-02 meter study and usage surveys, Parking Services has identified the following on-street system issues that need to be addressed

1. There exists a serious lack of turnover at the downtown core parking meters. 2. At any given time, the majority of occupied parking meters in the downtown core are expired, indicating non-payment or over time use. 3. There is a growing lack of respect for the enforcement of the meter system as evidenced by the quantity of expired meters. 4. An undetermined number of vehicles with disability designation are being operated by ineligible drivers, who are using parking meter spaces for free. 5. A large percentage (50%) of downtown core meters are occupied all day, free of charge, legally by vehicles with disabled designation (license plates or certificates) greatly impacting turnover of spaces in the core. Free use of parking meters by others (emergency service vehicles, commercial vehicles, and city vehicles) needs to be reviewed. 7. Parking meter turnover and therefore revenue is not maximized by current policies.

In order to address these issues, the Parking Meter Management Plan includes the following recommendations:

- 1) Increase and maintain a high level of general parking meter enforcement by balancing personnel levels with enforcement required.
- 2) Increase enforcement targeted at abuse of disability privileges by ineligible individuals.
 - a. Secure and utilize State of Minnesota Criminal Justice Information System (CJIS) data on disability permit holders;
 - b. Establish a Disability Volunteers Assistance Program to help monitor areas of known disability permit abuse and provide notification to appropriate enforcement personnel;
 - c. Expand the abilities of the new ticket writer equipment to improve the efficiency of enforcement techniques;
 - d. Adopt a City Council resolution requesting that the Minnesota Department of Public Safety (MDPS) review and tighten the current policies/procedures for issuance and enforcement of disability parking certificates.
- 3) Eliminate the current legal practice of all-day free parking at meters by operators of vehicles with disability license plates or certificates;
 - a. Continue to allow free use of one and two hour limit meters by eligible individuals with appropriate disability designations, subject to a maximum limit of four hours;
 - b. Set up a program to allow eligible disabled persons to utilize the designated disability parking spaces in Municipal Parking lots and ramps, on a monthly basis, for a fee equal to 50% of the actual monthly contract rate. Regular rates would apply to non-contract short-term disability users. The city will encourage private sector parking operators to adopt a similar policy;
 - c. Establish a fee based permit process to allow a limited number of "severely disabled" individuals to obtain a special parking permit to utilize parking meters under unique circumstances for all day use;
 - d. Develop a public information plan to educate the public on existing regulations and new law changes regarding legal disability use of parking spaces at meters or in lots and ramps.
- 4) Increase the level of enforcement of the 30-minute limit provided for free commercial vehicle use (until noon) of the parking meters.
- 5) Eliminate the free use of parking meters by emergency service vehicles (unless responding to an actual incident) and city vehicles (unless by special permit).
- 6) Improve the use of parking meter technical capabilities:
 - a. Utilize multiple rates in selected meter areas.

- b. Utilize multiple time limits in selected meter areas
 - c. Expand debit card use and applications
 - d. Utilize electronic monitoring capabilities
 - i. Determine actual usage of individual meters
 - ii. Identify usage trends/patterns by individual meter or by area
 - iii. Improve revenue control monitoring
 - iv. Improve ability to develop accurate revenue projections under varied scenarios
- 7) Conduct annual parking meter system reviews
- a. Expand parking meter system into high demand outlying areas
 - b. Increase parking meters rates to encourage turnover and maintain the proper balance with off-street parking facilities
 - c. Extend the hours/days of enforcement at those existing meter locations where parking demand continues into the evening or weekends.

**City of Minneapolis
Municipal Parking Fund
Financial Plan
Parking Meter Management Plan**

	2003 Budget	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast	2008 Forecast
Revenue						
Additional Meter Rev: Ext hours,days		400,000	400,000	400,000	400,000	400,000
Disability Time Limit		324,500	324,500	324,500	324,500	324,500
New Discounted Parking		74,250	75,735	77,250	78,795	80,371
Revenue loss from customers		(49,500)	(49,500)	(49,500)	(49,500)	(49,500)
Total	-	749,250	750,735	752,250	753,795	755,371
Expenditures						
Operating Expenses (hardware and equipment)	-	69,300	9,000	9,000	9,000	9,000
Total	-	69,300	9,000	9,000	9,000	9,000
Fund Margin						
TAD (State Owned) Ramps	-					
City Ramps and Lots	-	679,950	741,735	743,250	744,795	746,371
Total	-	679,950	741,735	743,250	744,795	746,371

X. Technology and Space improvements at the Impound Lot

Vehicle Inventory System:

The Impound Lot's current vehicle inventory system does not allow for efficient tracking of vehicles. It is both labor and paper intensive, is questionable in terms of accuracy, and has limited capabilities for back up. In addition to enhancing efficiency of operations, updating the vehicle inventory system will allow for better customer service. Currently customers call in to determine whether or not their vehicle is at the Impound Lot. Due to the time required to enter the information into the system, the operator is not able to provide real time information. Updating the system would not only allow for the operator to answer a customer's questions over the phone, but could allow a customer to access the information via the internet.

Updating the vehicle inventory system will require connection to the fiber optic backbone or investment in wireless technology, therefore impacting the timing of possible implementation.

**City of Minneapolis
Municipal Parking Fund
Financial Plan
Impound Lot Vehicle Inventory System**

	2003 Budget	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast	2008 Forecast
Revenue						
Storage rate increase of \$1 day	-	33,000	33,000	33,000	33,000	33,000
Total	-	33,000	33,000	33,000	33,000	33,000
Expenditures						
Ongoing Maintenance	-		10,000	10,000	10,000	10,000
Computer Inventory System	-	175,000	0	0		
Total	-	175,000	10,000	10,000	10,000	10,000
Fund Margin						
TAD (State Owned) Ramps	-					
City Ramps and Lots	-	(142,000)	23,000	23,000	23,000	23,000
Total	-	(142,000)	23,000	23,000	23,000	23,000

Space Improvements:

In addition to technology improvements at the impound lot, physical space improvements also are planned, including necessary upgrades to the waiting room, restrooms, storage, and HVAC system. Before commitments to these investments are made, the discussion regarding whether to move the impound lot must be resolved.

