City of Birmingham
A Walkable Community

MEMORANDUM

Engineering Dept.

DATE: **April 17, 2015**

TO: **Joseph A. Valentine, City Manager**

FROM: **Paul T. O'Meara, City Engineer**

SUBJECT: **Auto Parking System**
Monthly Permit Rate Increase for 2015-16

At the meeting of June 23, 2014, the City Commission reviewed a two-step recommendation from the Advisory Parking Committee (APC) to raise the monthly parking permit rates throughout the system. The first rate increase was suggested to start as soon as possible (August 1, 2014), with a second automatic rate increase scheduled for July 1, 2015. Details relative to that proposal, and the minutes from that meeting, are attached.

After discussion, the Commission approved the rate increase effective August 1, 2014. However, they felt it would be prudent to wait on any further increases. They further requested that the APC review the current parking demand in the spring of 2015, and bring appropriate rate increase recommendations forward for the beginning of the next fiscal year. At their meeting of April 15, 2015, the APC discussed the current market demand, made some changes from the initial suggestions put together by staff, and passed a recommendation as follows:

With the understanding that the Auto Parking System needs to implement methods to increase parking capacity both on a temporary and long term basis, monthly permit rate increases at the following levels are recommended in an effort to increase the system account balance available for future construction:

Effective July 1, 2015:

Pierce St. Structure	*$65*
Park St. Structure	*$60*
Peabody St. Structure	*$65*
N. Old Woodward Ave. Structure	*$55*
Chester St. Structure	*$45*
Lot 6 Regular Permit	*$65*
Lot 6 Economy Permit	*$45*
South Side Permit (Ann St.)	*$50*
South Side Permit (S. Old Woodward Ave.)	*$25*

The rate increase structure reflects that some locations continue to be in higher demand than others, and the price paid should reflect that. No more than a $10 increase is proposed at any location. The APC modified the staff proposal in the following ways:

Park St. Structure – Staff had recommended a $5 increase from the existing rate, for a total of $55 per month. The suggested rate would have reflected the current somewhat lower demand for permits on the north side of downtown. However, it was noted that later this year, the Palladium office space will open, creating a new demand for this parking structure that is not there currently. If daytime demand grows as expected at Park St., this parking structure may become in high demand as Peabody St. and Pierce St. traditionally are. As a result, a $10 increase from existing, for a total of $60 per month is recommended.

South Side Permits – The south side permit category is split into two distinct areas. Currently, we are authorized to sell 8 permits on either Ann St. north of Frank St., or on Frank St. between Ann St. and S. Old Woodward Ave. These permits tend to always sell out. We are also authorized to sell 40 permits for those that can park on S. Old Woodward Ave. between Haynes St. and Landon Ave., or on Landon Ave. between Ann St. and S. Old Woodward Ave. These permits, which must be sold to employees working in the parking assessment district two blocks to the north, tend not to sell very well. Only a small number are currently sold. Rather than sell all these permits at the same price, the APC suggested that the Ann St. permit rate be increased $10 to $50, and the S. Old Woodward Ave. permits be reduced by $15 per month to $25.

Staff agrees that these changes help reflect the market that currently exists, or that will exist several months from now. Given current sales, it is expected that the rate changes will result in an estimated $279,000 in additional annual revenues for the Auto Parking System. The additional funds will likely prove needed as the City gets closer to committing to construction of additional parking spaces in the near future.

A summary of the price of monthly parking permits charged at several other cities in Michigan, using just public municipal lot pricing, is attached for your reference.

SUGGESTED RESOLUTION:

To accept the recommendation of the Advisory Parking Committee, and authorize the following rates for monthly parking permit effective July 1, 2015:

Pierce St. Structure	$65
Park St. Structure	$60
Peabody St. Structure	$65
N. Old Woodward Ave. Structure	$55
Chester St. Structure	$45
Lot 6 Regular Permit	$65
Lot 6 Economy Permit	$45
South Side Permit (Ann St.)	$50
South Side Permit (S. Old Woodward Ave.)	$25

Paul O'Meara <pomeara@bhamgov.org>

Fwd: Monthly parking rate

1 message

Paul O'Meara <pomeara@bhamgov.org> Thu, Apr 23, 2015 at 2:11 PM
To: Paul O'Meara <Pomeara@bhamgov.org>

---------- Forwarded message ----------
From: **Joshua Gunn** <jgunn@spplus.com>
Date: Tue, Apr 21, 2015 at 11:52 AM
Subject: Monthly parking rate
To: Paul O'Meara <pomeara@bhamgov.org>
Cc: Jason ODell <jodell@spplus.com>

Paul,

Please let me know if you need more detailed information.

