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## CITY COUNCIL REPORT

DATE: October 24, 2017

TO: Mayor and Councilmembers

FROM: Karl Eberhard, Interim Parking Manager

THROUGH: Heidi Hansen, Economic Vitality Director  
David McIntire, Community Investment Director

CC: Josh Copley, Barbara Goodrich, Shane Dille, Leadership Team

SUBJECT: ParkFlag Revenues

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This is in response to a request for information regarding the specific uses for ParkFlag revenues.

### DISCUSSION

The ParkFlag Special Revenue Fund is codified in Title 9 of the City Code (9-01-001-0015 COMPREHENSIVE PARKING MANAGEMENT PROGRAM SPECIAL REVENUE FUND CREATED). It states:

- A. Except for funds collected from fines on parking violations, there shall be a separate accounting for all funds collected pursuant to the Comprehensive Parking Management Program. The use of said funds shall be restricted to:
1. Areas of the City under the authority of the Parking Manager (areas of the City with pay-to-park requirements or permit-parking programs); and
  2. Programs identified in the Comprehensive Parking Management Program, including capital development or improvement of parking facilities, land acquisition for parking, parking system management and operational expenses, and debt.
  3. Until four hundred fifty (450) new public parking spaces have been added to serve the Downtown area, twenty percent (20%) of the annual revenues in the Special Revenue Fund shall be used only for the acquisition and/or development of new public parking spaces serving the Downtown area, specifically any expenses directly related to the acquisition and development of public parking facilities to serve the Downtown area and shall not be diverted or appropriated to any other fund including but not limited to the General Fund.

4. Promoting the use of alternative modes of transportation and other parking demand reduction expenses.

Functionally, staff has prioritized the uses of the revenues as follows:

1. First, the twenty percent of the gross revenues is set aside as required for the 450 new parking spaces.
2. Second, current ParkFlag operational expenses are paid (including demand reduction expenses).
3. Third, start-up costs are repaid (part of operational expenses) in the first years refunding the General Fund for the advance of resources.
4. Finally, after maintaining a general program reserve, and a capital replacement reserve, any additional funds can be used for any eligible use set forth in the Code. Currently, staff recommends using any remaining funds to augment the twenty percent (20%) set-aside for inventory creation.

On the attached Pro Forma, the anticipated real numbers can be seen to be as follows:

Income:	\$1.17 M
Operating Expenses:	\$ .74 M
Start-up Costs:	
Capital:	\$1.09 M
Operating:	\$ .25 M
Set Aside Funds:	\$ .43 M

At this time, the actual expenses have not been formally calculated or audited and thus a formal measure against the Pro Forma is not available. However, some observations so far are:

1. Notably with only a month of operations, pay-to-park revenues are exceeding projections by about twenty percent.
2. Sales of parking permits, a small portion of the anticipated income (\$150K), are below projections by at least 40%.
3. The capital start-up costs have exceeded the anticipated costs, due to expansions of the system including twenty percent more kiosks (final design and expanded service area), the addition of Sunday enforcement, and the addition of County parking lots to the managed parking areas. The amount exceeded is expected to be less than twenty percent. Some additional revenue should be generated because of the expanded service and will likely be a financial benefit long term.
4. The first year operating expenses will be below projections dues to the delayed start and the current short staffing.

Please see the following pages for the pro-forma:

**Basis Data:****Notes:**

	Total (Est.)	Emp. Permits	Metered Spaces	
<b>Inventory of Pay-to-park Spaces:</b>				
On-street				
North Downtown	477	192	285	GIS Counted
Southside	265	36	229	GIS Counted
Parking Lots				
North Downtown	106	0	106	GIS Counted
Southside	175	110	65	GIS Counted
<b>Total:</b>	<b>1023</b>	<b>338</b>	<b>685</b>	
<b>Inventory of Other Spaces:</b>				
Time-limited:	278			
Facilities:	309			
<b>Inventory of Resident Parking Spaces:</b>				
	Total (Est.)	Control Sought Percent	Count	Guess (Control Sought - Based on Expected Impacts)
Zone 1 - Southside	750	90%	675	(Rough - 7.25 Spaces per Block Face)
Zone 2 - La Plaza Vieja	290	50%	145	(Rough - 7.25 Spaces per Block Face)
Zone 3 - Townsite	928	25%	232	(Rough - 7.25 Spaces per Block Face)
Zone 4 - North End	667	25%	167	(Rough - 7.25 Spaces per Block Face)
Zone 5 - Cherry Hill			0	(Not a part, but Reserved)
Zone 6 - Sawmill			0	(Not a part, but Reserved)
<b>Total:</b>	<b>2635</b>		<b>1219</b>	
<b>Total Spaces in Area:</b>	<b>3936</b>			
<b>Total Spaces under Management:</b>			<b>2520</b>	

**Income Projections:****Notes:****Guest Permit Income:**

Occupancy Rate:	1%
Daily Cost:	\$5.00
Annual Program Income:	\$22,242

**Employee Permit Income:**

Occupancy Rate:	75%
Permit Cost:	
Daily	\$2.25
Monthly	\$45
Annually	\$540
Annual Program Income:	\$136,890

Adjusted - 3x more spaces

**Meter Income:**

Occupancy Rate:	15%
Average Hourly Cost:	\$1.00
Pay-to-park:	
Basic Meter Charges:	\$900,090
Employee Spaces:	\$111,033
Hoarding Fee:	\$1,500
Annual Program Income:	\$1,012,623

2009 Parking Study Recommendation

**Total Annual Income:** \$1,171,755

**Start-up Expense Projections:**

Notes:

	QTY	Unit Cost	
<b>Capital Expenses:</b>			
Residential Permit Parking Program:			
Signage:			\$129,580
Temporary Curbs:			\$20,000
Total:			\$149,580
Employee Permit Parking Program:			
Signage:			\$18,079
Total:			\$18,079
All Other			
Signage:			\$141,360
Total:			\$141,360
Pay-to-park Kiosks			
Purchase			\$659,400
Install			\$103,634
Total:			\$763,034
Compliance Equipment:			
Cell Phones, Printers, Uniform:	4	\$5,000	\$20,000
Total:			\$20,000
Sub-total Capital Expenses:			\$1,092,053
Streets Contribution:			-\$3,520
Financed:			-\$967,597
Sub-total Capital Outlay:			\$120,936
<b>First Year Operating Expenses:</b>			
Compliance Staff:			
On-street Staff:	4	\$45,000	\$180,000
Kiosk Lease Payment:	4	\$9,209	\$36,836
Parkeon Subscription:	4	\$5,757	\$23,028
NuPark Subscription:	4	\$2,344	\$9,375
Total:			\$249,239
Sub-total First Year Operating Expenses:			\$249,239
Financed:			-\$32,403
Sub-total Capital Outlay:			\$216,836
<b>Total Capital Outlay:</b>			<b>\$337,772</b>

**Ongoing Expense Projections:****Notes:****Annual Expenses:**

Compliance Staff:

On-street Staff: 9 \$45,000 \$405,000

(1) per 300 Spaces

Management Staff: 1 \$75,000 \$75,000

Kiosk Lease Payment: 12 \$9,209 \$110,508

Parkeon Subscription: 12 \$5,757 \$69,084

NuPark Subscription: 12 \$2,344 \$28,125

Maintenance: 2.50% \$16,485

Program Capital Reserve: 5.00% \$32,970.00

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Total: \$737,172**Available to Construct Parking:**

\$434,583

## RECOMMENDATION / CONCLUSION

This report is for information only.