City of Albuquerque

Parking System Review - FINAL

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Prepared for:

City of Albuquerque, New Mexico

Prepared by:

Carl Walker, Inc.

Phoenix, Arizona

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Introduction

In the past, the City of Albuquerque has expected the Parking Division to cover the operating, maintenance, and debt service expenses for new parking facilities. Until the current parking development bond was issued, the Parking Division was making progress toward generating positive income. However, following the aggressive capital program to fund the development of several new parking structures, the Parking Division is no longer able to cover its expenses, as the new facilities cannot generate sufficient revenue to cover bond debt and increased operating expenses. The Parking Division is not expected to generate a positive income until the latest parking bond is retired in 2014.

This problem has created several questions in the minds of City administrative staff. Can the Parking Division generate sufficient revenue to cover expenses? Should the Parking Division be required to generate enough revenue to cover bond debt and other expenses? What is the best way to manage City parking resources? To answer these questions, the City has engaged ***Carl Walker, Inc.*** to review and assess current Parking Division management and operational practices, as well as to review Parking Division financial issues.

Parking Organizational Analysis

Parking currently resides within the Transit Division. Under all the proposed organizational scenarios it is recommended that Parking be relocated from the Transit Division.

Carl Walker, Inc. proposes three alternatives relative to the possible realignment of the Parking Division within the City's organizational structure.

Option 1

Because of the importance of parking to the economic vitality of the downtown and the fact that parking is already being treated as tool for economic development, the Parking Division could be reassigned under Albuquerque Development Services. This option reinforces the vision of parking as defined within the Downtown 2010 Plan and is consistent with the "Park Once – Pedestrian First" philosophy.

Supporting arguments for this recommendation include the fact that Parking and Transit have essentially conflicting mission statements. The over-riding mission of Transit is to discourage the use of single occupant vehicles and to encourage the use of mass transit and other transportation alternatives. The goal of providing adequate parking to meet the needs of the downtown community at affordable rates is on some levels in direct conflict with Transit's mission.

Secondly, if Parking had a direct reporting relationship to the Director of Albuquerque Development Services, the two departments would be forced to have a better appreciation of the other's goals and objectives, as well as the direct and indirect consequences of the agreements made that affect the fiscal health of the Parking Division.

Finally, because Albuquerque Development Services reports directly to the Mayor's office, the Mayor and City administration would be better informed on the status of the Parking Division and its financial health and operational concerns.

After City staff reviewed the final draft of this report, several concerns were raised concerning moving the Parking Division to Albuquerque Development Services:

- Albuquerque Development Services doesn't have adequate staff to assist with the management of the parking system.
- The option could create a greater disconnect between Transit Services and Parking.
- Parking will be more concerned with day-to-day operations in the future, not with downtown development.
- The Parking Division currently shares financial staffing resources with the Transit Division. This advantage would be lost if the Parking Division were relocated.

Another alternative discussed during the presentation of the draft report involved moving the Parking Division out of the Transit Division, yet remaining within the same chain of command. The Parking Manager would then report directly to the Deputy CAO. This relocation of the Parking Division would address some of the initial concerns advanced by the City. However, the City should still endeavor to create stronger ties between the Parking Division and the Departments of Economic Development and Albuquerque Development Services.

Option 2

Contract daily operations to a professional, private parking management firm, while retaining overall management and control as a City function. The primary advantage of this option is that day-to-day parking operations are placed in the hands of a professional parking management company, which will bring extensive experience and new ideas to the operation that should result in improved service levels. If this option is pursued it is recommended that detailed performance measures and standards be developed to insure that the highest levels of quality and accountability are achieved.

The primary disadvantage to this approach is cost. This approach, while potentially providing a higher level of service and management expertise, will have significantly higher operating expenses than the current City operation.

With a concession style agreement, the concessionaire will provide all necessary labor and services for the complete operation of parking facilities in return for an agreed to percentage of the gross parking revenues. The actual percentage varies from operation to operation.

Option 3

Create a new public/private, not-for-profit organization for the oversight and management of downtown parking. A board of 9-13 members representing Downtown business interests and the City of Albuquerque should govern the new organization. The new organization would assume responsibility for the entire Downtown public parking system – meters, enforcement, surface lots and garages; and should coordinate its activities with private providers to ensure the best possible experience for Downtown parking customers and the most efficient utilization of all downtown parking resources.