Detroit - Surface lots start at $85,
monthly starts at $100 upwards to $220. VIP parking at the Ren Cen starts at $250
This rate falls as you get past midtown.

Pontiac- $25 hospital employees $35 dollars everyone else -

Gross Pointe - City monthly rates $45 to $50 a month
$120 on street permit quarterly
$120 to $150 quarterly for surface lots and a structure

Ann Arbor monthly rates -
$155 to $220 a month for structures
$90 to $205 monthly rate for surface lots.

Royal Oak monthly rates-
$35 - 40 a month for daily- no overnight parking

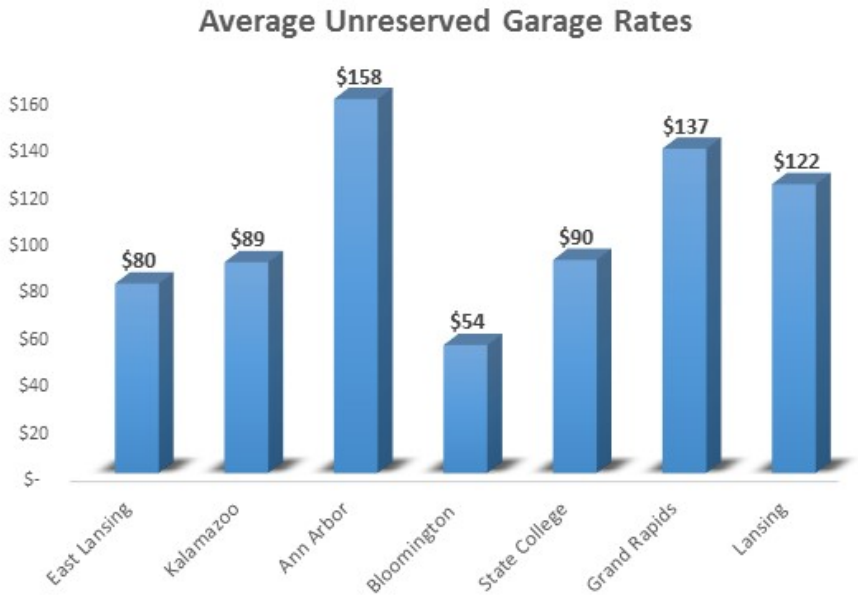
Rochester
$53 to $87 for rooftop parking monthly rate
$113 to $134 premium/ reserved monthly

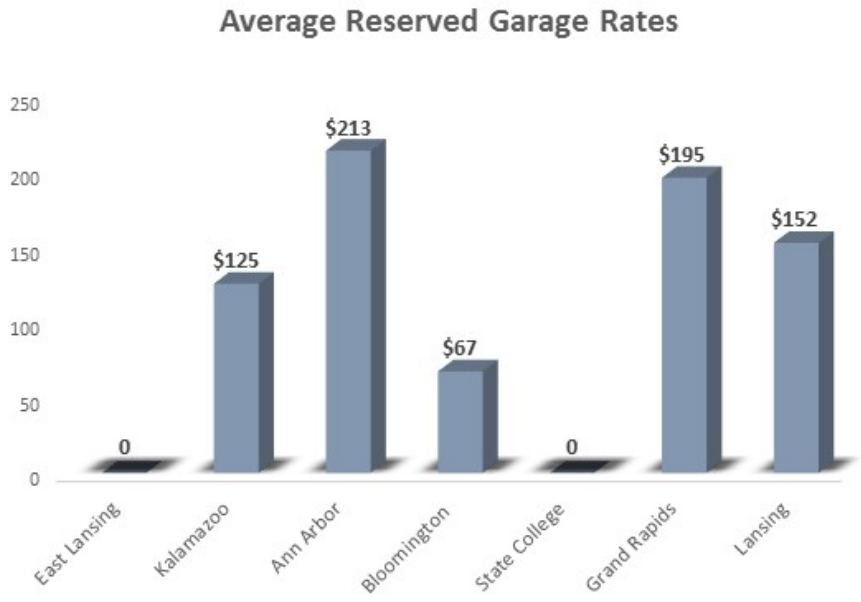
Ferndale
$20 monthly
$60 quarterly
$240 annual
$.50 cents an hour on street.

Joshua Gunn
Senior Facility Manager, Birmingham

Comparable City Analysis

Parking Rate and Fee Comparisons





City of Birmingham
A Walkable Community

MEMORANDUM

Engineering Dept.

