



MEMORANDUM

Date: January 22, 2014

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to read "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Parking Charges**

Previously, I requested that Facilities Management Director Reid Spaulding perform a parking charge and market analysis to determine the need to modify or adjust the County's parking rates upward. Attached is his December 30, 2013 memorandum on this subject. It concludes that the parking rates charged by Pima County are generally consistent with overall market rates.

Our last County parking rate increase occurred in 2009. The County currently charges County employees \$70 per month. Based on this market analysis, there is no need to change this rate for likely two years. However, it would be appropriate to modify the County's current rate structure for hourly and daily rates to accurately reflect the current competitive market rate. The proposed modifications to the daily/hourly rates, as shown Page 3 of the Mr. Spaulding's memorandum, recommend modifying the daily/hourly rates, with the exception of keeping the jury duty daily rate the same as it is today rather than increasing it to \$4.

I have asked Mr. Spaulding to prepare and post a revised fee ordinance for Board consideration to modify the daily/hourly parking rates and miscellaneous parking charges as indicated in his memorandum. I anticipate the public hearing on the proposed revised fee ordinance will occur at the Board's April 1, 2014 meeting.

CHH/anc

Attachment

c: Reid Spaulding, Director, Facilities Management
Tom Burke, Director, Finance and Risk Management



PIMA COUNTY

FACILITIES MANAGEMENT MEMORANDUM

DATE: December 30, 2013

TO: Chuck Huckelberry, County Administrator

FROM: Reid H. Spaulding, R.A.
Facilities Management Director

SUBJECT: Parking Charges and Market Analysis

Per your memo dated October 25th, you requested that I assess the County's current parking garage rates in comparison to existing market conditions. Below please find the requested comparison along with my recommendation for future rates:

Current FY 13/14 County Rates:

Type of User/Location	Monthly rate	Hourly/Daily rate
County employees	\$70	NA
Surface parking (200 N. Stone & Scott/Broadway)	\$60	NA
Rooftops (PWB & LSB)	\$45	NA
Jury Duty	NA	\$2 per day @ PWB only
Visitors	NA	\$2/hr. for first 2 hrs, then \$1/hr. up to \$5 max. per day
Visitors	NA	\$6/day with unlimited daily re- entry
YMCA	\$15/month not to exceed 3 hrs. per day	
Motorcycle	\$40	NA
Bike Locker	\$2	NA
Carpools (3 to 2 person)	\$20-\$30	NA

In addition to the above rate structure, the County has considerable parking obligations with multiple private sector tenants as a consequence of existing lease agreements. The predominant monthly rate tied to such leases is generally \$85 per month inclusive of periodic escalation adjustments.

In terms of downtown parking options, the City of Tucson's Parkwise operation represents the "competition" in establishing the market rate. In response to the considerable downtown construction activity associated with the modern streetcar, in May of 2013 the City Manager's office recommended to City Council the following rate adjustments:

Current and Proposed FY 14/15 Parkwise Rates:

<u>Type of User</u>	<u>Current Mnthly</u>	<u>Proposed Mnthly</u>	<u>Current Hrly/Daily</u>	<u>Proposed Hrly/Daily</u>
Metered daily	NA	NA	\$0.50/hr	\$1.00/hr
El Centro Garage	\$85	\$55	\$3.00/day	No change
El Centro Garage (after 5:00pm Thur. – Sat.)	NA	NA	\$5.00/day	No change
Depot Plaza Garage	\$85	\$65	(see table below)	
Pennington Street	\$85	No change	(see table below)	
City/State Garage	\$55	No change	(see table below)	
Main Library	\$85	\$75 for first yr.	(see table below)	
Franklin Lot	\$45	No change		
Toole Lot	\$35	No change		

Hourly Rates for City Garages

0-1 Hr	Free
1-2	\$2.00
2-3	\$3.00
3-4	\$4.00
4-5	\$5.00
5-6	\$6.00
6-7	\$7.00
7 +	\$8.00

Now that the streetcar improvements are basically complete, I believe it is safe to assume the City will be returning to their previous rate structure no later than July 1, 2014. It should be noted that permanent streetcar improvements resulted in the elimination of several metered parking stalls in the downtown urban core. Consequently, the City contended that a premium therefore now exists for such parking and raised the rate from \$0.50 to \$1.00 per hour accordingly.

Recommended County Rate Changes:

The last County parking rate increase incurred in 2009. As **Attachment A** indicates, for the period FY 09/10 thru projected FY 13/14, the annual revenues generated by that phased increase have consistently exceeded annual expenses. However, the net residual projected for the current fiscal year indicates a considerable falloff from previous years. This decline is based upon several factors including:

- Overall economic recession and slow regional recovery
- Substantial increase in gasoline prices decreasing garage users
- Substantial increase in bus riders and bus subsidy cost
- Increase in downtown parking options (Depot Plaza and El Centro garages)
- Downtown construction activity including modern streetcar

Within (15) months, the County's new Public Service Center's garage will provide an additional 705 downtown parking stalls. The County should anticipate no more than 150 County employees will seek monthly parking with perhaps another 30 to 40 private sector monthly payees. The vast majority of users in the new garage are anticipated to be hourly/daily users utilizing public services available at both the new County facility as well as adjacent City court operation.

Therefore, I am recommending that we adjust the County's hourly/daily rate structure to more accurately reflect the competitive market rate as follows:

Proposed Rates for County Garages

0-2 Hr	\$2.00
2-3	\$3.00
3-4	\$4.00
4-5	\$5.00
5-6	\$6.00
6-7	\$7.00
7 +	\$8.00

Including:

- Eliminate the daily re-entry option entirely
- Increase the Jury Duty daily rate from \$2.00 to \$4.00
- Increase bike locker monthly from \$2.00 to \$8.00

Per **Attachment B**, the current \$70 monthly County employee rate appears market competitive when considering both Parkwise and private sector options as well as the relative location of County garages to County offices. Any potential increase in the upcoming fiscal year could result in decreased payees or flight to less costly alternatives including Parkwise. Based upon actual market conditions in 2015, I could foresee the need to initially discount first year monthly rates in the new Public Service Center garage to establish a customer base with staged increases to achieve market rate within the first three years.

Please do not hesitate to contact me.

Attachment A

Fiscal Year	Budgeted Expense	Actual Expense	Budgeted Revenue	Actual Revenue	Net
2014 (YTD)	3,080,588	1,103,460	2,224,473	1,226,290	122,830
2012-2013	1,798,193	1,576,254	2,274,387	2,260,387	684,133
2011-2012	2,346,292	1,777,861	2,099,100	2,278,537	500,676
2010-2011	1,767,881	1,153,204	2,159,664	2,075,688	922,484
2009-2010	1,955,774	1,569,659	1,872,716	1,997,491	427,832

6 mos

Attachment B

