

*****AUTO**SCH 3-DIGIT 852 25 43 487

James Van Husen
National Marketing Director
Carl Walker, Inc.
950 W Elliot Rd Ste 107
Tempe, AZ 85284-113



James

25 Years

the parking professional



R. Max Clark, CAPP and L. Dennis Burns, CAPP

The Right Tools, Effective Community Engagement Processes
and a Well-Defined Investment Program

A Recipe for Success:

PARKING RATE ASSESSMENT STRATEGIES



1. The use of a committee of local stakeholders (Parking Advisory Committee) representing a broad spectrum of downtown and community interests.
2. The use of a consultant, Carl Walker, Inc., in a technical advisory and process facilitation role.
3. The definition of critical program goals and a well-defined prioritization process.
4. A multi-year rate increase approach.
5. The development of an innovative parking rate model that provided flexibility in modeling a variety of potential rate increases including any combination of transient (hourly rates), monthly rates

Boise Process Overview

The parking rate assessment process used in Boise had several fundamental characteristics. These included:

A common element of all parking programs is that, from time-to-time, rates must be increased (or at least evaluated). This article shares a successful process used this past year in downtown Boise, Idaho that we believe could have broad applicability for other programs and provide a new approach to this sensitive, but important, aspect of parking program management.

The Capital City Development Corporation (CCDC) is the urban renewal agency for downtown Boise. The CCDC, among many other responsibilities, also manages the public off-street parking program downtown. The Downtown Public Parking System, as it is known, has 3,400 parking spaces in eight downtown garages accommodating nearly 1.5 million visitors in 2008 (more visitors than residents in the State of Idaho).

6. The development of a "Parking Reinvestment Program." This document included an overall investment program. "Goal Statement," three major investment categories, investment sub-categories, a description of specific investment program action items with estimated costs and built-in cost escalation factors.
 - a. For each of the specific investment program items, there was also an item description, estimated cost and recommended timeframe for implementation included and the anticipated benefits of each item.
 - b. The Parking Advisory Committee was able to review the entire range of potential items making up the potential investment program for the next four years and see the overall cost as well as the line item costs.
 - c. This, combined with the ability to see the estimated revenue impacts of any combination of rate increases (through the parking rate modeling tool), provided a process for balancing various investment program options (with costs) against a wide range of rate increase options.
- Other process innovations included:
 - The Parking Reinvestment Program action items/investment categories

Innovative Tools and Processes

The program went through several iterations with input from staff, the Parking Advisory Committee and the consultant and a recommended program was ultimately presented to the Capital City Development Corporation Board where it received unanimous approval.

A period of public input was opened to receive comments on the proposed program based on agency policy. Ultimately, the program was presented to City Council where it was endorsed. The agency was even well-documented on the thoroughness and its "easy to understand" organization and presentation.

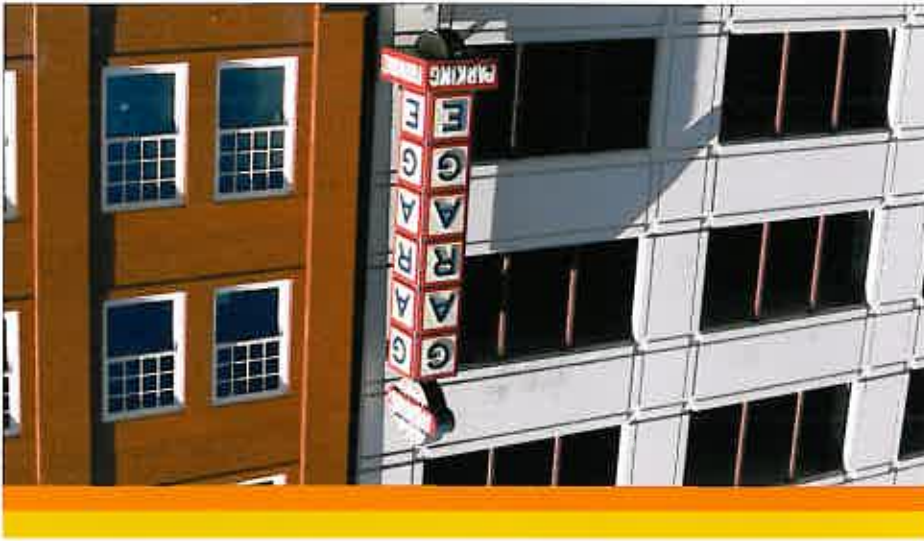
Using historical revenue and expense data provided by the CCDC as a base, the parking rate model provided a means to estimate the impact of various rate changes over a five year planning period. The model provided a process for balancing various investment program options (with costs) against a wide range of rate increase options.