Current Parking Supply and Demand

During the first week in May 2002, employees from ***Carl Walker, Inc.,*** with the assistance of City parking staff, conducted an inventory of parking spaces located within the downtown study area and conducted a limited “snapshot” occupancy survey. The parking spaces were classified into three categories: public, private, and on-street. The purpose of this occupancy survey was to update the supply/demand study conducted several years ago and quantify current parking system utilization during a typical peak demand period.

The downtown currently has a total parking supply of 18,592 parking spaces within the study area. Of the 18,592 parking spaces, 17,024 spaces (91.5%) are in off-street parking lots and structures, and 1,568 spaces (8.5%) are on-street. The City has a current inventory of over 1,000 electronic meters located on City streets and in the Library off-street lot. Of the total number of spaces, 3,628 off-street spaces (19.5%) are public, meaning they can be used by anyone at anytime. The remaining 13,396 off-street parking spaces are considered private, as they are reserved for specific businesses and users.

With respect to the observed parking demand, a total of 10,149 parking spaces were occupied during the survey period. This translates into a 54.6% utilization rate, based on the total parking supply.

When a parking area's occupancy reaches 90% of the total capacity, the area becomes effectively full. When parking lot occupancy exceeds its effective capacity, users become frustrated as it becomes increasingly difficult to find an available parking space. Incorporating a cushion known as an "effective supply factor" is an important planning element in the methodology to calculate parking sufficiency. To determine current parking adequacy, ***Carl Walker, Inc.*** applied an effective supply factor of 10% to the existing inventory of parking spaces. Based on the "effective parking supply" of the downtown area, there is currently a parking surplus of 6,584 spaces. The following figure illustrates the current parking adequacy of the downtown study area.

		Number of Spaces
Current Total Parking Supply		18,592
Current Effective Supply (90% of Total)		16,733
Observed Parking Occupancy (from survey conducted on 5/8/2002)	60.7%	10,149
Current Effective Parking Surplus/Deficit		6,584

Parking Rate Survey and Analysis

Carl Walker, Inc. surveyed local parking operators located within the downtown area concerning current transient and monthly parking rates. The average rate for hourly parking was $2.16 per hour in parking garages, and $1.56 per hour in surface lots. Based on the information gained during the rate survey, City hourly parking rates for garage parking are currently 8% below average. Another component of hourly parking rates is the designated maximum fee. The average maximum fee charged by surveyed parking operators was $8.00 in parking garages and $7.00 in surface lots. The City's current maximum daily fee charge is 14%-25% below the market average.

Monthly parking rates averaged $67.22 in parking garages, and $43.00 in surface parking lots. City parking rates average $62.50 for garage parking and $44.00 for surface parking. While current City monthly rates for surface parking are slightly above average, City rates for garage parking are 7% below the market average.

Parking rates within a city environment can depend on several factors. A review of these factors can help determine market dynamics. These factors include:

- Current Transportation Characteristics
- Parking Adequacy (composite of supply and demand)
- Ownership of Parking
- Prevailing Prices
- Future Development Projects

The parking market in downtown Albuquerque appears to be fairly stable, in that parking demand is somewhat inelastic. The vast majority of people traveling to downtown drive alone, and few appear to be interested in mass transit. People tend to park as close as possible to their destination, and most are willing to pay a little extra for convenience. Also, since the City controls a substantial portion of the downtown parking supply, there is a greater opportunity to increase parking rates to help support parking capital projects.

Based on the review of the current downtown parking market, ***Carl Walker, Inc.*** recommends the following parking rate changes to help offset future parking financial deficits:

- **Increase parking facility revenue by 10%.** There appears to be sufficient room to increase parking permit prices in garages and City owned surface lots. Generally speaking the City surface lots provide a higher level of convenience due to their location than do most private lots. Also, selling more parking permits can increase revenue (e.g. more aggressive marketing of monthly parking contracts, "rooftop special" and "early-bird special" parking programs, etc.).

- **Increase the daily maximum in hourly parking areas to $8.00.** It is recommended that the City consider raising the daily maximum charge from $6.00 to $8.00. Increasing the daily maximum will impact all parkers who park over three hours in City facilities. This move will help generate additional revenue, and also bring the City in line with other local parking operations.