DATE: **April 9, 2015**

TO: **Advisory Parking Committee**

FROM: **Paul T. O'Meara, City Engineer**

SUBJECT: **Monthly Parking Rate Increase Proposal**

As you know, the City has been able to keep parking rates, both daily and monthly, quite low for many years. When demand for parking spaces increased past the point where it can be regularly supplied in 2013, it began to appear that expansion of the current system may need to be planned. Under the current scenario, a case for higher rates can be made for two reasons:

1. The City's parking system is intended to be non-profit, collecting enough fees to cover its expenses, but not to create a profit. The City has generally (though not always) taken all revenues from the parking system and kept it separate from other accounts. If it appears that one or two large parkng projects are going to be undertaken, new debt will be incurred to cover the cost. If rates are high enough to both cover costs and build a savings account to be used on these upcoming projects, the amount of debt that will have to be incurred can be reduced.
2. If demand is higher than supply, the commodity being sold is worth more than the current price. The public will pay higher prices to get the parking services they need.

After discussions between the Advisory Parking Committee (APC) and the Principal Shopping District (PSD) were held, a two-part recommendation to the City Commission was passed in May, 2014:

With the understanding that the Auto Parking System needs to start making plans to build additional parking spaces, monthly permit rate increases at the following levels are recommended in an effort to increase the system account balance available for future construction:

Effective August 1, 2014:

Pierce St. Structure	*$60*
Park St. Structure	*$50*
Peabody St. Structure	*$55*
N. Old Woodward Ave. Structure	*$50*
Chester St. Structure	*$40*
Lot 6 Regular Permit	*$55*
Lot 6 Economy Permit	*$35*
South Side Permit	*$40*

Effective July 1, 2015:

Pierce St. Structure	*$65*
Peabody St. Structure	*$65*
Lot 6 Regular Permit	*$60*
Lot 6 Economy Permit	*$40*
South Side Permit	*$45*

When presented to the City Commission, only the 2014 changes were endorsed at that time. Rates were ultimately changed effective August 1, 2014. It was the feeling of the Commission that the 2015 suggested rates may be too conservative. Rather than committing to a fee structure for 2015 too far in advance, the APC was asked to look again at the 2015 rate structure and propose additional changes for consideration by the City Commission, to be effective in the new fiscal year starting July 1, 2015. To help understand where we were before these changes, where we are today, and what was being considered, the table below has been assembled:

Monthly Permit Area	Pre-Aug. 2014	Present	2015 Proposal (From 2014)	New 2015 Proposal
Pierce St. Structure	$55	$60	$65	$65
Park St. Structure	$45	$50	$50	$55
Peabody St. Structure	$45	$55	$65	$65
N. Old Woodward Ave. Structure	$45	$50	$50	$55
Chester St. Structure	$35	$40	$40	$45
Lot 6 Regular Permit	$50	$55	$60	$65
Lot 6 Economy & Lot 11 Permit	$30	$35	$40	$45
South Side Permit	$40	$40	$50	$40
EST. ANNUAL REVENUE INCREASE(1)	NA	$0	$92,400	$274,980

(1) = The annual revenue increase assumes that all facilities are selling at full capacity at every month (which has been close to accurate), except that the south side permits were assumed at 0, since very few of these permits have generally been sold.

The third column above represents suggested numbers for July, 2015, as prepared over a year ago (in February, 2015). These numbers were admittedly on the conservative side, attempting to provide increases where there was clearly a strong demand, while leaving rates as is in those facilities where the demand is strong, but not exceptional. As shown, that strategy would result in an increase of less than $100,000 annually.

The fourth column reflects increases in all locations except for Pierce St. and the South Side permits. Rates are suggested to stay as is at Pierce St. to allow Peabody St. to “catch up” with a $10 increase from its current rate. Since demand is actually stronger now at Peabody St. than Pierce St., some would consider it inappropriate to raise rates above Peabody St. For the South Side Permits, demand continues to be very small (the South Side permits are 8 permits being sold on Ann St., and 40 permits available (but generally not purchased) on S. Old Woodward Ave. south of Haynes St. The fourth column would result in a revenue increase of about $275,000 annually, or a total of $2,625,780 for monthly permit revenues.

It is intended for these rate increases to take effect on July 1, 2015, at the beginning of the new fiscal year. Since the APC has tended to consider rate increases cautiously, this topic is being introduced now, allowing time for more discussion or fact finding.

