

Late Backup

Municipal Parking Analysis

January 10, 2008

Background

- Council's Land Use and Transportation Committee requested a briefing on potential models for the creation of a parking enterprise system in Austin:
 - To facilitate financing of public parking where needed and to help shape development
 - To help create a long-term funding source to support public goals
- Two briefings were completed (Sept and Oct) and included an analysis of:
 - Examples of parking enterprise systems in other cities
 - Tools in existing State law
 - Inventory of existing City parking facilities
 - Opportunities and constraints

Today's Presentation

- Recap of previous briefings to the Council's Land Use and Transportation Committee
 - Analysis and Trends
- Summary of Committee's discussion
- Suggestions for next steps
- Council questions and discussion

Parking Enterprises

San Antonio, Texas

Portland, Oregon

Albany, New York

Norfolk, Virginia

Oklahoma City, Oklahoma

Observations

- Parking systems can be self supporting
 - Key profitability and credit rating factors
 - Effect of age and type of facilities on costs
 - Effect of market demand on available revenue
- Parking is not an essential service
 - During a downturn, rate increases may negatively affect demand
- If existing assets placed in parking system:
 - Legal assessment of existing bond covenants needed
 - Existing facilities may already be encumbered by financing arrangements or subject to federal regulations
 - Physical condition assessment needed
 - Demand and utilization evaluation

Common Themes of Successful Parking Enterprises

- ❑ Established over time
 - Mature systems are more profitable (debt is paid)
- ❑ Parking assets located in areas of high demand or stable user base
 - Downtown, thriving business districts
 - Tourist destinations
 - Parking meters boost revenue without significant offsetting costs
 - ❑ Austin meter revenue currently dedicated to Great Streets and maintenance activities (street signs, markings, signals)
- ❑ Could require City subsidy in early years
 - Repayment plan needed if subsidy required
- ❑ Underlying pledge of City revenues lowers financing costs

Summary of Tools in State Law

- ❑ Cities have legal authority to own and operate parking facilities under State law and City charter
- ❑ Cities may create municipal parking authorities or non-profit corps to finance public facilities or fulfill any public purpose
- ❑ Parking authorities allowed but none in Texas currently (limitations on amt of outstanding revenue bonds = \$20M)
- ❑ City enterprise fund is simplest approach

Inventory of Existing City Parking Facilities

One Texas Center
Town Lake Center
City Hall
Waller Creek
Parking Meters
Austin Convention Center
Austin-Bergstrom International Airport

Suggested Next Steps for Austin

- ❑ Assess feasibility as opportunities arise in areas of high parking demand
 - On a garage by garage basis
 - Revenue should cover operations & debt service
 - Seaholm and Green redevelopment projects
- ❑ Use city enterprise fund to record and track financial activity
- ❑ If excess funds are projected, Council could dedicate for specific purpose(s)
 - Trails, transit, pedestrian, bicycle oriented

Suggested Next Steps for Austin

- Work with a federal legislative professional to assess grant opportunities for trails, transit or pedestrian oriented infrastructure, including parking
 - Council's action in Dec-2007 for federal representation now provides resources
 - Then, may need outside expertise for assistance in developing a plan to qualify for funding if opportunities look viable
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Green Redevelopment

- Evaluate developer proposals under two scenarios to assess feasibility
 - City finances and operates parking facility
 - or
 - Developer finances and operates
- Conduct more in-depth analysis if proposals indicate city-owned option looks promising

Questions or Comments

Municipal Parking Analysis

Supplemental Information

Parking Enterprises

San Antonio, Texas

Portland, Oregon

Albany, New York

Norfolk, Virginia

Oklahoma City, Oklahoma

San Antonio

- ❑ City enterprise fund
- ❑ City controls rates, public works department operates and maintains
- ❑ Facilities acquired over time include:
 - 3,300 spaces (6 garages)
 - 1,100 surface spaces
 - Mature system (most assets acquired before 1997)
- ❑ \$23 million in outstanding debt
 - General fund infuses \$1M per year into system for ongoing costs; recent parking study recommends charging market rates to become self supporting

Portland

- City enterprise fund
- Includes 2 parking meter districts
- Facilities acquired over time include:
 - 3,800 spaces (7 garages)
 - 6,000 parking meters
 - Mature system (30 years in operation)
- \$26 million in outstanding debt
- Debt service coverage 7X in 2005

Albany

- ☐ Parking authority
- ☐ Facilities include:
 - 2,600 spaces (3 garages)
 - 1,900 parking meters
 - 400 spaces (8 surface lots)
- ☐ Downtown parking demand at all time high
 - Consultant hired to assess future demand
- ☐ \$11 million in outstanding debt
- ☐ Debt service coverage 1.0X in 2006

Norfolk

- City enterprise fund
 - Facilities include:
 - 12,500 spaces (14 garages)
 - 700 parking meters
 - 5,900 spaces (14 surface lots)
 - \$77 million in outstanding parking system debt
 - \$10 million in outstanding GO debt
 - Debt service coverage 1.4X in 2004
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Oklahoma City

- ❑ Transit and parking authority
 - ❑ Facilities include:
 - 9,000 spaces (7 garages)
 - 4 of 7 garages built before 1980
 - ❑ \$57 million in outstanding debt
 - ❑ Debt service coverage minimal
 - ❑ Owes water utility fund \$2 million
 - ❑ Owes General Fund \$1.7 million
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Existing City Parking Facilities

- ☐ Opportunities are primarily related to overflow parking at night and during weekend for events in immediate area, including Long Center
 - One Texas Center, Town Lake Center
- ☐ Downtown parking – City Hall, Waller Creek (nights and weekends)
- ☐ No revenue estimates or implementation costs completed

Parking Meters

- ❑ Current revenue of \$2.5 million
 - About \$500,000 dedicated to Great Streets
 - Remainder used to fund street maintenance activities
- ❑ Meters hours from 8am to 5pm
- ❑ LUT discussed reviewing hours/structure...
 - ...as part of a comprehensive parking study
 - ...with feedback from merchants

Existing City Parking Facilities

- Airport and convention center
 - Regulatory or debt covenant constraints
- Airlines pay their share of airport costs, and parking provides the primary source of revenue to cover non-airline costs
 - Remaining funds set aside for future expansion
 - Federal Aviation Administration directives to maintain self sustaining operations and avoid revenue diversion
- Convention center parking network is designed to optimize flexibility for large events rather than focus on contract parking