**City of Minneapolis
Municipal Parking Fund
Financial Plan
Impound Lot Remodeling**

	2003 Budget	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast	2008 Forecast
Revenue						
Storage rate increase of \$4 day	-	130,000	130,000	130,000	130,000	130,000
Total	-	130,000	130,000	130,000	130,000	130,000
Expenditures						
Remodel Structure	-	650,000	-	-	-	-
Total	-	650,000	-	-	-	-
Fund Margin						
TAD (State Owned) Ramps	-					
City Ramps and Lots	-	(520,000)	130,000	130,000	130,000	130,000
Total	-	(520,000)	130,000	130,000	130,000	130,000

XI. DT Circulator –Operated by MetroTransit; funded by parking fund

The purpose of the Downtown Circulator is to distribute LRT riders; enhance Downtown retail activity; help integrate the Convention Center with Downtown; and serve Downtown worker midday activities, Downtown residents, tourists, and evening entertainment destinations. The Circulator is considered to be part of an integrated regional transportation system in Downtown that complements LRT, regular route bus service, and the skyway system.

An important purpose of the Circulator is to collect and distribute LRT riders by providing north-south connections along the Mall serving the Bus Terminal, LRT, Orchestra Hall, and the Convention Center and along Hennepin Ave in the evening to serve the Entertainment District. A southbound Circulator bus will be waiting on the Nicollet Mall in a bus pullout on the north side of 5th St from 5 AM to 7 PM every day to meet each inbound train. A southbound Circulator bus will be waiting in a bus pullout on the south side of 5th St on Hennepin Ave from 7 PM to 9 PM every day to meet each inbound train. The Circulator schedule after 9 PM will be adjusted to ensure that the Circulator will deliver its passengers to the Nicollet Mall LRT Station on 5th St prior to the outbound train arriving.

LRT revenue service is scheduled to begin April, 2004. Circulator service is scheduled to begin March 2004. The hours of Circulator service will coincide with the hours of LRT service; now planned for 5 AM to 1 AM every day.

The Downtown Circulator is proposed to operate two ways on the Nicollet Mall during daytime hours, (5 AM to 7 PM). There will be a 12th St - 2nd Av. - Grant loop on the south end to serve the Convention Center, hotels, and housing; and a 3rd St - Hennepin - Washington Nicollet Mall loop on the north to serve existing bus stops and to return to the southbound movement. During the evening hours, (7 PM to 1 AM), the route is modified to also serve the Entertainment Area along Hennepin Ave. The north loop is eliminated and the Circulator continues west on 3rd St to Hennepin, then south on Hennepin Av. to 12th St, then east on 12th St to tie into the south loop at the Mall.

The proposed fleet will consist of eight Circulator buses; three hybrid diesel-electric buses and five “clean diesel” buses, modified to use ultra-low sulfur fuel. Both the exteriors and the interiors of these Circulator buses will be essentially identical. Metro Council will provide the local matching funds and hold title to the buses.

**City of Minneapolis
Municipal Parking Fund
Financial Plan
Downtown Circulator (Premature: Pending Agreements)**

	2003 Budget	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast	2008 Forecast
Revenue						
Charges for Service, Sales & Permits (Trans)	-					
Charges for Service, Sales & Permits (State)						
Local Business Contribution (Reimburse City Exp)	-					
Total	-	-	-	-	-	-
Expenditures						
Wages and Salaries Savings (City Ramps)						
Contractual Services (City)						
Operating Expenses (City hardware and equipment)	-		-	-		
Wages and Salaries Savings (State Ramps)						
Contractual Services (State)						
Operating Expenses (State hardware and equipment)						
Total	-	-	-	-	-	-
Fund Margin						
TAD (State Owned) Ramps	-					
City Ramps and Lots	-	-	-	-	-	-
Total	-	-	-	-	-	-

XII. Explore possible ramp sales and/or purchases

In 1999 Minneapolis Transportation and Parking Services Division in conjunction with the Minneapolis Finance Department explored the viability of selling the Municipal Parking System under a number of sale/lease back options. Although the end results produced a much smaller than expected dollar figure and was determined not to be in the best interest of the City, it did open the question as to the possibility of the sale of one of the Municipal Ramps. In 2000, Transportation and Parking Services began to make inquires as to any interest in the purchase of a municipal ramp.

The process started with determining which of the Municipal Ramps were potential candidates. To this end Parking Services developed the following criteria:

1. That there are no restrictions or laws prohibiting the sale of a/the Municipal Ramp
2. That all construction/developmental agreements (REOA) be maintained by the potential buyer.
3. The ramp should be debt free.
4. The public purpose of the ramp should have been met.
5. The sale of the ramp would not have a negative impact on the Municipal Parking System.

Based on these issues, the first ramp considered was Seven Corners. This ramp while meeting the above criteria also had potential buyers in the immediate area: the University of Minnesota and the Holiday Inn. Parking Services made inquires of the U of M and they expressed interest. The hotel also called asking to be included in any discussion regarding the sale of the ramp.

Through word of mouth, Parking Services also received calls from a number of private parking companies/operators that expressed interest in this ramp. Based on their suggestion that more ramps

may be of interest, the list was expanded to include: St. Anthony; Centre Village and the Loring Ramps. Over the last year, three companies have done a preliminary review of these four (4) ramps and have sent letters of interest to purchase, in combinations of one or more, these four ramps. Because of the large interest in these ramps and in an effort to maximize the potential revenue we are considering a sealed bid option with a minimum asking price.

Challenges to implementation include possible legal restrictions:

- The ability of the City to sell a parking ramp financed with municipal revenue bonds unless the bonds are callable and can be redeemed using the proceeds of the sale if any debt is still outstanding.
- Many of the City parking ramp properties are encumbered by restrictions, easements and covenants as to use. The relevant real estate documents must be reviewed with respect to these properties to determine whether the City is free to sell such properties without restriction.
- Minneapolis Code § 22.160 provides that the proceeds of a sale must be placed in the permanent improvement fund of the City. The same provision is also found in § 14.120 of the Code quoted above. Thus, the proceeds can only be used for capital improvements and not for current expenses.