When considering the current environment for parking, and the lack thereof, please consider the various ideas and topics being considered by the City to improve the parking system:

- Ad Hoc Parking Study Committee
- Ad Hoc Parking Development Committee
- Opening of temporary Parking Lot #11
- Exploration of Shuttle Service
- Exploration of Car Pooling Arrangement
- Exploration of Valet Parking during Construction Projects
- Exploration of additional Temporary Parking Lots

I intend to give verbal updates on these topics at the next meeting so that the Committee can better appreciate the many things that are being worked on. The demand for parking is now very real, and we expect it to get more acute. Given the current environment, raising rates more aggressively as suggested above may be appropriate. It also appears to be the direction that the City Commission is encouraging. A suggested recommendation is provided below.

SUGGESTED RECOMMENDATION:

With the understanding that the Auto Parking System needs to implement methods to increase parking capacity both on a temporary and long term basis, monthly permit rate increases at the following levels are recommended in an effort to increase the system account balance available for future construction:

Effective July 1, 2015:

Pierce St. Structure	**$65**
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Chester St. Structure	**$45**
Lot 6 Regular Permit	**$65**
Lot 6 Economy Permit	**$45**
South Side Permit	**$40**

City of Birmingham
A Walkable Community

MEMORANDUM

Engineering Dept.

DATE: **February 14, 2014**

TO: **Advisory Parking Committee**

FROM: **Paul T. O'Meara, City Engineer**

SUBJECT: **Auto Parking System**
Monthly Permit Demand Increase

At the November, 2013 Advisory Parking Committee (APC) meeting, staff first discussed the large increase in monthly permit parking demand that the system is currently experiencing. After several months of investigating alternatives for new locations, staff is now recommending an expansion at the Pierce St. Parking Structure. The APC requested that a survey of the business community be prepared and issued to obtain feedback from the public. A draft survey was prepared and reviewed at the December meeting. In order to allow the survey to get the attention it needs to be successful, we issued it to the public on January 2, 2014.

The January APC meeting was scheduled for January 15. However, the deadline for preparing reports for that meeting was January 10. Less than 35 responses had been received as of that date (out of over 500 requests). Rather than hold a discussion and review on a small amount of responses, it was decided to postpone discussion until the February meeting.

In the meantime, the City Commission held its annual Long Range Planning Session on February 2. The Commission had already been apprised in the past about this topic, and about the lack of opportunities to site a new facility. With that in mind, the Long Range Planning Session represents an important opportunity to bring them up to date on this topic, and get their feedback. The survey results that had been obtained at that time (82 responses) were provided to the Commission, and a presentation formally suggesting that the Pierce St. Structure expansion appears to be the most logical direction, was prepared. The survey results and presentation slides are attached to this report for your review. The presentation given at that time will be reviewed for the APC at next week's meeting.

Here are the main themes that came from the discussion with the City Commission:

1. **It appears that the Parking System needs to do something to address the increased demand. Is the addition of 280 parking spaces at Pierce St. enough?**
2. **Funding for this project should come from increased monthly permit fees as the priority. Daily rates for customers should not be changed. The assessment formula will need to be looked at again before being implemented for such a project.**

THEME #1 – WHAT IS THE TRUE DEMAND?

The City Commission is giving the impression that a need for more spaces has been demonstrated, and that the City should work in that direction, with Pierce St. being the first priority. With the general downtown economy improving, some discussion has started recently about renewed interest in redeveloping the parking lot at the N. Old Woodward Ave. Parking Structure. To a lesser extent, interest has also been expressed about developing the green spaces at both the north and south ends of the Pierce St. Parking Structure property. (Both of these ideas were included in the Downtown Birmingham 2016 Master Plan.) In order to truly answer how many parking spaces the CBD needs, and to help guide the land development process, an updated, comprehensive parking demand study is needed.

In 2000, as an outcome of the 2016 Plan overlay zoning district changes that allowed increased density in the CBD, City staff performed a parking demand study. The study was partially updated in 2006 in the area of Shain Park to assist with the discussions of a parking structure at Parking Lot #7 held at that time. However, there has been no comprehensive study done since 2000. In 2000, the study was structured as such:

1. An Ad Hoc Parking Study Committee (AHPSC) was formed. Membership in the AHPSC included representatives of the following stakeholders:

    - Advisory Parking Committee
    - Historic District & Design Review Committee
    - Planning Board
    - Principal Shopping District
    - Engineering Dept. Representative
    - Planning Dept. Representative
    - Principal Shopping District Staff Representative

    The members of this committee were formed to help direct the methodology of the study, and to help make final recommendations from its results.