- **Increase parking meter rates from $.75 per hour to $1.00 per hour.** Even at $1.00 per hour, the rate for on-street parking will be one-half that of off-street parking. Theoretically, on-street parking due to its convenience and the need to promote turnover of spaces to benefit the local businesses, should be more expensive, not less expensive than off-street parking.

Operations and Management Strategies

Carl Walker, Inc., met with Parking Division personnel, and reviewed documentation provided by the City, regarding current parking operations and management strategies. ***Carl Walker, Inc.*** reviewed the following operational areas/issues:

- Transient (Hourly) Parking
- Monthly Parking
- Special Event Parking
- On-Street Parking
- Parking Enforcement
- Facility Maintenance and Security
- Department Staffing
- Customer Service
- Administration

Based on our review of these operational areas/issues, standard industry practices, and previous studies completed by our company, ***Carl Walker, Inc.*** makes the following recommendations:

Transient (Hourly) Parking

- **Conduct regular "surprise" audits.** All hourly parking cashiers should be audited at least twice per quarter. Supervisory level staff should perform the audits, and all findings should be reported to the Parking Manager. The cashiers should not be told in advance of the audits, and the audits should be conducted at completely random times.

- **Provide relief cashiers.** Adequate staff should be on hand to relieve cashiers. Cashier relief could be provided by a supervisor or by a break cashier. All funds should be verified before and after the break to maintain proper accountability.

- **The "Short Pays" policy should be changed.** Consider allowing cashiers to issue parking citations instead of short pay receipts. The parking citation charge would be the regular parking fee if the citation were paid within 24 – 72 hours. If the citation is not paid within that timeframe, the citation fine would become $25.00, and it would allow the Parking Division to tow or boot repeat offenders if necessary.

  Another way to reduce the number of short pay customers is to provide additional payment options. The existing revenue control system could be modified to accept credit cards, in addition to the cash and checks currently accepted. While there will be a processing fee for handling credit card transactions, it would be less than the losses being experienced under the current short pay system.

Monthly Parking

- **Parking control equipment upgrades.** With the addition of the new Gold Street Parking Deck a new parking access and revenue control system was purchased. The Amano Cincinnati, Inc. equipment with Amano-McGann parking management software is an excellent choice for the City of Albuquerque and provides a strong base and an expandable platform from which to build for the future. During the recent move of the Parking Offices to their new location in the Alvarado Transit Center, the fourteen-year-old card access system which controls monthly access to all the City's parking facilities (with the exception of the Gold Street Deck) did not come back online. The IS department is currently working on the problem and believes they have found a way to get the system communicating again. The problem is that the system's modems are archaic and communicate using analog phone lines rather than being able to handle digital data.

  It is strongly recommended that funds be made available to upgrade the rest of the City's parking facilities with the new proximity card readers that have recently been installed in the Gold Deck and tied into the new Amano parking access and revenue control system. The cost of this upgrade is estimated at $65,000.00. The benefits of the upgrade include:

  - A more reliable and technologically current system
  - Improved management software and management information
  - Streamlined monthly account maintenance which will improve efficiency, effectiveness and potentially generate additional revenue
  - Improved management reports and auditing capabilities
  - Enhanced customer service

  Because this system upgrade is so fundamental to effective management of the parking system, it is recommended that if funds are unavailable from any other source, that the parking bond funds be used to make this transition happen as soon as possible. This allocation of funds from the bond monies is entirely consistent with the intent and purpose of the funds.

- **Create "rooftop" and or "early-bird" parking rates.** Creating rooftop parking rates will provide a lower cost parking alternative for customers by utilizing the available parking located on the rooftops of the parking garages. Generally, even when a parking facility is oversold by 120%, the parking located on the highest (exposed) level is underutilized. If implemented, some additional staffing will be required to properly monitor and enforce the rooftop parking. Cardboard dashboard shades could be printed for these customers and used as a promotional device for Downtown Albuquerque.

- **Institute policy changes to curb improper permit transfers.** This situation could be handled in a number of ways:

  - Vehicles are not allowed to enter the facility without an access card.

  - All vehicles must display a parking permit at all times while in the parking facility.