City of Minneapolis Municipal Parking Fund Financial Plan Explore Possible Ramp Sale						
	2003 Budget	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast	2008 Forecast
Revenue						
Loring: Net Revenue Lost from Operations		(1,234,476)	(1,259,166)	(1,284,349)	(1,310,036)	(1,336,237)
(2) Loring: Proceeds from Sale		14,326,650				
Centre Village: Net Revenue Lost from Operations		(1,114,234)	(1,136,519)	(1,159,249)	(1,182,434)	(1,206,083)
(1) (2) Centre Village: Proceeds from Sale		11,391,400				
St. Anthony: Net Revenue Lost from Operations		(35,393)	(36,101)	(36,823)	(37,559)	(38,310)
(3) St. Anthony: Proceeds from Sale		1,000,000				
Seven Corners: Net Revenue Lost from Operations		(712,680)	(726,934)	(741,472)	(756,302)	(771,428)
(2) Seven Corners: Proceeds from Sale		4,731,738				
Federal Courts: Net Revenue Lost from Operations		(25,119)	(25,621)	(26,133)	(26,656)	(27,189)
(1) (3) Federal Courts: Proceeds from Sale		13,500,000				
Total	-	41,827,886	(3,184,341)	(3,248,026)	(3,312,987)	(3,379,247)
Expenditures						
Wages and Salaries Savings (City Ramps)	-					
Total	-	-	-	-	-	-
Fund Margin						
TAD (State Owned) Ramps	-					
City Ramps and Lots	-	41,827,886	(3,184,341)	(3,248,026)	(3,312,987)	(3,379,247)
Total	-	41,827,886	(3,184,341)	(3,248,026)	(3,312,987)	(3,379,247)

- (1) Tax Exempt Bonds Outstanding
(2) Based on a 8% Cap Rate and 2001 Operatin Income without Depreciation
(3) Based on estimated cost basis

XIII. Auction Vehicle Contents Separately

The current practice for vehicle auction is to sell a vehicle with its contents as a package. Contents could include golf clubs, tools or any other items in the trunk or passenger area. The proposed initiative is for a third party vendor to pay the City of Minneapolis \$100,000 annually for the contents in all abandoned vehicles, with the exception of any contents that are needed for police evidence.

St. Paul hires a contractor to purchase its vehicle contents. If Minneapolis adopts a similar program it is projected that the price received at auction for vehicles would remain steady and that the sale of vehicle contents would provide additional revenue.

Parking Services would like to test this Initiative on a trial basis, and verify that it is a viable method of dealing with vehicle contents.

City of Minneapolis Municipal Parking Fund Financial Plan Auction Vehicle Contents Separately						
	2003 Budget	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast	2008 Forecast
Revenue						
Charges for Service, Sales & Permits (Trans)	-	100,000	100,000	100,000	100,000	100,000
Total	-	100,000	100,000	100,000	100,000	100,000
Expenditures						
Wages & Fringes	-	-	-	-	-	-
Total	-	-	-	-	-	-
Fund Margin						
TAD (State Owned) Ramps	-	-	-	-	-	-
City Ramps and Lots	-	100,000	100,000	100,000	100,000	100,000
Total	-	100,000	100,000	100,000	100,000	100,000

XIV. Collection of Unpaid Tow and Storage Fees for Abandoned Vehicles

Approximately 10,000 abandoned vehicles are auctioned annually in Minneapolis for a revenue of about \$400,000 annually. The total revenue from sale of abandoned vehicles does not fully recover the annual cost of the tow and storage. The revenue shortfall is estimated at \$3.4 million annually, assuming cars are held for the minimum required 15 days before they are auctioned.

The proposed initiative is to recover the tow and storage costs from vehicle owners by invoicing the vehicle owner. In the event that an owner does not respond, the bill would be sent to a collection agency. The current proposal would be to limit the storage charge to a maximum of 25 days. It is expected that this program could annually generate up to \$4.9 million in recovered costs depending on the percentage of accounts that can be collected on.

Florida and Illinois have passed state legislation for cost recovery of abandoned vehicles and through state processes mostly to the benefit of private towing companies. Maryland, New Hampshire, New York and Vermont are discussing similar future legislation. In our case, the city already has the right to collect for towing and storage, and it simply needs to establish a collection program. If it is found that a system of invoicing and hiring a collection agency results in a high percentage of uncollectable accounts, then legislation changes for other means of collection should be pursued.

In addition to the benefit of cost recovery, enacting this new billing process may result in a reduction of vehicles abandoned on city streets, which translates into less need for towing, less processing at the impound lot and fewer auctioned vehicles.

City of Minneapolis Municipal Parking Fund Financial Plan Impound Lot Abandon Vehicle Billing						
	2003 Budget	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast	2008 Forecast
Revenue						
Charges for Service, Sales & Permits (Trans)	-	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000
Total	-	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000
Expenditures						
Wages and Salaries	-					
Contractual Services						
Supplies	-					
Total	-	-	-	-	-	-
Fund Margin						
TAD (State Owned) Ramps	-					
City Ramps and Lots	-	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000
Total	-	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000

XV. Haaf/Gateway Monthly Parking Conversion

The object of the conversion is to limit the ramps to a single type of parking, either all transient or all monthly. There are several ways that this concept is financially beneficial for the City of Minneapolis.

- I. The cost the City of Minneapolis pays for monthly parking at the Haaf Ramp. Since the Haaf Ramp is more expensive than the Gateway these savings would be immediate. The overall savings per year would be approximately \$63,000.
- II. Payroll savings (in ramp staff) could also be quite substantial. The initial estimate is that having the ramps specialize in transient only or monthly only could save almost \$2200,000 per year in payroll. In one case (monthly only ramp) the cashiering staff could be all but reduced to zero. And the office/bookkeeping staff can be reduced in the other case (transient only).
- III. The actual conversion of the parkers shows a net loss of approximately \$90,000/year. There are several factors not included in this loss. We have not added revenue in possible additional transient parkers and do not fully know the revenue potential per space at the Haaf Ramp.

It should be recommended that a conversion would financially benefit the City of Minneapolis. Taking a middle of the road approach in predicting the overall revenue impact the City of Minneapolis would

benefit by almost \$200,000 per year of \$1,000,000 over the next 5 years. It should also be noted that a partial implementation could also save the City money. This could be done by just moving the City of Minneapolis parking to the lower priced Gateway Ramp and reducing the number of reserved stalls (which can not be resold) in the Haaf Ramp.