2. The study used the following steps to move its way to its conclusions:

    - A list of every property within the Parking Assessment District was prepared. The list included the amount of gross square feet of building space it contained, as well as the number of private parking spaces it had on site.
    - A review of the parking data that was available at that time was reviewed to determine what time of year the study should focus on. At that time, December represented a significant peak of demand, while the warmer months (April through October) represented a more “normal” level of demand, with May being the second busiest month. The AHPSC decided to use existing demand in May as its benchmark.
    - Actual demand was determined by counting all parking spaces in use on a typical weekday in May during the hours of noon to 2 PM (the peak of the daily demand). Both public and private parking spaces were counted.

- From the actual measured demand counted, and knowing the number of square feet that were available for use at that time, a demand ratio of one parking space per 424 gross sq.ft. was established.
- Private properties were analyzed individually, and those that appeared to be good redevelopment candidates were determined. Calculating the potential full increase in square feet that could be developed from the redevelopment candidates allowed a future number of needed parking spaces to be developed.
- The Parking Assessment District was split into 6 zones, to help determine which parking structure (or Lot #6) occupants from each building would prefer to park in.
- Recommendations for more spaces were established and forwarded to the City Commission, with the need being greatest in the areas around the Pierce St. and Peabody St. Parking Structures.

At this time, it would appear that it is prudent to begin an update on the parking demand study. The study should cover the entire assessment district. A new AHPSC could be formed to oversee the process, which would include:

- Update the parcel list to reflect changes made since 2000, both in square footages and in private parking spaces.
- Update the map of potential redevelopment properties, and estimate potential square footages based on the current zoning ordinance.
- Prepare to count parking spaces in May of this year, as this should still be a reliable time of year on which to base demand.
- Calculate a revised number of gross square feet per parking space demand rate.
- Calculate the future ultimate demand for parking in the assessment district, and compare it to estimates made in 2000.
- Review the findings and make new recommendations for parking space needs in the parking system.

If this process is started soon, it is expected that this process would take until approximately July of this year to complete. Given the current advisory committee structure, we recommend modifying the membership of the AHPSC to make one change. The newly created Multi-Modal Transportation Board should be represented on this Committee, while the Historic District Committee/Design Review Board representation no longer seems necessary. A recommendation is provided below for your consideration. Having the firm numbers that a revised parking study could provide should give the final assurance of whether a project of this nature is needed or not. It will also provide badly needed data to help staff determine what the right level of potential private development should be on the “open” areas of both the N. Old Woodward Ave. Structure, and the Pierce St. Structure properties.

THEME #2 – RATES

Members of the Commission expressed the feeling that the monthly parking permit rates offered by the parking system are below market value, and that they have been for some time. Efforts to increase the rates in the past were based primarily on changes in demand at one structure compared to the others, with a desire to modify behaviors. These suggested rate increases have met with resistance by members of the public, and they have often not been

successful. However, those efforts were attempted in an environment where the parking system did not need the additional funds.

In our current environment, it would appear that the system is destined to head in the direction of more construction, which will obviously require funding. The cash flow balance prepared last fall (attached) suggests that the cash on hand for the system will be about $5.5 million at the end of the fiscal year (June 30, 2014). Since the system needs to keep about $2 million in the account at all times in the event of an unexpected emergency, that leaves $3.5 million available to be spent on a new construction project. If rates are left as is, the projection is that the savings account will grow to $6.4 million by the end of June, 2015. Assuming that the construction of a parking structure will require several steps, an assumption was made that $5 million would be available from savings by the time construction is actually underway.

The cost estimate for a building expansion at the Pierce St. Structure has been set at $9.5 million. Whatever is not available from the savings account will have to be bonded, which will then introduce interest costs on the outstanding debt. Given that the system has an underpriced asset (monthly parking permits), the special assessment that will eventually be charged to help make up the difference in cost could be lowered substantially if monthly parking rates are boosted. Below is a suggested level of increases that could be suggested to help get the conversation started.

PARKING FACILITY	CURRENT RATE	RECOMMENDED RATE (JULY, 2014)	RECOMMENDED RATE (JULY, 2015)
Pierce St.	$55	$60	$65
Park St.	$45	$50	$50
Peabody St.	$45	$55	$65
N. Old Woodward Ave.	$45	$50	$50
Chester St.	$35	$40	$40
Parking Lot #6 Permits	$30 & $50	$35 & $55	$40 & $60
South Side Permits	$40	$45	$50

The increases are suggested based on the following:

- Pierce St. & Peabody St. are the most severely short on spaces given current demand. Their current deficits are similar, therefore, the current value of a permit at Peabody St. is similar to Pierce St. An aggressive increase at Peabody St., while also increasing Pierce St., allows them to be at the same rate by 2015 without stepping either up too fast.
- Park St. & N. Old Woodward Ave. demand is greater than supply, but not as much. Only a $5 increase is suggested.
- Chester St. demand is greater than supply, but more so than any other, permit holders in this lot would rather be somewhere else if they could be. Only a $5 increase is suggested.
- Demand is equal to supply at Lot #6, and actually way under supply for the South Side area. However, for both, the people purchasing permits typically do not have to park that far from their destination, making them desirable permits to hold for those that purchase them. Both are being stepped up a total of $10 given the quality of parking they provide.

