

EXHIBIT NO. 1

City of Alexandria, Virginia

MEMORANDUM

24
6-11-02

DATE: MAY 31, 2002

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER^S

SUBJECT: PROPOSED PARKING FEE CHANGES FOR CITY-OWNED PARKING GARAGES AND LOTS

ISSUE: City Council endorsement of increases to parking fees at the City-owned garages and parking lots.

RECOMMENDATION: That City Council endorse the recommended fee structure for all City-owned parking structures (Attachment 1), and the proposed free holiday parking program. While the City Manager has the authority to establish and amend the parking fees at City-owned facilities, we are seeking Council's endorsement.

DISCUSSION: As part of the FY 2003 budget process, at the March 20, 2002, budget work session staff presented to City Council a set of recommended parking rate increases for all City-owned garages and lots. The recommended increases were the result of an internal analysis conducted by the Department of General Services and the Office of Management and Budget. That analysis showed that rates charged at City-owned parking garages and lots, which had not been changed since 1987, are well below the market rates charged by privately-owned garages and lots in the City. At the request of Councilwoman Woodson during the budget work session presentation, staff subsequently presented an alternative proposal which reduced the impact of the original proposal on City employee monthly parking rates by increasing the rates charged to non-City employees. The recommended alternative proposal increased the total new parking revenue from the original estimate of \$250,000 to \$267,000. The \$267,000 revenue (including the alternative proposal) increase was included by City Council in the Approved FY 2003 Budget.

Subsequent to the budget work session, City staff have met with the business community to discuss the rationale and impact of the parking fee increases as well as the likelihood that the City will again offer the free holiday parking program in FY 2003. To date, there have been few objections to the proposed parking rate increases, and strong support for the proposed free holiday parking program. As currently envisioned, the free parking program will run from Thanksgiving Day, November 21, 2002, through January 1, 2003. During this period parking will be free after 5:00 p.m. at all downtown metered spaces, and also free after 5:00 p.m. at the

City-owned garages and lots on weekdays and all day on weekends and holidays. This is the same schedule used during the 2001 holiday season. The estimated total cost to the City in lost parking and citation revenue for the proposed FY 2003 six-week program is estimated at \$76,000, which would be partially offset by increased sales and restaurant meals tax revenues.

The proposed garage and lot parking rate increases (Attachment 1) remain below the current market rates (Attachment 2). The details of the proposed rate increases are summarized below:

- Hourly rates at City garages are proposed to stay below the market for the first, second and third hours, then equal to or slightly less than market for the all-day rate.
- The all-day rate at all City garages is proposed to increase to \$8.00. The current all-day hourly rate (\$6.00) allows parkers to pay less at City garages over a month's time than the cost of market rate monthly parking. The recommended all-day rate will correct that situation and should result in more space availability during peak weekday hours for hourly parkers.
- The off-hour rate schedules in the evenings and on weekends will not change, as they are set to encourage restaurant and retail patronage. These are the businesses most affected by the recent tourism decline, so this does not appear to be the time to increase these rates.
- No change in the \$1.00 per evening or weekend restaurant employee parking rate is proposed.
- In recognition that Friday night is a high demand night and Sunday is a low demand night, the higher weekend evening rate of \$1.00 per hour/\$2.00 maximum will apply to Friday night but not Sunday. The Sunday night rate will be lowered to equal the Monday - Thursday night rate of \$0.50 per hour/\$2.00 maximum.
- Some exceptions to these off-hour rates remain in place on a per facility basis based on a facility's historical rate structure.
- Monthly rates are proposed to increase for the general public (i.e., non-City employees) by a range of \$10 to \$35 per month, depending on location.
- City employee rates in Market Square and the Courthouse garages are proposed to increase \$5 (from \$70 to \$75). This keeps the rate for employees below market.

- No change in the City employee Jones Point area (free) or Pitt-Oronoco lot (\$25) monthly parking fee is proposed, but the non-City employees parking fee in the Jones Point area and using the shuttle (most, if not all, from Burke & Herbert Bank) will increase from \$25 to \$30 per month.
- No changes in meter rates are proposed until the new electronic meters are installed and tourism recovers. This would make meter rates a possible item to consider for FY 2004.
- The changes in hourly rates will be effective on July 1, 2002, and the changes in monthly rates will be effective August 1, 2002, to allow for timely notification of monthly parkers.
- Notices of the rate increases will also be posted prior to July 1 in the City's garages and at the City's lots.

FISCAL IMPACT: The recommended fee changes will generate a revenue increase of approximately \$267,000 for FY 2003. That revenue amount was included in the Approved FY 2003 Budget. The cost of the holiday free parking program is estimated at \$76,000 in reduced parking income and parking ticket income, partially offset by sales and restaurant meals taxes.