**City of Minneapolis
Municipal Parking Fund
Financial Plan
Haaf/Gateway Monthly Parking Conversion**

	2003 Budget	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast	2008 Forecast
Revenue						
Charges for Service, Sales & Permits (Trans)	-					
Total	-	-	-	-	-	-
Expenditures						
Wages and Salaries	-					
Contractual Services		(191,254)	(195,079)	(198,980)	(202,960)	(207,019)
Supplies	-					
Total	-	(191,254)	(195,079)	(198,980)	(202,960)	(207,019)
Fund Margin						
TAD (State Owned) Ramps	-					
City Ramps and Lots	-	191,254	195,079	198,980	202,960	207,019
Total	-	191,254	195,079	198,980	202,960	207,019

ASSESSMENT OF OTHER MODELS OF PROVIDING SERVICE

- Service activity re ramp planning and feasibility analysis -- charge fee for service or have Project mgmt provide service

- Traffic control -- address issues of span of control, why is parking fund paying for this service, yet has no control over their budget.

- Single Source Responsibility – Concept of merging the management of all municipal parking responsibilities into a single agency.

- Utilize multiple parking operators instead of a single vendor.

- Form a Parking Authority separate from City.

- Identify the business or service activity that requires further study
- Outline the issues (for example):
 - Would the department propose to eliminate the service or business altogether or would the City outsource the service or would we expect another entity to provide the service to our customers?
 - Who are the key stakeholders? How will they be impacted?
 - What implications would this change in your business have for the workforce?
 - What are the basic pros and cons and challenges to implementation?
- Outline the scope of review and the timeline for completion (including data gathering, assessment, and options development)
- Identify types of team members for the review

SECTION THREE: RESOURCE PLANS

FINANCE PLAN

WORKFORCE PLAN

TECHNOLOGY PLAN

EQUIPMENT AND SPACE PLAN

FINANCE PLAN

This business plan outlines Key Initiatives (see pages xx-xx), with specific costs related to each proposal. In total, if approved, these initiatives would increase the fund's costs \$1.4 million over the five years of the plan. Decisions on these initiatives should be placed in the context of the overall health and financial commitments of the fund.

Description of the Fund's Current Activity – Pull From Financial Plan

- Revenues – including Convention Center related ramps transfer for debt service
- Expenditures – including level of general fund transfer, the expenditures for licenses (revenue received in general fund)
- Cash Balances/Retained Earnings (City vs. TAD's)
- Debt Service

Financial Policy Issues Related to the Parking Fund (in no particular order)

- Need for criteria for use of ramp revenues:
 - First to debt service
 - Second operating expenses
 - Third to support capital reserve
 - Fourth to support general fund
 - Fifth new ramp developments funded through equity
 - Sixth Other non-parking related expenses (which may include development projects – including Target Center financial plan)
- Level of General Fund transfer – Is it sustainable? Are there other options?
- Establishment of a reserve fund for capital improvements – similar to the Convention Center fund
- Licenses expenditures in the fund – move expenditures back to the general fund, restate the transfer to include these amounts to give a true picture of the level of subsidy to the general fund. If they stay, closer coordination is needed.
- Debt service related decisions:
 - Use of debt financing versus building equity in the fund to pay for new ramps
 - Relationship between development projects which include ramps and where that debt is recorded – currently the debt doesn't get included with the development project and the parking fund carries it (e.g. the 900 Nicollet acquisition debt)
 - Interest savings – when the rate on debt issuance is lower should the premium be available for project cost overruns or for debt service payments
 - Increase debt service payments today (which would decrease general fund transfer) in order to have future increases in general fund transfers. Or the reverse?
- Interest earnings – The general fund currently receives the interest earnings for parking fund (and other enterprise fund) balances. Should this continue
- Financial issues related to the Third Avenue Distributor Ramps
 - Interest earnings are transferred to the general fund
 - Negative cash balances of the City's operations when the TAD's are excluded
 - Target Center Finance Plan

The Effect of Key Initiatives on the Fund's Financial Performance (discussion of the after picture)

**City of Minneapolis
Municipal Parking Fund
Financial Plan (in thousands of dollars)**

	2000 Actual	2001 Actual	2002 Current Budget	2002 Projected	2003 Budget	% Chg from 2002 Budget	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast
Revenue										
Licenses and Permits	170	179	155	-	-	-	-	-	-	-
State Government	-	463	-	-	-	-	-	-	-	-
Charges for Service, Sales & Permits (Trans)	49,125	53,257	59,091	59,892	60,232	-10%	61,437	62,666	63,919	65,197
Charges for Service (Transportation Capital)	-	-	-	180	180	-	184	187	191	195
Charges for Sales	886	1,149	826	-	-	-	-	-	-	-
Special Assessments	145	170	15	15	38	153.3%	39	40	40	41
Interest	25	2	1	-	-	-	-	-	-	-
Gains	132	(39)	-	-	-	-	-	-	-	-
Rents (Transportation)	97	274	18	18	18	-2.8%	18	18	19	19
Other Misc Revenues	45	79	1	-	9	100%	9	10	10	10
Other Misc Revenues (Transportation)	-	-	-	2	2	-	2	2	2	2
Transfers In	12,415	37,125	13,329	17,334	13,806	3.6%	14,520	14,410	14,547	14,750
Proceeds of Long Term Liabilities	30,931	18,673	-	-	-	-	-	-	-	-
Total	93,971	111,332	73,436	77,440	74,285	2	76,209	77,332	78,727	80,214
Expenditures										
Debt Service	18,577	14,286	23,241	27,045	24,149	3.9%	25,086	25,249	27,288	27,678
(4) Transfers	11,472	12,951	12,300	12,305	12,869	4.6%	13,276	13,740	14,002	14,506
Retiree Incentive	14	-	-	-	-	-	-	-	-	-
PW-Transportation	27,223	31,088	34,038	34,390	35,805	5.2%	36,521	37,251	37,996	38,756
Human Resources	-	-	-	-	225	-	230	234	239	244
Finance Department	486	548	498	509	607	21.9%	619	632	644	657
Licenses & Consumer Services	2,006	2,270	2,858	2,858	2,756	-3.6%	2,811	2,867	2,925	2,983
PW-Transportation Capital	32,469	22,341	180	180	180	100%	184	187	191	195
Total	92,247	83,484	73,115	77,287	76,591	1	78,727	80,161	83,285	85,018
(1) Fund Margin										
TAD (State Owned) Ramps	3,410	3,193	3,472	3,472	3,433	(0)	3,502	3,572	3,643	3,716
City Ramps and Lots	(1,686)	24,655	(3,151)	(3,319)	(5,740)	0	(6,020)	(6,400)	(8,201)	(8,520)
(3) Total	1,724	27,848	321	153	(2,307)		(2,518)	(2,829)	(4,558)	(4,804)
(2) Retained Earnings										
TAD (State Owned) Ramps	6,786	9,978	13,451	13,451	16,884	0	20,385	23,957	27,600	31,316
City Parking System	13,157	12,935	14,310	14,142	13,576	(0)	14,034	14,817	16,199	18,352
Total	19,943	22,913	27,761	27,593	30,459		34,419	38,774	43,799	49,668
(5) Cash Balances										
TAD (State Owned) Ramps	7,448	10,640	14,113	14,113	17,546	0	21,048	24,619	28,262	31,978
City System Construction Cash	42,500	16,200	-	-	-	-	-	-	-	-
City System Op Cash w/o Temp Loan	13,042	7,452	4,300	4,132	(1,608)	(0)	(7,627)	(14,028)	(22,228)	(30,748)
Total	62,990	34,292	18,413	18,245	15,938		13,420	10,592	6,034	1,230