We encourage debate and discussion about how the rate increases were figured, and they can be tweaked if so desired.

Using the numbers above, and based on current sales, annual revenues would be as follows:

CURRENT=	$2,095,260	
2014 (AFTER INCREASE) =	$2,373,660	INCREASED REVENUE = $278,400
2015 (AFTER INCREASE) =	$2,470,380	INCREASED REVENUE = $375,120

If the goal is to make a significant increase in the savings account in a short time, just raising monthly parking permit rates alone will likely not do it. We are also in the early stages of talks with Central Parking to take advantage of a national call center office they now operate in Austin, TX. The call center would allow the elimination of the all night call center currently operated in our local office, resulting in a reduction in operating costs. The amount of savings could be over $100,000 per year, but those numbers still need to be verified. As this opportunity materializes, we will bring this idea to the Committee for further discussion.

No other substantial cost saving moves or revenue enhancers are being considered at this time.

Suggested recommendations to the City Commission regarding both of the above topics are provided below. If the APC feels that additional discussion, such as with the PSD, is warranted, it would be reasonable to postpone the second recommendation.

SUGGESTED RECOMMENDATION A:

To recommend that the City Commission authorize the formation of an Ad Hoc Parking Study Committee that will be formed for a limited time to update the parking demand study done in 2000 for the Parking Assessment District, with the goal of determining the long term demand levels for parking throughout the Central Business District, and recommendations of how to best use the Auto Parking System's properties at this time. Suggested recommendation of the Ad Hoc Committee shall include the following members, with each of the suggested boards nominating their representative accordingly:

- **Advisory Parking Committee**
- **Multi-Modal Transportation Board**
- **Planning Board**
- **Principal Shopping District**
- **Engineering Dept. Representative**
- **Planning Dept. Representative**
- **Principal Shopping District Staff Representative**

The Ad Hoc Committee shall be formed as soon as practical, with the goal of finalizing a report of findings and recommendations by July, 2014.

SUGGESTED RECOMMENDATION B:

With the understanding that the Auto Parking System needs to start making plans to build additional parking spaces, monthly permit rate increases at the following levels are recommended in an effort to increase the system account balance available for future construction:

Effective July 1, 2014:

Pierce St. Structure	**$60**
Park St. Structure	**$50**
Peabody St. Structure	**$55**
N. Old Woodward Ave. Structure	**$50**
Chester St. Structure	**$40**
Lot 6 Regular Permit	**$55**
Lot 6 Economy Permit	**$35**
South Side Permit	**$40**

Effective July 1, 2015:

Pierce St. Structure	**$65**
Peabody St. Structure	**$65**
Lot 6 Regular Permit	**$60**
Lot 6 Economy Permit	**$40**
South Side Permit	**$45**

City of Birmingham
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MEMORANDUM

Engineering Department

DATE: **March 14, 2014**

TO: **Advisory Parking Committee**

FROM: **Brendan Cousino, Assistant City Engineer**

SUBJECT: **Parking System Rates Update**

At the February 19, 2014 Advisory Parking Committee (APC) meeting, the issue of raising the rates for the monthly parking permits was brought up in the context of raising funds to pay for a portion of the expansion of the Pierce Street parking structure. In the meeting, the discussion of changing the enforcement policies and rates at the on-street metered parking spaces was raised as well.

At that time, the APC requested that this issue be discussed with the Principal Shopping District (PSD) board at their next meeting. Paul O'Meara and Lex Kuhne agreed to contact the PSD board to request that this issue be placed on the agenda of their next scheduled meeting. The PSD board requested that this discussion take place at the PSD Maintenance Committee meeting, which is scheduled on March 18, 2014.

An update of the discussion regarding will be given at the APC meeting on March 19th. A copy of the complete report and attachments that were on the February 19 APC agenda is attached with the previous agenda item for your reference.

City of Birmingham
A Walkable Community

MEMORANDUM

Engineering Dept.

DATE: **May 14, 2014**

TO: **Advisory Parking Committee**

FROM: **Paul T. O'Meara, City Engineer**

SUBJECT: **Monthly Parking Rate Increase Proposal**

At the February, 2014 APC meeting, the attached report regarding the high demand for monthly permits was identified. First, an update relative to the Ad Hoc Parking Study Committee will be provided below, followed by an update on the monthly parking rate increase proposal.

