



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

**Date:** October 26, 2004  
**To:** Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee  
**Receive and File:** Honorable Barbara Johnson, Chair Ways & Means/Budget Committee

**Subject:** 2004 Off-Street Municipal Parking Rates

Deleted:

**Recommendation:** Request acceptance of the current parking rates to be established as the 2004 base rates

### Previous Directives:

December 28, 2001 -The Council recommended acceptance of the current parking rates for municipal parking facilities (as outlined in Petn No 267563) to be established as the 2002 base rates.

November 22, 2000 – The Council recommended that proper officers be authorized to: Establish rates for new parking facilities or programs; Modify monthly rates +/- by up to fifteen percent; Modify transient rate +/- by up to \$1.50; Modify event rates +/- by \$3.00. Staff will be required to submit for approval by the City Council once per year rates that reflect new base rates. That the proposed rates for the Municipal Parking System attached in Petn No. 266440 be established as 2001 base rates at the effective dates so described is said attachment

**Prepared by:** Michael Sachi, Project Engineer, Parking Facilities 673-2159  
**Approved by:**

Klara A. Fabry, P. E., Public Works Director, City Engineer

**Presenters:** Jon Wertjes, Director of Traffic and Parking Services

### Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget.  
(If checked, go directly to Background/Supporting Information)

- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves

Other financial impact (Explain):

Request provided to the Budget Office when provided to the Committee Coordinator

**Background/Supporting Information Attached**

Public Works has completed our yearly 2004 review of the parking rates and the operations of the parking ramps and lots in the vicinity of each of the Municipal Parking Facilities. This review consists of analyzing our ramp and lot utilization, ramp demand i.e. waiting lists, revenue impact, operating expenses, market trend analysis, and the promotion of City-wide concepts. This review includes benchmarking the Municipal ramps against our competitors in the private sector.

Public Works has authority to modify parking rates allowing adjustments to be more responsive to business trends. Using this adjustable rate system, we have modified our rates over the last two years to correspond proactively to trends within the industry and each specific Municipal ramps' or lots' competitive area. In doing so, we have established the 2004 current rates.

Current trend analysis and economic conditions are factored into our current rate structures at all facilities. The current market has slowed. Both monthly and hourly parking have shown a downward trend. The area of most concern is along 5<sup>th</sup> Avenue South. Ramps such as the Government Center Ramp have lost as much as forty percent of the monthly and transient business since 1998-99. Most of this is attributed to office vacancies and economic downturns and the long construction phase of the LRT along 5<sup>th</sup> Street. The addition of an "early bird" rate has had a modest positive impact and the new construction of a skyway across 5<sup>th</sup> Street to the Hennepin County Public Safety Building should also be beneficial.

The southwest area of downtown has demonstrated the greatest growth in parking demand. Parking ramps such as the Hennepin at 10<sup>th</sup>, 10<sup>th</sup> and LaSalle, Loring and Hawthorne Transportation Center continue to show moderate monthly and transient demand. In our base rate submittal for the 10<sup>th</sup> and LaSalle Ramp we have increased the monthly parking rates from \$200 in 2002 to \$240 in the spring of 2004 based on this increased demand. This increase of twenty percent over two years, while this exceeded our authority limit, we ask that this rate be approved due to the high demand for monthly parking at this facility.

Event rates have increased in the Convention Center Ramps from \$7.00 to \$8.00 per event and we are increasing the event rates for Timberwolves games at the Third Avenue North (TADs) ramps from \$7.00 to \$9.00 for the 2004/2005 season. This increase is based on requests from the surrounding community including the Timberwolves and Target Center for the Third Avenue North Distributor Garages to raise the exit gates after the event. Raising the gates allows for quicker exit from the parking facility. We have calculated our loss ratio by raising the exit gates and have determined that a \$2.00 increase should offset all losses.

In the Metrodome area, the parking demand for sporting events continues to be disappointing. When we first opened the Downtown East Ramp we were charging \$10.00 for Twins parking. It was evident after the first 10 games that people were not finding the ramp and when they did, they did not want to pay the \$10.00 rate. We lowered the rate to \$5.00 and started receiving small numbers of customers. While this number has steadily grown to 250 customers per game during the summer, utilization is still only 55% of capacity. During the last ten games of this season the customer base jumped up to 375 and during the two play off games it was full at 450 per game. We have found that when Twins attendance exceeds 28,000, the demand for parking begins to reach to the ramps along 5<sup>th</sup> Avenue South (Centre' Village, Government Center, Haaf and Gateway). Increases in parking demand along 5<sup>th</sup> Avenue is directly related to higher attendance for Twins games.

The closure of 5<sup>th</sup> Street during the Vikings games redirects all traffic coming from the east, at 11<sup>th</sup> Avenue, to the north and south. During the 2003 season, the first season Downtown East Ramp opened, we started with a rate of \$30.00 per event. After only receiving 10 customers for the first game we immediately lowered the rate to \$20.00 with minor success. During the most

recent Vikings game we parked only 155 customers in this facility. Traffic coming into town on Park Avenue traffic is almost non-existent prior to the games. Public Works is working on several ways to improve this situation.

In the four ramps along Fifth Avenue during the Vikings game on September 26, we parked 1,446 cars, which is approximately 36% of capacity. We did advertise 8 and 10 game packages in the Star-Tribune and at most of our ramps with very little success. Advertising for sporting events has proven to be non-effective because people are spontaneous in their parking decisions. We have also found that the private sector does little or no advertising as well. Because the demand remains so low for sporting events, we request that the current rates of \$5.00 for Twins and \$20.00 for Vikings be established as the 2004 base rates.

The upcoming winter months should help increase the number of customers at most facilities with monthly rate adjustments coming in November and December. Also included with our current 2004 base rate sheet are comparative maps for the primary parking areas.

Attachment A: 2004 Base Parking Rates

Attachment B: Map of Locations

cc: S. Wellan J. Shapiro T. Blazina W. Gunsell S. MeMuth  
L. Weisgram S. Lenz T. Maybarray