The program went through several iterations with input from staff, the Parking Advisory Committee and the consultant and a recommended program was ultimately presented to the Capital City Development Corporation Board where it received unanimous approval.

A marketing brochure was developed to summarize the plan's benefits and was promoted through the various community groups represented on the Parking Advisory Committee.



Introduction



- Facility Maintenance & Cleanliness
- Security, Lighting & Public Safety
- Technology Planning & Operations

Sub-Categories:

This category covers non-routine maintenance issues and projects needed to keep the parking systems' facilities operating at the standards demanded by the community and the agency. It also addresses planned replacement of equipment and systems that are reaching the end of their useful life.

Technology Upgrades

2. Non-Routine Maintenance &

- Structural Preservation & Infrastructure Investment Annual Costs
- One-time Cost Projects

Sub-Categories:

To be a "good steward" of the public parking system, these tasks represent the minimum required investment needed to address system infrastructure, debt service/bond covenant obligations and other agency prioritized projects.

2. Infrastructure Reinvestment

The three major categories in the CCDC Parking Investment Plan included:

The following provides an overview of the CCDC Parking Reinvestment Program. The idea behind this document/tool was to create a summary document that would be easily understood. This tool presented the program goals and specific agency investments that would be supported by the proposed parking rate increase in a concise and logical fashion. The following are the key elements of the "Parking Reinvestment Program" document:

CCDC will develop and manage parking as a critical element of public infrastructure and as a tool to promote and sustain downtown economic development. One major goal of this rate planning cycle, based on this dual mission, is to maintain the successful 'First Hour Free' program due to its significant economic benefits to a wide range of downtown stakeholders." Parking system investment will be guided by two primary principles - 'effective and responsible program management' and, 'making downtown Boise a more visitor-friendly and preferred regional destination'.

Statement" for this process:

"Goal Statement" - The "Goal Statement" was specific to the rate assessment process and placed the need for increased parking rates into the larger strategic context of community revitalization and economic development. Below is the final "Goal Statement" for this process:

The following provides an overview of the CCDC Parking Reinvestment Program. The idea behind this document/tool was to create a summary document that would be easily understood. This tool presented the program goals and specific agency investments that would be supported by the proposed parking rate increase in a concise and logical fashion. The following are the key elements of the "Parking Reinvestment Program" document:

The CCDC "Parking Reinvestment Program"

compare to the proposed program investment package scenarios laid out in the "Parking Investment Plan."

allows the user to adjust any combination of transient, monthly, validation and event parking rates, as well as anticipated increases in operator and agency expenses. The model could also project the impacts of various rate adjustments with or without the existing "first hour free" parking program. Using financial information from the last fiscal year, anticipated changes in parking revenues were projected based on percentage increases in selected rates. In addition, anticipated changes in parking demand due to rate adjustments were included in the model (rate elasticity factor).

Model Assumptions

Significant assumptions contained in the parking rate model include:

The model incorporated a parking rate elasticity factor that calculated a percentage of demand reduction related to the percentage increase in rates. This assumes some people will look for other less expensive parking alternatives, stay for shorter periods of time, or even discontinue parking downtown if rates increase. The estimated rate of demand change is an adjustable feature in the model.

In addition to estimating a reduction in demand due to rate increases, the model also assumes a similar increase in the demand for free parking if rates increase. This assumes some people will try to keep their parking durations within the "free parking period" to avoid higher hourly rates.

The model assumes that validations are provided at full value (no subsidy). This assumption can be adjusted in the model, but was left at 100% value to calculate revenue increase projections.

The model bases monthly rate adjustments on the current weighted average monthly rate for each facility.

Event parking rates is another adjustable model feature.