AD HOC PARKING STUDY COMMITTEE (AHPSC)

The formation of the above committee was approved by the City Commission in March. Since then, the various participating boards have nominated the following members:

Advisory Parking Committee – Susan Peabody
Corridor Improvement Authority – JC Cataldo
Multi-Modal Transportation Board – Unfilled
Planning Board – Gillian Lazar
Principal Shopping District – Richard Astrein

(The Multi-Modal Transportation Board is just now being formed. A total of six (out of seven) members were finally appointed at the Commission meeting of May 5. At their first meeting, the topic of appointing a member to the AHPSC will be discussed.)

While waiting for the membership of the Ad Hoc committee to develop, staff has been preparing for the study in two areas:

1. The database of the downtown parking district from 2000 is currently being updated by the Planning Dept. Due to some staff vacancies, this has been a slower process than had been expected, and it is not yet complete. It would be helpful for it to be complete prior to calling the committee to meet.
2. During the study in 2000, it was determined that the month of May was a good time of year to use for a parking demand model, in that it is near the peak time of year for demand. It was decided at that time that if the parking system can accommodate demand during a weekday afternoon in May, it should be able to meet the demand most days of the year. Since it is May, Central Parking is currently preparing to conduct a counting study of all the various areas of the downtown to better confirm what the level of demand is. Having actual numbers available will help speed the process of updating the demand model once the committee starts meeting.

MONTHLY PARKING RATES

At the February meeting, the APC generally accepted the premise that it may be time to raise monthly parking rates. However, it was felt that a vote on the matter was premature until input from the PSD was obtained. Chair Lex Kuhne and I appeared before the full PSD at their next regular meeting (March 5). After our appearance, the topic of parking was assigned to the Maintenance subcommittee of the PSD.

Brendan Cousino and I met with the subcommittee at their meeting of March 18, and discussed various parking topics with them in further detail. At that time, it was felt that they would not be ready to take the matter to the full board at their meeting of April 3, but to look for something at their meeting of May 1.

As the end of April approached, I asked for confirmation that the topic of parking rates was on the PSD agenda for May 1. I was told that the subcommittee had a list of concerns to pass on to the staff and the APC relative to parking, but the topic of monthly parking rates seemed to have been left out of the discussion. I expressed concern that the APC was in a holding pattern on this issue, with the expressed need to know if the PSD was going to raise objection to the topic of raising monthly parking rates. As a result, Brendan and I were invited to the next Maintenance subcommittee meeting on May 13. The meeting was productive, and touched upon other PSD concerns which are covered under a separate memo. With respect to rates, the members present indicated that the PSD cannot be in a position of encouraging a rate increase. However, they understand the current situation, and respect the fact that a rate increase may be coming. They indicated that the PSD as a board will not actively protest if one is proposed. They could not, of course, predict what the business community reaction would be.

A suggestion was made that if a rate increase is enacted, it would be more palatable to the business community if it the new funds were placed in a separate account reserved for funding future construction. Staff has concerns relative to this approach for two reasons:

1. The City Commission should not have to be bound by how it funds projects within the Parking System, provided that funds earned by the Parking System are expended on improvements to the system, whether they be new construction, maintenance, or general operational expenses.
2. If the City agreed to create a separate account that was earmarked for construction activities, it may set a precedent that each time a rate increase is enacted, the funds must be designated to a special purpose.

As a result, staff does not recommend that a rate increase have such limitations. The idea should be discussed by the APC. A possible compromise would be to ask Central Parking to keep account of the additional funds earned, but not to promise how the funds would be spent.

With the above introduction, I refer you back to the memo prepared in February, attached, starting on page 3. A suggested rate increase for all parking facilities is offered for your review and consideration. At this time, it would appear that the parking system is in need of new facilities to accommodate more cars. New construction will result in a need for assessments and/or bonding if the work is going to be accomplished in the relatively near future. It will

likely be several more months before a decision on how and when to expand the system is finalized. Given the current demand for parking within the system, it may be appropriate to begin collecting additional funds now that can be saved for future construction. The resolution as it appeared in February is presented again below (the rate increases have been pushed back one month to provide time for word to get out to the public):

SUGGESTED RECOMMENDATION:

With the understanding that the Auto Parking System needs to start making plans to build additional parking spaces, monthly permit rate increases at the following levels are recommended in an effort to increase the system account balance available for future construction:

Effective August 1, 2014:

Pierce St. Structure	**$60**
Park St. Structure	**$50**
Peabody St. Structure	**$55**
N. Old Woodward Ave. Structure	**$50**
Chester St. Structure	**$40**
Lot 6 Regular Permit	**$55**
Lot 6 Economy Permit	**$35**
South Side Permit	**$40**

Effective July 1, 2015:

Pierce St. Structure	**$65**
Peabody St. Structure	**$65**
Lot 6 Regular Permit	**$60**
Lot 6 Economy Permit	**$40**
South Side Permit	**$45**

Chief Studt clarified for Commissioner Rinschler that the proposed ordinance amendment will prohibit possession as well as use.