Footnotes:

(1) Fund Margin does not include depreciation or impact of all arbitrage funds, but does include principal paid on bonds. (Represent more of a sources and uses statement rather than an audited Net Income statement)

(2) Income statement was not available for projections, so the modified fund margin was used to compute retained earning to reflect the adjustment for depreciation expense and principal paid on bonds.

(3) 2003-6 Revenue and expense projections are based on 2% increases

(4) 2003-6 General fund transfers have an annual 3% increase

(5) Cash balances above are the actual without the yearend loan

**City of Minneapolis
Municipal Parking Fund
Financial Plan (in thousands of dollars)**

	2000	2001	2002		2003	% Chg	2004	2005	2006	2007
	Actual	Actual	Current	2002	Budget	from 2002	Forecast	Forecast	Forecast	Forecast
			Budget	Projected		Budget				
Revenue										
Licenses and Permits	170	179	155	-	-	-	-	-	-	-
State Government	-	463	-	-	-	-	-	-	-	-
Charges for Service, Sales & Permits (Trans)	49,125	53,257	59,091	59,892	59,709	-10%	61,706	63,201	64,657	66,094
Charges for Service (Transportation Capital)	-	-	-	180	180	-	184	187	191	195
Charges for Sales	886	1,149	826	-	-	-	-	-	-	-
Special Assessments	145	170	15	15	38	153.3%	39	40	40	41
Interest	25	2	1	-	-	-	-	-	-	-
Gains	132	(39)	-	-	-	-	-	-	-	-
Rents (Transportation)	97	274	18	18	18	-2.8%	18	18	19	19
Other Misc Revenues	45	79	1	-	9	100%	9	10	10	10
Other Misc Revenues (Transportation)	-	-	-	2	2	-	2	2	2	2
Transfers In	12,415	37,125	13,329	17,334	13,806	3.6%	14,520	14,410	14,547	14,750
Proceeds of Long Term Liabilities	30,931	18,673	-	-	-	-	-	-	-	-
Total	93,971	111,332	73,436	77,440	73,762	2	76,478	77,868	79,465	81,111
Expenditures										
Debt Service	18,577	14,286	23,241	27,045	24,149	3.9%	25,086	25,249	27,288	27,678
(4) Transfers	11,472	12,951	12,300	12,305	12,869	4.6%	13,276	13,740	14,002	14,506
Retiree Incentive	14	-	-	-	-	-	-	-	-	-
PW-Transportation	27,223	31,088	34,038	34,390	36,212	6.4%	38,108	37,483	38,031	38,113
Human Resources	-	-	-	-	225	-	230	234	239	244
Finance Department	486	548	498	509	607	21.9%	619	632	644	657
Licenses & Consumer Services	2,006	2,270	2,858	2,858	2,756	-3.6%	2,811	2,867	2,925	2,983
PW-Transportation Capital	32,469	22,341	180	180	180	100%	184	187	191	195
Total	92,247	83,484	73,115	77,287	76,999	1	80,314	80,393	83,320	84,375
(1) Fund Margin										
TAD (State Owned) Ramps	3,410	3,193	3,472	3,472	2,673	(0)	2,689	2,726	2,764	2,802
City Ramps and Lots	(1,686)	24,655	(3,151)	(3,319)	(5,910)	0	(6,525)	(5,252)	(6,619)	(6,066)
(3) Total	1,724	27,848	321	153	(3,237)		(3,837)	(2,525)	(3,855)	(3,264)
(2) Retained Earnings										
TAD (State Owned) Ramps	6,786	9,978	13,451	13,451	16,124	0	18,813	21,539	24,304	27,105
City Parking System	13,157	12,935	14,310	14,142	13,405	(0)	13,357	15,289	18,252	22,859
Total	19,943	22,913	27,761	27,593	29,529		32,170	36,828	42,556	49,965
(5) Cash Balances										
TAD (State Owned) Ramps	7,448	10,640	14,113	14,113	16,786	0	19,475	22,202	24,966	27,768
City System Construction Cash	42,500	16,200	-	-	-	-	-	-	-	-
City System Op Cash w/o Temp Loan	13,042	7,452	4,300	4,132	(1,778)	(0)	(8,304)	(13,556)	(20,175)	(26,241)
Total	62,990	34,292	18,413	18,245	15,008		11,171	8,646	4,791	1,526

Footnotes:

(1) Fund Margin does not include depreciation or impact of all arbitrage funds, but does include principal paid on bonds. (Represent more of a sources and uses statement rather than an audited Net Income statement)

(2) Income statement was not available for projections, so the modified fund margin was used to compute retained earnings to reflect the adjustment for depreciation expense and principal paid on bonds.

