



## **Parking Management Advisory Task Force**

**747 Market Street; Room 537**

### **Meeting #57 – February 21, 2013, Notes**

#### **4:10 Meeting called to order by Co-Chairs**

Rollie Herman, one of the co-chairs, called the meeting to order. Task force members and guests introduced themselves.

**The meeting notes from February 7th were accepted as written.**

[RH] has developed an online resource to provide access to documents previously provided to the task force. It can be accessed at <http://rollieherman.com/parking>.

Dana Brown, with the City of Tacoma, announced that the City has hired a new Parking Services Manager that would be starting soon.

#### **4:30 Rate Setting Protocols**

Rick Williams, a consultant, introduced his role with the task force, including the development of an integrated parking plan. The plan will integrate the management of both on- and off-street facilities. Developing a rate setting policy is part of this task. By discussing frequency of review and criteria to use when considering rates, it should make the procedure understandable and predictable. The policy will be created for both on- and off-street facilities, consistent with the integrated plan.

[RW] feels that the foundation for rates is demand based, but at a minimum it needs to cover operating costs. The task force pointed out that this is not consistent with current policy, but this is open to change. The task force proceeded to discuss the difference in operating costs versus debt service. It was pointed out that the system cannot be expected to cover debt service that has been repeatedly restructured and is currently creating a deficit of multi-millions of dollars per year. This was the general consensus of the group.

[RW] suggested that the policies should be based on best practices, including:

- Covering normal & reasonable annual cost increases,
- On- and off-street occupancies & rates, and
- Prioritize visitors

With regard to prioritizing visitors this means that in those facilities where visitor usage is paramount, monthly rates will need to increase as unused visitor capacity decreases. For long

term parkers, the City should be prepared to provide alternatives to City garages, including prices at competing garages focused on long term customers and alternative mode options.

When considering occupancies in pricing, differing price zones may need to be considered. This can be done on-street as well as pricing garages differently based on demand. When looking at rates, Tacoma should be competitive with rates in comparable cities. Part of [RW] work will include identifying peers. This will remove the potential to tweak comparables on the fly for political reasons.

The task force expressed concern over how “normal & reasonable operating costs” would be defined. [RW] felt that an annual review of these costs would be appropriate. He would be beginning the process with an audit of current practices.

When considering operating costs, some assets may be underperforming. [RW] noted that for assets that continuously underperform year after year, some cities have looked at selling. He reminded the task force to not take one year’s data when considering significant changes.

A question about rolling capital replacement funding into operating costs was left unanswered by the task force. It was noted that the current deficit is a result of bonded capital spending, not operating losses. The task force was asked to keep in mind that the current debt only covered the current system. Any expansion of the system, like additional parking paystations, would need new money.

[RW] suggested developing a general policy to guide rate setting decisions. This policy would be founded on the City Council adopting rate ranges to guide management staff. This would allow for regular check-ins with elected officials, but not give them the responsibility of day-to-day operations. Determining precise rates would be left to staff.

The rates for off-street facilities would be identified per facility based on use/mix targets and current occupancies. When looking for ideal use/mix targets, [RW] suggested looking at a five year goal rather than longer term. To give room for achieving these goals he recommended limiting long term sales to a two year contract and including an automatic escalator.

The rate setting metrics coming down to three key criteria:

- Cost
- Demand
- Comparables

**The meeting was adjourned at 6:10PM with the next meeting on March 7th.**