In response to Crystal Proxmire, of the Oakland County 115 News, Chief Studt explained that if charged under a state law, the charge would be brought in juvenile court. If charged under the City ordinance, the fines are distributed according to the district court agreement.

VOTE: Yeas, 7
Nays, None
Absent, None

06-150-14 MONTHLY PARKING PERMIT RATE INCREASE

City Engineer O'Meara explained that parking demand has grown significantly in the last year. The Advisory Parking Committee has suggested that the City start building the fund balance in order to reduce the amount of bonding needed to expand parking in the future, thereby reducing bonding and interest costs.

Commissioner Hoff commented that money is needed in order to add space to the Pierce structure and that the proposed increases in monthly rates are a legitimate reason to raise the rates. However, she does not want to drive businesses out of town or force employees to find another job either.

Mayor Moore noted that the funds are held in the parking fund to pay for improvements and new space in the future. It is not a source of general funds for the City. Parking decks are expensive and the funds will be used to increase the quality and the capacity of the structures.

In response to a question from Commissioner Hoff, Interim City Manager Valentine confirmed that the construction can be funded by general obligation bonds or revenue bonds. Revenue bonds are not voter approved. Mr. Valentine added there has also been some discussion of special assessments. Once the solution is finalized, then the funding mechanism will be discussed.

Commissioner Hoff asked about the possibility that Central Parking utilize a national call center rather than staffing the decks. She suggested a discussion of that issue be held before anything is finalized. Mr. O'Meara explained that the proposal from Central Parking would have to be studied by the Parking Committee before bringing it before the Commission.

Commissioner Dilgard expressed support of the resolution but does not feel the City is locked into the July 1, 2015 rate increase at this time.

MOTION: Motion by McDaniel, seconded by Rinschler:
To accept the recommendation of the Advisory Parking Committee and approve the August 1, 2014 rates and tentatively approve the rates for July 2015, subject to review of the effect of the rate increases in the current year, as follows:

<u>Effective August 1, 2014:</u>

Pierce St. Structure $60
Park St. Structure $50
Peabody St. Structure $55

N. Old Woodward Ave. Structure $50
Chester St. Structure $40
Lot 6 Regular Permit $55
Lot 6 Economy Permit $35
South Side Permit $40

Effective July 1, 2015:

Pierce St. Structure $65
Peabody St. Structure $65
Lot 6 Regular Permit $60
Lot 6 Economy Permit $40
South Side Permit $45

Mary Ann Haney expressed concern with the effect of a rate increase on seniors and the lack of available parking space for handicapped individuals.

Mayor Moore commented that there are parking spaces in the Chester structure for the Baldwin House residents. He requested that staff review this.

VOTE: Yeas, 7
Nays, None
Absent, None

Commissioner McDaniel noted that a report will be required prior to July, 2015 relative to the 2015 parking rates.

06-151-14 COMMISSION REQUESTED EXTRA PROJECTS FISCAL YEAR 2014/15

City Engineer O'Meara explained the request to include the resurfacing of Old Woodward Ave. from Willits St. to Landon Ave. in the fall of this year. He reminded the Commissioners that federal funding was received for Maple for the year 2017, which postponed the work on Old Woodward until 2018 at the earliest. The resurfacing should last four to five years. He suggested that the additional funds for the project be taken from the general fund or eliminate other projects from this year's list.

Commissioner McDaniel stated that Old Woodward has to be done this year. He does not favor eliminating other projects as planned, and proposed the funds for the Old Woodward project be taken from the general fund.

MOTION: Motion by McDaniel, seconded by Dilgard:
To add the suggested resurfacing of Old Woodward Ave. from Willits St. to Landon Ave. to the 2014 Asphalt Pavement Maintenance Program, and return to the Commission with a suggested budget amendment at the time of contract award.

VOTE: Yeas, 7
Nays, None
Absent, None

City Engineer O'Meara described the brick paver removal program. He suggested that the sidewalk repair program for this year be postponed if the Commission feels the brick paver