(3) 2003-6 Revenue and expense projections are based on 2% increases

(4) 2003-6 General fund transfers have an annual 3% increase

(5) Cash balances above are the actual without the yearend loan

WORKFORCE PLAN

Discuss additional needs for this section with Chuck Bernardy.

ENGINEER II (on-street):

The on street Engineer II will review use of the City street system and coordinate with City and outside agencies to manage, enhance, develop and expand the programs and systems related to curb space management including the parking meter system, residential parking zones, paid zones and the commercial vehicle permit program.

Operational Responsibilities

- Monitor parking meter performance in order to optimize number installed, locations, hours of operation and time limits for the purpose of maximizing usage and optimizing revenues
- Conduct studies to determine the impact of rate changes on usage and revenues
- Manage downtown curb space (loading zones, rush hour parking restrictions, no parking zones) to maximize the functionality of these areas
- Manage downtown curb space to minimize the impact on 'lost' revenues
- Oversee operation of the "residential" parking program to insure efficiency and effectiveness
- Oversee operation of the paid zone (loading, valet, etc.) and commercial vehicle permit programs to insure efficiency and effectiveness
- Develop systems and procedures to fully utilize the internal reporting capabilities (usage, revenue, maintenance history) of the electronic parking meters
- Review and expand development of the parking card program to decrease expenses and increase revenues and customer convenience
- Liaison with City off-street parking engineers to continually review the relationship between on-street and off-street parking
- Liaison with City traffic engineers to continually review the relationship between on-street parking and traffic flow

Development Responsibilities

- Evaluate new on-street parking technologies
- Evaluate new on street customer payment methods
- Evaluate the impact of on-street parking (location, rates) on alternative transportation modes
- Liaison with LRT staff to coordinate LRT activities with curb space management
- Evaluate the impact of the LRT project on current and future on-street parking

ENGINEER I (off-street)

The off-street Engineer I will provide assistance and support to the Engineer II (off-street) related to the management, enhancement, development and expansion of the Municipal Parking System.

Operational Responsibilities

- Coordinate the daily maintenance tasks of parking facilities with the facilities manager
- Schedule maintenance activities to minimize impact on the downtown business community and parking patrons
- Coordinate the annual structural certification process with the Department of Inspections
- Develop bid specifications for consulting, engineering and mechanical services utilized in the maintenance of parking facilities

- Develop bid specifications for City purchased materials and equipment utilized in the maintenance of parking facilities
- Insure all maintenance procedures necessary to maintain the investment in each facility are performed
- Design and oversee all repairs or remodeling including structural, mechanical, and electrical
- Develop bid specifications for improvements to parking facilities relating to energy management, data communication and security systems
- Develop bid specifications for mechanical retrofits and remodeling to insure code compliance (i.e. ADA)
- Maintain all plans, drawings, maintenance records and repair records

Development Responsibilities

- Test and analyze new revenue control and security systems for potential incorporation in to new ramps, skyways and tunnels
- Develop standards for new facilities relating to maintenance, revenue control and security systems
- Provide plan review assistance in the design (architectural, structural, mechanical) of new facilities
- Provide plan review assistance in the design of security systems for new facilities
- Provide construction oversight for new ramps, skyways and tunnels

ASSISTANT MANAGER - Ramps and Lots

The Assistant Manager will assist the Manager with day to day operations of all parking ramps and lots within the Municipal Parking System. In addition, the Assistant Manager will have primary responsibility for overseeing management and operation of the Impound Lot.

Operational Responsibilities

- Assist in developing, implementing and maintaining revenue control processes and procedures
- Assist in developing, implementing and maintaining security processes and procedures
- Assist in developing and implementing programs to oversee parking facility managers
- Evaluate, negotiate and monitor contracts
- Design and manage policies and procedures for Impounded City property
- Oversee the management, operations and maintenance of the City Impound Lot
- Design, implement and monitor City council mandated programs
- Manage procurement of all supplies and equipment
- Manage the City towing contract
- Work with the Police Department on policies and procedures regarding the Impound Lot

Development Responsibilities

- Perform feasibility analysis for future sites/facilities
- Design policies and procedures for operation of new facilities
- Conduct new facility acceptance testing
- Establish goals for future systems development
- Assist in evaluating new revenue control technologies (hardware and software)
- Assist in evaluating new security technologies
- Assist in evaluating the impact of facilities (location, design, rates) on alternative transportation modes
- Assist in evaluating the impact of the LRT project on current and future facilities
- Evaluate and report on parking facilities and Impound Lot trends
- Perform best practices analysis for Parking System and Impound Lot functionality

PARKING SYSTEMS ANALYSTS

The Parking System Analyst (PSA) will work under the direction of their respective manager to enhance, develop, and implement revenue control policies, procedures and controls and to analyze current operating data. Each PSA will be assigned specific facilities, thereby increasing familiarity with these facilities resulting in the ability for more detailed review and development of operational and financial controls that may be facility specific.

Operational Responsibilities

- Evaluate and review parking rates using supply and demand factors, market conditions, area micro-economics
- Recommend rate changes that will optimize revenues
- Evaluate parking operator revenue and expenses
- Benchmark revenues and expenses for each facility within their group to all facilities within the system
- Analyze, modify develop and implement manual and computerized revenue controls
- Analyze, revise, interpret and report on operational and financial data provided by the parking operators
- Analyze, revise, interpret and report on financial data provide by the revenue control systems
- Coordinate monthly computerized reports comparing the City's and parking operators monthly statements
- Develop and implement statistical procedures and reporting pertaining to parking utilization, financial auditing and equipment performance
- Perform spot audits of the financial policies, procedures and controls utilized by parking operators
- Liaison with parking operators to enhance, improve or develop policy or procedural changes
- Assist with the preparation of agreements between the City and private contractors or governmental/municipal agencies

Development Responsibilities

- Assist managers with evaluation of new revenue control technologies
- Develop policies, procedures and controls for new revenue control technologies (new facilities, retrofits) that will safeguard the City's revenues

2003

Position	Base Salary	Benefits	Total Salary w/Benefits	Positions Requested	Total Cost
Engineer II	50,844	15,860	66,704	1	66,704
Engineer I	40,170	14,344	54,514	1	54,514
Asst. Manager Ramps & Lots	45,610	15,120	60,730	1	60,730
Parking Systems Analyst	42,364	14,648	57,012	3	171,036
Total 2003					352,984

Assumes positions starting at Step 1

TECHNOLOGY PLAN

Doug will write up: Include automation, revenue control, security; City standards vs turn-key operation for new ramps.

