



CITY OF SACRAMENTO

DEPARTMENT OF PUBLIC WORKS

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PARKING DIVISION

REF: 86-06-44

June 17, 1986

Budget and Finance Committee
Sacramento, California

Honorable Members is Session:

SUBJECT: REVENUES VS COSTS OF OPERATING THE CITY'S OLD SACRAMENTO
PARKING GARAGES

SUMMARY

This report is in response to Committee Chairman Joe Serna's request for information in regards to the cost effectiveness of operating the City parking garages servicing Old Sacramento on nights and weekends.

BACKGROUND

On June 11, 1986, the Budget and Finance Committee reviewed the City's 1986-87 proposed operating budget for the Parking Division. Discussion was directed towards the cost effectiveness of operating parking facilities. A specific inquiry was made by Committee Chairman Joe Serna for a staff report on the cost effectiveness of the two (2) City garages serving Old Sacramento (Lot P, 2nd & I Streets and Lot R, Front and Capitol Mall).

FINANCIAL DATA

To determine the cost effectiveness of operating these two (2) garages during nights and weekends, the fiscal year to date (as of April 30, 1986) revenues from hourly parking fees and personnel costs for the same period were used in determining the net revenue. Also, used was the proportion of rental payments to Caltrans for Lot P, at 2nd and I Streets (the land is leased from Caltrans for 5.6% of the gross revenue).

The results are as follows:

Fiscal Year-to-Date as of 4-30-86

	Revenue ¹	Costs ²	Net Operating ³ Revenue
Lot P (2nd & I)			
Nights	\$ 97,921	\$ 47,379	\$ 50,542
Weekends	<u>137,467</u>	<u>103,203</u>	<u>34,264</u>
Total	\$235,388	\$150,582	\$ 84,806
Lot R (Front & Capitol Mall)			
Nights	\$ 39,151	\$ 22,173	\$ 16,978
Weekends	<u>50,407</u>	<u>28,896</u>	<u>21,511</u>
Total	\$ 89,558	\$ 51,069	\$ 38,489
Lots P & R (Combined)			
Nights	\$137,072	\$ 69,552	\$ 67,520
Weekends	<u>187,874</u>	<u>132,099</u>	<u>55,775</u>
Total	\$324,946	\$201,651	\$123,295

1 Hourly short term parking fee revenue.

2 Includes all estimated operating personnel costs and 5.6% of gross revenue to Caltrans for lease of Lot P garage site under the freeway.

3 Does not include debt service.

As the above table shows, the net revenue derived from these facilities precludes free parking at nights and on weekends. The net operating revenue from these facilities in conjunction with net operating revenue generated from other facilities is used to pay off capital improvement costs, debt service for three (3) parking revenue bond issues, and operating lease agreement rental payments (to SHRA and Caltrans). Lot R is currently under a debt service commitment of \$2,700,000 for which there is a payment of


\$194,000 per year. It is extremely important the City parking operations derive the maximum net revenues possible for these purposes. It is for this reason that the Downtown Plaza Merchants pay the lost annual net revenue for weekend free parking in Lot K (5th-7th-J-L underground).

Another report to the Budget and Finance Committee on the debt service status of the Parking Enterprise will be forthcoming.

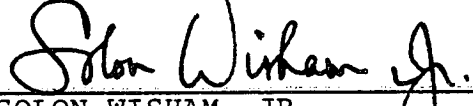
RECOMMENDATIONS:

It is recommended that operation of the City parking garages serving Old Sacramento be continued during evenings and weekends in order to generate operating net revenues to pay capital costs and debt service.

Respectfully submitted,

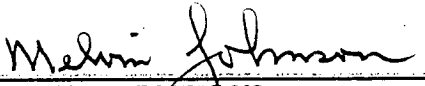

J. Mark Morgan
Parking Division Manager

RECOMMENDATION APPROVED:



SOLON WISHAM, JR.
Assistant City Manager

APPROVED:



MELVIN JOHNSON
Director of Public Works

JMM/bjc

District 1
June 17, 1986