ATTACHMENTS:

Attachment 1. Proposed Rate Increase for City Lots and Garages

Attachment 2. Current Rates for Commercial Garages

STAFF:

Mark Jinks, Assistant City Manager

Edward Mandley, Director, General Services

Gene Swearingen, Director, Office of Management and Budget

Morgan Routt, OMB Analyst

PROPOSED RATE INCREASE FOR CITY LOTS AND GARAGES

Site	Available Spaces				Hourly Rates				Off-hours Rates		Monthly Rates	
	Capacity	Monthly City	Monthly Non-City	Transient	1 Hour	2 Hours	3 Hours	All Day	Rates	Times	Non - City	City Employees
Market Square Garage 108 N. Fairfax Street	240*	41	61	138	\$2.00 \$1.50	\$4.00 \$3.00	\$6.00 \$4.50	\$8.00 \$6.00	\$.50 per hour, \$2.00 max \$1.00 per hour, \$2.00 max	Sun -Thu, after 5:00 p.m. Fri after 5:00 p.m., all day Sat, holidays & Sun before 5:00 p.m.	\$125.00 \$ 90.00	\$ 75.00 \$ 70.00
Union Street Garage 220 N. Union Street	175	n/a	149	26	\$3.00 \$3.00	\$6.00 \$6.00	No rate No rate	\$8.00 \$7.00	\$2.00 per hour, \$4.00 max	Mon - Fri , after 5:00 p.m. & Sat, Sun & holidays	\$145.00 \$120.00	n/a
Courthouse Garage 111 S. Pitt Street	300	8	163	129	\$2.00 \$1.50	\$4.00 \$3.00	\$6.00 \$4.50	\$8.00 \$6.00	\$.50 per hour, \$2.00 max \$1.00 per hour, \$2.00 max	Sun -Thu, after 5:00 p.m. Fri after 5:00 p.m., all day Sat, holidays & Sun before 5:00 p.m.	\$125.00 \$ 90.00	\$ 75.00 \$ 70.00
Thompson's Alley Garage 10 Thompson's Alley	68	n/a	30	38	\$2.00 \$1.50	\$4.00 \$3.00	\$6.00 \$4.50	\$8.00 \$6.00	\$1.50 per hour, \$3.00 max \$2.25 per hour, \$4.50 max	Mon - Thu, after 5:00 p.m., & all day Sat & Sun Friday & Saturday	\$105.00 \$ 70.00	n/a
North St. Asaph Street Lot 120 N. St. Asaph Street	60	n/a	40	20	\$2.00 \$1.50	\$4.00 \$3.00	\$6.00 \$4.50	\$8.00 \$4.75	\$2.50 per hour	After 4:00 p.m., & all day Saturday	\$125.00 \$ 90.00	n/a
Patrick Street Lot 120 N. Patrick Street	21	n/a	21	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 80.00 \$ 45.00	n/a
Henry Street Lot 112 S. Henry Street	57	n/a	57	n/a	\$2.00 \$1.50	\$4.00 \$3.00	\$6.00 \$4.50	\$8.00 \$4.75	\$2.50 per hour	After 4:00 p.m. & all day Sat, Sun & holidays	\$ 80.00 \$ 45.00	n/a
Jones Point 1150 S. Washington Street	195**	50	56	89	n/a	n/a	n/a	n/a			\$ 35.00 \$ 25.00	Free Free
Union Station Callahan Street		2										
Pitt and Oronoco	26	26	n/a	n/a	n/a	n/a	n/a	n/a			n/a	\$ 25.00 \$ 25.00

* 40 spaces are used by pool vehicles

** Relocated parking area approximately 100 spaces

New rates are in bold.

Current Rates for Commercial Garages

Sites	Available Spaces	Hourly Rates				Off-Hours Rates		Monthly Rates	
		Capacity	1 hour	2 hours	3 hours	All day	Rates		Times
Colonial Parking Garage 120 - 130 N. Union Street	383	\$4.50				\$9.00			\$155.00
Central Parking Garage 115 S. Union Street	140	\$4.00				\$8.00			\$145.00
Central Parking Garage 110 S. Union Street	60	\$4.00				\$8.00			\$145.00
Edison Garage 418 Cameron Street	310	\$4.00	\$5.00			\$8.00	\$3.00 per day \$5.00 per hour	After 5:00 pm All day Saturday	\$155.00
Holiday Inn 101 S. Pitt Street	189	\$3.50	\$7.00	\$10.50		\$12.00			\$150.00/ \$200.00
Morrison House 116 S. Alfred Street	125	\$3.00				\$10.00			\$160.00
West End Detailing Garage 117 N. Alfred Street	200	\$3.00				\$12.00	\$4.00 per hour \$3.00 per hour \$12.00 max	After 6:00 pm Saturday	\$150.00
Colonial Parking 277 S. Washington Street	Unknown	\$3.50				\$7.00			\$120.00
Landmark Parking Center King & Cameron Streets	Unknown	\$2.00				\$7.00			\$107.00
APCOA/Standard Parking 44 Canal Center	Unknown	\$3.00	\$5.00	\$7.00		\$9.00			\$160.00