Parking Technical Requirements Issues

The Minneapolis Parking System has unique business requirements that many times drive decisions for computer hardware. There are very few vendors that have parking software and/or hardware solutions that Minneapolis can use to install in new parking ramps or for replacement of obsolete equipment in existing parking ramps. Many of these vendors software solutions are tied to specific computer hardware that does not match the established City standard computer hardware.

Turnkey Solutions

When a vendor's software requires specific hardware to function, the system is called a Turnkey system, which means the City needs to procure the entire system as a solution rather than the hardware separate from the software. This means that with a turnkey system for a parking ramp, the solution would not work if the Parking Division was required to procure City standard computer hardware.

For this reason, the Parking Division should be exempt from the requirements of purchasing the City standard computer hardware.

The most efficient method of operating and maintaining large systems, whether it is a security surveillance system, or revenue control system, is to standardize on one particular type of system. This typically means that a single provider is necessary in order to keep the equipment consistent throughout all of the facilities. The philosophy of standardizing on certain technologies for the following systems is described below: Automation, Revenue Control, and Security.

I. Automation

The current trend in parking facility operation is to reduce the number of on-site staff by automating the act of paying for the right to park. This concept was initiated in Europe several years ago, and is now making its way to the United States.

There are several manufacturers of automated parking equipment, but all utilize a device called a paystation to accomplish the payment process. Instead of a cashier in a parking booth processing customers tickets, users insert their tickets into a machine which calculates their fee, and after payment is made via cash or credit card, validates their ticket, which when presented at the exit gate will allow them to leave the facility. The machines are extremely reliable, accurate, and greatly reduces the need for personnel at the ramp.

These systems also permit central management and operation, in which multiple facilities are controlled by a central processor, further reducing on-site equipment and staff requirements.

II. Security

The security philosophy within the Municipal Parking System has been modified three times since its inception in the 1970's. Originally, security systems, including cameras and call-for-assistance(CFA) stations were monitored independently at each facility. Later, clusters of garages were monitored together, with one center for two to three ramps. Now, with the fiber optic backbone able to transmit video and audio back to a central command center, over 1,400 cameras, and 1,100 CFA's can be monitored from a single location. Once completed, the system will realize over \$1 million in reduced labor and maintenance costs annually.

As part of the surveillance upgrade, the security system will replace obsolete CFA's, and move to a digitally based video recording system. This will allow high resolution images to be recorded on computer hard drives, which will provide convenient access to critical recordings. This will eliminate the need to store bulky video tapes for extended periods of time, and reduce maintenance by eliminating the time-lapse video recorders at each facility. This will be one of the largest systems in the United States. It is an extremely complicated system that incorporates fiber optic transmission technology to provide the bandwidth capabilities to integrate several different manufacturers equipment of varying vintages.

To date, five facilities are connected to the monitoring center. All alarms are recorded digitally. The system surveys all activities at vehicle exit points, elevator lobbies, stairwells, entries and exits, and in the general parking areas. Cameras are additionally focused on the CFA stations, where there is two-way communication and a security guard nearby to respond to any need.

This philosophy allows leveraging existing equipment already in place, reducing the expense of creating an entirely new system. At the same time, it is incorporating new technologies, such as digital recording and storage, that allow increased operating flexibilities while reducing costs of labor and maintenance for years to come.

III. Revenue Control

The reconciliation of revenue collected from parking operations is heavily dependent upon computerized accounting systems.

EQUIPMENT AND SPACE PLAN

SERVICE ACTIVITY #1: OFF-STREET PARKING

Parking Ramps: Parking Services currently manages 17 city owned parking ramps and three non City owned ramps. The non City owned ramps, commonly referred to as the Third Avenue Distributor (TAD) ramps, were developed jointly by the City of Minneapolis and Minnesota Department of Transportation with funding provided through the Federal Highway Administration. The following tables note the existing parking ramps as well as the potential future ramps.

Existing Parking Ramps

Name	Year Opened	Parking Spaces	Square Footage
Government Center	1974	1303	350,000
Orchestra Hall (Phase I)	1976	600	202,000
St. Anthony	1980	901	293,000
Loring	1980	750	265,000
Centre Village	1983	1,185	350,000
Gateway	1983	1,397	370,000
Seven Corners	1983	796	261,000
Plaza	1988	887	225,000
TAD 5	1989	1,606	640,000
Orchestra Hall (Phase II)	1989	500	148,000
TAD 7	1990	3,631	1,650,000
TAD 4	1992	1,518	450,000
Leamington	1992	2,020	700,000
Hilton	1992	1,200	400,000
Jerry Haaf	1993	791	356,000
Courthouse	1997	290	105,000
Hennepin at 10th	1999	643	276,000
Washington at 10th	2000	640	225,000
Hawthorne	2000	990	350,000
LaSalle at 10th	2001	830	290,500
Downtown East LRT	2002	455	159,250
TOTALS		22,933	8,065,750

Future Additional Parking Ramps

Name	Projected Opening	Parking Spaces	Square Footage
Planned Ramps			
Walker Art Center	2003	700	245,000
11 th and Harmon*	2003	615	215,250
Brighton / Heritage Ctr	2003-4	500	122,500
Village Green**	2004	350	122,500
Guthrie/Parcel E	2005-7	1000	350,000
SUBTOTAL		3,165	1,055,250
Possible Ramps			
48th & Chicago	2003	250	87,500
Swedish Institute	2003	400	140,000
North Loop	2005	1800	630,000
Ritz/Powers Block	2005	1600	600,000
Great Lakes Center	2005	1200	420,000
DT South Distributor	2005	800	280,000
Lake and Nicollet	2006	400	140,000
Stadium Related - Twins	2007	1000	350,000
DT East Distributor	2008	2000	700,000
Stadium Related - Vikings	2009	1500	500,000
SUBTOTAL		10,950	3,847,500
TOTAL		14,115	4,902,750

*City will operate, but will not own

**Not included in total -- City will not own or operate, but Parking Services is working on the land sale and redevelopment agreement

Discuss Equipment as noted in Key Initiatives

Parking Lots: Parking Services currently operates 9 parking lots, excluding the Impound Lot, which is described below. The following table provides a historical overview of lots over the last 20 years. Due to the extremely low number of parking spaces existing in 1980, per cent change calculations do not provide any meaningful comparison.

