



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

Date: March 23, 2010
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral: Honorable Betsy Hodges, Chair Ways & Means/Budget Committee
Subject: **2010 Off-Street Municipal Parking Rates**

Recommendation:

Acceptance of the current parking rates to be established as the 2010 base rates

Previous Directives:

- March 20, 2007 - Acceptance of 2007 base rates for municipal parking facilities.
- November 5, 2004 – Acceptance of 2005 base rates for municipal parking facilities.
- December 28, 2001 –Acceptance of 2002 base rates for municipal parking facilities
- November 22, 2000 –Authorization of proper City officers 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. Acceptance of 2001 2001 base rates for municipal parking facilities

Prepared by: Tim Blazina, Manager Ramps and Lots 673-2242

Approved by:

Steven A. Kotke, P. E., City Engineer, Public Works Director

Presenters: Jon Wertjes PW - Director of Traffic and Parking Services

Financial Impact

Action is within current department budget

Community Impact

Neighborhood Notification: Not Applicable

City Goals: Maintain the physical infrastructure to ensure a healthy, vital and safe city

Comprehensive Plan: Not Applicable

Zoning Code: Not Applicable

Background/Supporting Information Attached

Public Works has completed our yearly 2010 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 in the past to correspond proactively to trends within the industry and the competitive area for each specific municipal ramp or lot. In doing so, we have established the 2010 current rates.

Current trend analysis and economic conditions are factored into our current rate structures at all facilities. During 2009, the parking market demonstrated a decline in monthly and daily parking. Monthly parking continues to decline due to lower office occupancy in the downtown market and the depressed economy. Some ramps have maintained utilization levels above ninety percent (90%) In addition, our parking operator, Ampco System Parking (Ampco), has continued to aggressively administer the "early bird" rates to maximize utilization levels during a decreasing market.

Many of the rate changes presented in Attachment A are based on recommendations from our parking operator. The southwest area of downtown continues to demonstrate the strongest demand for transient parking with ramps such as the Hennepin at 10th, 10th and LaSalle, and 10th and Harmon running at or near capacity most weekdays. The ABC Ramps (formerly known as the TAD Ramps), have been impacted by construction projects in and near the ramps for the past 18 months. All monthly contract and most daily customer were moved from Ramp B to Ramps A and C while a new entry/exit plaza is being created on 2nd Avenue North. This \$15 million improvement project which includes elevator and escalator modernization, new automated revenue control systems and new charter bus services is scheduled for substantial completion by March 25th in time for the new ballpark opener.

Twins event parking will shift westerly to the new ballpark and new event rates are being established in our southwest facilities. These rates will range from \$5.00 on surface lots to \$15.00 at Ramp B. This will bring new event business to a number of City-owned facilities such as Hennepin @ 10th, LaSalle @ 10th and the Hawthorne Ramp. Conversely, this will have a negative impact on Mill Quarter, Riverfront and the Haaf Ramps.

Attachment A: 2010 Base Parking Rates