

Ann Arbor
City Council / Downtown Development Authority
Joint Working Session

November 13, 2017



City and DDA share the following goals to preserve and enhance:

The quality of life in our city

The vibrancy of the downtown

The financial sustainability of both organizations



Goals for the Working Session

(Section 9.b Joint Working Session)

Address the requirement for a working session

Discuss possible changes to the Parking Agreement

Discuss changes to the parking system

Discuss possible changes to parking rates

Provide information about DDA projects



Possible Changes to the Parking Agreement

1. Increase gross revenue going to the City from 17% to 20%
2. Parking fine changes coordinated with parking rate changes
3. City reviews parking requirements under zoning
4. Miscellaneous changes



Possible Changes to the Parking Agreement

1. Increase revenue percentage going to the City,
from 17% to 20%

(Section 4. a. “DDA will pay the City 17% of Gross Parking Revenue..”)

February 2017 DDA resolution approved a two-year increase (FY18 & FY19) from 17% to 20% of gross parking revenues

The Agreement would be changed so this increase is permanent



Possible Changes to the Parking Agreement

17% gross revenues to the City

FY 2012:	\$2.8 M
FY 2013:	\$3.1M
FY 2014:	\$3.2M
FY 2015:	\$3.5M
FY 2016:	\$3.5M
FY 2017:	\$3.5M

20% gross revenues to the City

FY 2018 (est'd)	\$4.1M
FY 2019 (est'd)	\$4.2M



Possible Changes to the Parking Agreement

2. Parking fine changes coordinated with parking rate changes

(Section 2. m. "...fines shall be set after consultation with the DDA..")

Goal should be to make compliance less expensive than taking a ticket

A parking rate change would trigger the process by which City Council would be asked to approve a new fine amount



Possible Changes to the Parking Agreement

A lag between parking fine and parking rate changes

Parking fines were last modified in 2010

No correlation between parking fines and the cost to park

Currently: expired meter fine is \$10 if paid by the end of the next business day vs. current cost to park off-street for the day: \$10.80

If the goal is greater compliance, what if fines were 2X the cost to park off street, e.g. \$20? Or 2X the cost to park on-street, e.g. \$30?



Possible Changes to the Parking Agreement

3. City reviews its parking requirements under zoning

DDA resolution set forward a set of recommended changes for the Planning Commission and City Council to consider:

Changes to the City's Special Parking Districts Policy for Contributions in Lieu of Required Parking (CIL)

Changes to parking requirements under zoning. Could this include a shift from parking minimums to parking maximums?



Possible Changes to the Parking Agreement

4. Miscellaneous changes

Alter the City's Code of Ordinances description of "parking meter"

Less frequent customer surveys (Section 8.a. public input)

Language removed about operator bid process (Section 7 Management Contract)



Possible Changes to the Parking Agreement

Not being pursued:

DDA takes over parking enforcement

(Section 2.m. The City shall be responsible for enforcement of parking regulations...")

City shifts later or extends its hours of parking enforcement

(Section 2.m. "...The DDA & City will coordinate the hours of parking enforcement and operation at the on-street parking meters. At the DDA's request, the City will alter or extend the hours of parking enforcement within the limits determined by its employment contracts, available staffing, or other applicable agreements..."



Changes to the Public Parking System

Ann Ashley expansion: 3 floors (add 375 new spaces)

Removal of 1st/Huron & 5th/Huron lots
(loss of 222 spaces)

Treeline: future elimination of 415 W. Washington &
1st/William lots (loss of 261 spaces)



Changes to the Public Parking System

Ann Ashley expansion: 3 floors (add 375 new spaces)
(estimated timeline: completion winter 2019)

Current revenues: \$2,621 /space/year

Assuming current parking rates, these 375 new spaces = \$982,875
new revenue, which includes \$196,575 new revenues for the City



Changes to the Public Parking System

Removal of 1st / Huron and 5th/Huron lots

Leases end November 30, 2017

Removal of 222 spaces from the public parking system

FY17 revenue for both lots (net of rent & taxes) was \$536,303

Losing the lots = \$107,260/year reduction to the City at current rates



Changes to the Parking System

Future removal of 415 W. Washington & 1st & William
Elimination as part of Treeline plan

Removal of 261 spaces from the public parking system

FY17 total revenues for both lots were \$367,625

Losing the lots = \$73,525/year reduction to the City at current rates



Net Parking Availability/ Revenue Impacts of Potential Changes Using Current Rates