Year Ending	Parking Spaces (number)	Square Feet (amount)
1980	25	8,750
1990	1,697	593,950
1995	2,006	702,100
2000	2,202	770,700

Based on current plans, the City could potentially add 5 new surface lots over the next 5 years. When combined with the increase in operational responsibilities associated with other new facilities, these additions will further compound the operational inefficiencies addressed in Section V.

Skyways / Tunnels: Parking Services currently operates and maintains over 9,000 linear feet of skyways that link parking facilities to retail, commercial, governmental and entertainment facilities. The following table provides a historical overview of skyways over the last 20 years with per cent change calculated from 1980.

Year Ending	Linear Feet (amount)	Linear Feet (cum increase)
1980	750	-----
1990	5,760	668 %
1995	7,960	961 %
2000	9,260	1,135 %

SERVICE ACTIVITY #2: NEW CONSTRUCTION

Parking Meters: Parking Services currently operates approximately 6,800 parking meters with the number of meters in operation at any given time higher or lower due to a variety of factors including weather, road construction, building construction and special events. The following table provides a historical overview of meters over the last 20 years with per cent change calculated from 1980.

Year Ending	Meters (number)	Meters (cum increase)
1980	5,033	-----
1990	6,158	22 %
1995	6,458	28 %
2000	6,800	35 %

Based on current plans, the City could potentially add 500 parking meters over the next 5 years. When combined with the increase in operational responsibilities associated with other new facilities, these additions will further compound the operational inefficiencies addressed in Section V.

SERVICE ACTIVITY #3: ON-STREET PARKING

Include info on plans for equipment maintenance and needs for parking meters.

SERVICE ACTIVITY #4: IMPOUND LOT

It is extremely difficult to project future activity at the Impound Lot as activity is impacted by a variety of factors including, but not limited to, weather, road construction and special events. It is beyond the scope of this report to fully analyze these factors in order to arrive at a reasonably accurate projection of future Impound Lot activity, however, based on the prior ten year history activity levels are predicted to increase.

The Construction of Van White Boulevard will temporarily remove 500 spaces from the Impound Lot's capacity. It will permanently reduce capacity by approximately 10% or 350 to 400 spaces.

APPENDIX A: SWOT ANALYSIS (STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS)

Strengths	General Description
<ul style="list-style-type: none"> • Extensive management experience • Large parking system size • Tax exempt status • Flexibility • Skyway connections • Reasonable rates 	<p>Parking Services is the largest single operator of parking ramps and control 30% of all off-street spaces in a variety of locations, many with skyway connections.</p> <p>Parking Services has flexible programs that include pre-approved rate adjustments of +/- 15%, and can utilize other pre-approved parking programs as needed.</p> <p>The system is tax exempt.</p>
Weaknesses	General Description
<ul style="list-style-type: none"> • Municipal operation 	<p>The bureaucratic structure may affect the speed and ability to be as responsive as the private sector to changes in the parking industry. The system currently does not lead in rate setting, but follows the private sector rates.</p> <p>Conflicting goals between policy, revenue, and development, can significantly affect the parking system.</p>
<ul style="list-style-type: none"> • Public bidding and bonding 	<p>The inability to negotiate prices with bidders can affect the cost of projects. Also, the full specifications for a project are not received at the beginning of the process, which often creates costly change-orders.</p> <p>The current bonding limits of \$15 million has restricted the use of bonding.</p>
<ul style="list-style-type: none"> • Promotion/advertising 	<p>Advertising/marketing is not extensively pursued.</p>
Opportunities	General Description
<ul style="list-style-type: none"> • Expanding downtown core makes parking facilities more attractive/lucrative 	<p>As the downtown core expands, the parking facilities that were originally built as fringe ramps become more core ramps and their value increases along with their revenues as demand for parking increases.</p>
<ul style="list-style-type: none"> • Automation and centralization of processes 	<p>The use of technology and centralization could reduce expenses and improve service. Examples include electronic ticket booths that could reduce staff in ramps, electronic fund transfer (EFT) that could reduce check handling costs, and alternative payment methods such as web-based payments, payroll deductions, or auto-pay could improve customer service.</p> <p>Developing on-line, real-time systems rather than the current batch processes would make the parking system more agile and responsive to parking demand.</p>
Threats	General Description
<ul style="list-style-type: none"> • Economic conditions 	<p>Downtown office vacancy rates that can occur because of economic conditions significantly affect the demand for parking.</p>
<ul style="list-style-type: none"> • Additional supply exceeding demand in certain locations 	<p>Some individual ramps are under-utilized such as the St. Anthony ramp.</p>

<ul style="list-style-type: none"> • Additional Projects 	<p>Unanticipated additional proposals/projects from developers or policy makers create competing goals for the Parking System and create significant additional workload that conflicts with core responsibilities for Parking Services staff and management. A different City Department could conduct the tasks for these additional proposals/projects.</p>
<ul style="list-style-type: none"> • Large Transfers out of parking fund 	<p>Both scheduled and unscheduled transfers can significantly affect operations. It is important to properly inform the decision-makers about the predetermined obligations for revenue from ramps such as the Third Avenue Distributor.</p>
<ul style="list-style-type: none"> • Lack of reinvestment in parking system assets 	<p>The mid-term and long-term viability of the Parking System depends on reinvestment in the system assets.</p> <p>The parking industry standard for revenue control updates is every 5-7 years while the City Parking Systems revenue control system is on a 9-12 year cycle. The current ticket dispensers and card readers now require maintenance and replacement.</p> <p>In addition, much of the Parking Systems computer operations are DOS-based systems and do not meet ITS standards. The information technology needs of the Parking System are outside of the ITS outsourcing initiative.</p> <p>A reserve fund could be established for equipment upgrades.</p> <p>The Parking System ramps are being included in the updated infrastructure report.</p>