Ultimately, the parking rate model produced a range of parking rate increase scenarios (A-R) essentially increasing transient rates by \$0.25 per hour and monthly rates by \$5.00/per month in different combinations (although any variation in rates is easily programmed into the model). A variety of "front-end rate" and "back-end rate" adjustments were also provided. These models estimated both the annual net and four year rate cycle revenue increases per option. This gave the staff and the Parking Advisory Committee estimated revenues to

Reprints of this article can be ordered by emailing ipt@parking.org.

The successful adoption of the Parking Reinvestment Program and necessary funding was due in large part to several critical factors: good data, stakeholder involvement, succinct but effective marketing, and an easily understandable program showing what levels of investment could be achieved with each rate scenario. The leaders were persuaded to make a significant

This rate/revenue increase model framed the various rate increases and impact scenarios and, when compared to estimated costs of recommended investment programs, provided the Parking Advisory Committee a flexible tool for assessing the viability of various rate increase options.

Summary

The successful adoption of the Parking Reinvestment Program and necessary funding was due in large part to several critical factors: good data, stakeholder involvement, succinct but effective marketing, and an easily understandable program showing what levels of investment could be achieved with each rate scenario. The leaders were persuaded to make a significant

clarify the value of each item and how it supported the larger program goals.

Under each of the categories/sub-categories noted above were specific line items to address specific needs. For example, under the Major Category of: "Non-Routine Maintenance and Equipment Upgrades," sub-category "Facility Maintenance and Cleanliness," the following line items were provided:

- Sub-Categories:
- Signage & Wayfinding
- Communications & Marketing
- Facility Enhancements
- Sustainability & TDM Initiatives

Elevating the parking program from "Good to Great" is a strategy aimed at strengthening the downtown for benefit of all downtown stakeholders. It is aligned with the Mayor's initiative to making Boise one of the country's "Most Livable Cities." Projects in this category touch on key issues such as safety, wayfinding, customer services, branding and marketing, communications and technology upgrades.

3. "Best-In-Class" Program Initiatives

3. "Best-In-Class" Program Initiatives

Under each of the categories/sub-categories noted above were specific line items to address specific needs. For example, under the Major Category of: "Non-Routine Maintenance and Equipment Upgrades," sub-category "Facility Maintenance and Cleanliness," the following line items were provided:

- Replace Sweeper
- Replace Maintenance Vehicle
- Increased Maintenance Staff

Budget cost estimate: \$24K
 Budget cost estimate: \$20K
 Budget cost estimate: 1 FTE - \$62K

Cost Escalation:
 Cost: \$106K
 (4% x 4 years) = \$4,240
 Total Cost: \$110,240

Note: Since this rate increase approach is a one-time rate increase to cover four years of budgeted improvements, we included a cost escalation factor for items that would likely not be implemented in year one or whose costs could be amortized.

This level of detail was included for all major categories and sub-categories. This became critical near the end of the process when having specific cost information allowed the staff to address questions from the Parking Advisory Committee and later the Board and City Council.

Anticipated Benefits

Another step that we took with each line item in the "Investment Plan" was to not only estimate the costs, but also to provide a succinct statement of the "anticipated benefits" of each line item. This helped



can't commitment to benefit their parking system based on the case presented and faith that staff would effectively implement the program. ■

R. Max Clark, CAPP is the Parking & Facilities Director for Capital City Development Corporation in Boise, Idaho. CCDCC Agency. Boise has a population of 200,000 people with some 43,000 people working downtown on a daily basis. In recent years, CCDCC's parking program has gained national notoriety because of their successful use of parking as a major element of their economic development strategy. Boise has steadily climbed the ladder of Forbes magazine's "Best Places in the Country to do Business," achieving 1st place in 2006. He can be reached at (208) 319-1209 or mclark@ccdccbouse.com.

L. Dennis Burns, CAPP is the Senior Vice President of the Studies and Operations Consulting group for Carl Walker, Inc. Mr. Burns has over 25 years of parking operations, management and consulting experience. Mr. Burns is the author of over 200 parking studies. His specific areas of expertise include: parking master planning, parking strategic planning, feasibility studies, supply/demand analysis, shared parking analysis, parking revenue control and operational audits and organizational development. He can be contacted at (480) 505-0088 or dburns@carlwalker.com