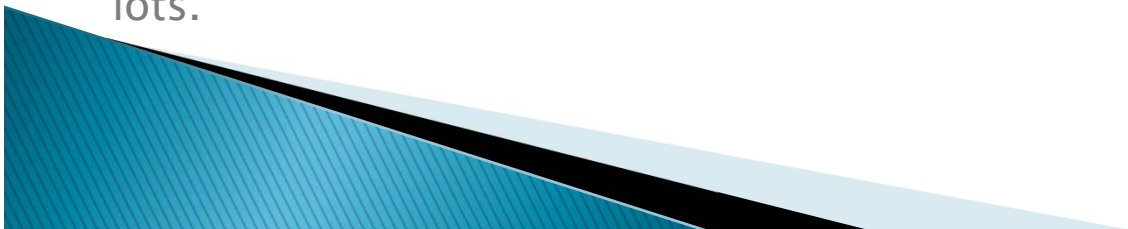
ACTION	SPACES	REVENUE
Loss of 1 st /Huron & 5 th /Huron ¹	(222)	(\$536,303)
Addition to Ann & Ashley ²	375	\$982,875
Loss of 415 W Washington and 1 st and William	(261)	(\$367,625)
TOTALS	(108)	\$78,947

CONSIDERATIONS:

Timing of impact is unknown. Council/DDA may need to consider changes to rates/hours of enforcement to account for revenue losses and operational cost increases.

¹We understand that the owner's short term intent is to operate as privately-owned lots, but this would require a zoning compliance review including possible site plan. Assume loss of revenue and potentially spaces.

²Some added capacity may be utilized to encourage development of nearby vacant lots.



Possible Changes to Parking Rates

(Section 2.k. After consultation with the City Administrator, City Council, and downtown stakeholders... the DDA shall determine the rates in the Municipal Parking System....

Parking Rate Change Strategies Under Discussion

Schedule small annual rate changes vs larger rate changes every few years

Over time reduce differential between paying by permit & paying by the hour

Even out the cost for permits across the system

Expand differential between the rate on street vs. the rate in the garages to incentivize parking off street



Possible Changes to Parking Rates

Initial ideas being discussed for 4th Quarter FY 18

+ \$10–\$35/month monthly permits

+ \$0.10/hour on street

parking structure hourly rates stay the same



Possible Changes to Parking Rates

Initial ideas being discussed

If this slate of new rates were implemented est'd FY revenue increases:

1.1% in FY18 (+ est'd \$229.5K incl \$45.9K to the City)

2.4% in FY19 (+ est'd \$495.5K incl \$99.1K to the City)

4.8% in FY20 (+ est'd \$1.025M incl \$205K to the City)



Possible Changes to Parking Rates

Current discussion: rate changes in 4th quarter FY2018

(Section 8. "...DDA shall not implement any increase in parking rates intended to persist for more than 3 months without 1) announcing and providing written communication regarding the increase at a DDA board meeting, 2) providing members of the public an opportunity to speak before the DDA board at its next regularly scheduled meeting on the subject of the proposed increase, and 3) postpone any vote on the proposed increase until at least the next regularly scheduled DDA board meeting after that public hearing..")



Possible Changes to Parking Rates

Current discussion: rate changes in 4th quarter FY2018

Tentative schedule:

Nov & Dec: discussion continues, suggested rates put forward

Jan 2018: public hearing for rate changes

Feb 2018: DDA board votes on rate changes

April 2018: rate changes go into effect



DDA Projects FY2018

Parking Projects

New stair /elevator project at 4th/William completed
new epark pay app (105 additional epark machines in FY17)

New fiber and conduit connection at Forest & Maynard

Temporary rooftop fencing

Annual repairs and maintenance throughout the system

Long term parking permit policy

Solar carport at 4th/Catherine parking lot

New revenue control and parking access equipment at 4th/William
Ann Ashley addition



DDA Projects FY2018

Downtown Transportation Projects

Circulator study

Go!Pass and GetDowntown grants (ridership increase)

Grant for ArborBike (bikeshare)

New bike hoop installations



DDA Projects FY2018

Street Improvement Projects

South University Improvements completed

Fifth & Detroit Improvements design completed; out to bid shortly

Contribution for additional Kerrytown street light replacements

Huron Street Improvements design begun

First/Ashley/William consultant selection & project budgets approved

Ongoing sidewalk and brick repairs



City Council / DDA Working Session on Parking

Economic Development Opportunities

Addition to Ann Ashley & First/Ashley improvements: attract development on vacant lots

Affordable housing grants to encourage a diversity of downtown residential

TIF generated from 415 W. Washington reused for Treeline project?



City Council / DDA Working Session on Parking

Thank You

