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DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

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September 12, 1989

Joint Transportation and Community Development/
Budget and Finance Committee

Honorable Members in Session:

SUBJECT: REPORT BACK ON PROJECTED PARKING RATE INCREASES FOR 1990-1991

SUMMARY

During discussion on the pending 1989 Certificate of Participation on August 22, 1989, the joint committee requested information on the projected parking rate increases that would result from the debt payment requirements of the Civic Center Plaza Garage. This report provides a review of the rate projections for 1990-1991 that were provided in a June 20, 1989, staff report to this committee.

BACKGROUND

On June 20, 1989, staff reported to council on a number of issues involving the 1989-1990 parking rate increases. Included in that report was a section on the impact of the Civic Center Plaza Garage on parking rates for 1990-1991. In summary, it was projected that revenues would have to be adjusted 10%-20% over 1989-1990 levels in 1990-1991 in order to pay the debt service for the new garage. Rates in 1991-1992 and beyond would have to be raised 0%-5% annually. A table from that June 20 report that details the projected increases is attached.

The rate schedule provided on Attachment A is just an example of how rates at the different lots could be adjusted in combination to result in a 15% increase in parking fund revenues. The rate increases in each category range between 0% and 37.5%. These rates are still below this year's prevailing market rate of \$1.00-\$1.50 per hour in covered private lots throughout downtown Sacramento.

Further discussion of the precise rate increases required for 1990-1991 would be speculative at this point. Staff does not have sufficient current year revenue data to determine the impact of 1989-1990 rate increases. In addition, the Parking Division has been promoting discounts for carpools which could result in loss of projected revenues. Other variables that add to the speculation on parking rates increases include disposition of proceeds from the sale of Lot A, development of alternative transportation funding (assuming that the parking fund will have to make some contribution), marketing efforts by the downtown merchants on the availability of short term parking, and absorption of office space in newly constructed downtown office buildings.

Staff will begin the process of preparing current year revenue estimates for the mid-year report sometime in December. The mid-year report for the parking fund will give a more precise range of rate increases that are required. Following the mid-year review staff will begin working with affected groups to prepare a plan to distribute the rate increase equitably among the various users of the parking garage (commuter, shoppers, carpools, tourists, etc.) while balancing some of the key priorities of the City Council (increase air quality, reduce traffic congestion, promote downtown economy and tourism). This plan would be presented to Council during the regular budget hearings in May or June next year.

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FINANCIAL DATA

This report provides a summary of the financial data contained in the June 20, 1989, staff report to the Joint Committee. It is projected that a rate increase in the range of 10%-20% will be required in 1990-1991 to pay for debt service on the Civic Center Plaza Garage.

POLICY IMPLICATIONS

This report is for information only. No action is required by City Council at this time. The rate structure contained in this report is only provided as an example. The specific rates that will be recommended to the City Council for 1990-1991 will consider various policy issues that are impacted by parking rates.

MBE/WBE

None

RECOMMENDATION

No Council action is required at this time. This report is for information only.

Respectfully submitted,

J. Mark Morgan
J. Mark Morgan
Parking Administrator

Recommendation Approved:

Solon Wisham, Jr.,
Assistant City Manager

Approved:

Melvin H. Johnson
Melvin H. Johnson
Director of Public Works

Contact Person:

Bill Farley, Administrative Services Officer
449-2013

ALL DISTRICTS

Attachment A

3/17/89
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TABLE 4

	Parking Lots	First Two Hours	Third Hour (Ea/30 min)	Fourth Hour	Nights	Weekends
Current Rates	A-B-E	.40	---	1.00	.35	.30
1988-89	H	.50	---	1.00	.35	.30
	G-K-P-R	.35	---	1.00	.35	.30
Proposed Rates	A-B-E	.45	.50*	1.00	.40	.40
1989-90	H	.55	.50*	1.00	.40	.40
	G-K-P-R	.40	.50*	1.00	.40	.40
Projected Rates	A-B-E	.60	.50	1.10	.50	.50
1990-91	H	.75	.50	1.10	.50	.50
	G-K-P-R	.55	.50	1.10	.50	.50

* Starting January 1, 1990

(Reprinted from staff report to Budget Committee on June 20, 1989 on various matters regarding the 1989-1990 Parking Rate Increases.)