

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	19385	Agenda Number	44.		
Meeting Date:	11/8/2012		Department:	Transportation		
Subject						
Approve an ordinance amending Ordinance No. 20120910-003 to revise the Fiscal Year 2012-2013 Austin Transportation Department Fee Schedule regarding the use of parking spaces to provide valet services.						
Amount and Source of Funding						
Fiscal Note						
A fiscal note is attached.						
Purchasing Language:						
Prior Council Action:						
For More Information:	Robert Spillar, 974-2488; Jason Redfern, 974-7265; Gilda Powers, 974-7092.					
Boards and Commission Action:						
MBE / WBE:						
Related Items:						
Additional Backup Information						
<p>On August 18, 2011, Council approved Ordinance No. 20110818-074 directing the City Manager to continue current community outreach efforts, and return to Council with recommendations for modification relating to valet service. In response to the direction of this ordinance, the Austin Transportation Department presented a recommendation to Council on November 8, 2012 to amend City Code Chapter 13-5 (Valet Parking Services) related to regulations for provision of valet parking services.</p> <p>The Austin Transportation Department is proposing to implement a three year, phased approach to amend the Valet Permit fee structure. This action will provide for a fee schedule amendment to change the current fee schedule and revised fees will be proposed for years 2014 and 2015 as described below. <i>The current fees for valet services were approved by Council on September 10, 2012.</i></p> <table border="0"> <tr> <td style="vertical-align: top;"> <p>Current Fee</p> <p>\$250.00 per space per year</p> </td> <td style="vertical-align: top;"> <p>Proposed</p> <p>January 1, 2013 - \$0.20 per space, per hour, per year, except no charge between midnight and 8:00 a.m.</p> </td> </tr> </table>					<p>Current Fee</p> <p>\$250.00 per space per year</p>	<p>Proposed</p> <p>January 1, 2013 - \$0.20 per space, per hour, per year, except no charge between midnight and 8:00 a.m.</p>
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\$250.00 per space per year

January 1, 2014 - \$0.40 per space, per hour, per year,
except no charge between midnight and 8:00 a.m.
Twenty percent (20%) reduction for District Service Area.

\$250.00 per space per year

January 1, 2015 - \$0.60 per space, per hour, per year,
except no charge between midnight and 8:00 a.m.
Twenty percent (20%) reduction for District Service Area

The Transportation Department's recommendations are being made for the following reasons:

- Cost recovery for staff time processing, reviewing, authorizing and enforcing activities related to the provision of Valet Services.
- Incentive for businesses to capture spaces only when absolutely needed, by establishing a fee structure that charges a "per unit" cost, for hours of usage.

Conservative staffing estimates suggest that proposed staff time equals about \$250,000 in expense for the upcoming year.

- Permitting Processing - 1 Full-Time Employee - \$70K
- Enforcement – 2 Full-Time Positions - \$130K (1 full time employee accounts for time spent by 8 evening enforcement officers identifying issues and relaying to citation staff member)
- Miscellaneous – ½ Full-Time Employee - \$50K (Part time work by 5 to 7 additional management team members)

A high volume business that uses 8 metered spaces 24 hours per day currently costs \$2,000 annually. Below are estimates of the proposed fees in contrast to the earning potential at metered spaces without valet service.

Fees	Potential Revenue Lost (75 hours per space, per week)	
FY13 - \$9,344 first year	100% Occupancy - \$31,200	75% Occupancy - \$23,400
FY14 - \$18,688 second year	100% Occupancy - \$31,200	75% Occupancy - \$23,400
FY15 - \$28,032 third year and on...	100% Occupancy - \$31,200	75% Occupancy - \$23,400

An average volume valet uses 4 metered spaces for 8 hours of service per day at today's fee of \$1,000 annually. Below are estimates of the proposed fees in contrast to the earning potential at metered spaces without valet service.

Fees	Potential Revenue Lost (75 hours per space, per week)	
FY13 - \$2,336 first year	100% Occupancy - \$15,600	75% Occupancy - \$11,700
FY14 - \$4,672 second year	100% Occupancy - \$15,600	75% Occupancy - \$11,700
FY15 - \$7,008 third year and on...	100% Occupancy - \$15,600	75% Occupancy - \$11,700

As a side note, ATD originally proposed to establish a discount for hotels/ residential towers that are best represented by the high volume model, based on the following reasons:

- Considered consistent high traffic centers, due to higher vehicle volume than typical retail establishments.
- Takes long-term parking customers out of the system, as opposed to short term customers at establishments like retail, restaurants and bars.
- Able to sustain larger scale events such as weddings, banquets or special events; which generate larger volumes of vehicles.
- There are reduced incentives/opportunities to seek alternative modes of transportation.
- Needs are more complex than retail, restaurants or bars. Additional queuing area is needed to accommodate customer wait for baggage pick-up, which requires additional loading zone area. Higher rates would be cost-prohibitive, to serve the needs of the customers.
- Eliminates parking facility guesswork for out-of-towners.

At the urging of the Urban Transportation Commission, ATD decided to unify the fee across the board.