  - Vehicles without access cards are permitted into the parking facilities, but the drivers must sign-in and the permit number must be recorded. Then, access card records could be checked to determine is an abuse has occurred.

  - Monthly parkers are issued parking validators for each vehicle registered with the Parking Division. The monthly parking validator would be a small sticker that would be placed on each registered vehicle's windshield. This would allow parking staff to quickly determine if a vehicle displaying a parking permit is properly registered.

- **Improve monthly card audit procedures.** Specific procedures for an improved monthly card audit process are included in this report.

- **Institute late charges for parking permit customers that pay over 15 days late.** Late charges should be instituted as a means of encouraging customers to pay their parking bills on time.

- **Consider reducing the amount of time that must pass before parking keycards are deactivated from 90 days to 30 days.** This will help provide a greater incentive to pay on time. It is highly irregular for other bill collectors to allow three months to pass before disconnecting or discontinuing service.

- **Issue parking permit bills at the same time each month or at only two different times (1st and 15th).** Currently, monthly customers have different billing cycles, based on when they signed up for parking. Consolidating billing periods will allow staff to deal with billings only once or twice a month, instead of dealing with them daily.

- **Consider creating a database for the monthly parker waiting list that can automatically generate notice letters when spaces become available.** This will reduce the need to call people when spaces are available and improve facility utilization.

Special Event Parking

- **Conduct surprise audits during event parking periods.** Just like regular hourly parking, it is important to conduct surprise audits of special event parking staff. The surprise audits would be conducted in the same way as the hourly cashier audits.

- **Ensure adequate staff is available to properly operate the parking areas during events.** The current number of parking cashiers is barely adequate for regular operations. Large weekend events are difficult to staff properly, as almost all budgeted staff hours are used during the week.

- **Continually review private parking operator special event parking charges, to ensure City rates are compatible with the rates charged by area operators.** All parking rates should be regularly reviewed to ensure City parking rates are comparable.

On-Street Parking

- **Increase parking meter rates to $1.00 per hour.** Even at $1.00 per hour, the rate for on-street parking will be one-half that of off-street parking. An increase to parking meter rates will provide an immediate boost to parking revenues of perhaps $220,000 or more in the first full year.

- **Enforce parking meters during weekends.** Before weekend enforcement begins, create a marketing campaign to let the downtown parking public know about the new enforcement plan. If the policy is to charge for on-street parking during weekends, then enforcement should be available. While there may be a desire from some groups not to charge for parking at all and especially on weekends, given the current financial situation we feel this recommendation is warranted. Furthermore, there is a philosophical value to creating an associating a consistent value (and therefore cost) to parking, especially the most convenient parking.

- **Continue to review meter placement to ensure meters are placed in the most appropriate areas.** Regular meter utilization evaluations should be conducted (at least twice per year) to ensure meters are located in the most suitable areas and that utilization and pricing are appropriate to achieve the intended results for the specific area.

Parking Enforcement

- **Add an administrative layer before parking citations are processed through the judicial system.** In the current system, the Parking Division retains only $1 of each upheld citation. This reduces the amount of funds available for debt service. If possible, create a parking appeals section that has the power to adjudicate citations, with all of the revenue from upheld citations being maintained by parking. If it is not possible to change the way parking citations are adjudicated, discontinue sending enforcement officers to parking citation appeal hearings. It is financially counter productive to send a parking enforcement officer to defend a parking citation for $1.00.

- **Use the handheld parking enforcement computers that are currently in inventory.** Purchase the software necessary to utilize the handheld parking citation computers previously purchased. The handheld computers will increase efficiency by automating tasks, reducing errors, and improving data storage and retrieval.

- **Increase enforcement productivity.** Do not create quotas. However, increase the number of citations issued per staff hour. Increasing the number of citations issued by 2.5 per hour, per officer, could result in an additional $175,000 in revenue annually.

Facility Maintenance and Security

- **Lock down facilities when they are not staffed.** The Parking Division should discontinue the practice of allowing parking during hours the parking facilities are not staffed. The lack of staff and/or adequate security has created significant maintenance and vandalism concerns in

City parking facilities as off-hour parkers are damaging equipment, signs, glass, and structures. If this recommendation is not accepted, provide the funds necessary to promptly clean and correct the effects of vandalism in order to maintain a positive image of the parking system and downtown in general.

- **Investigate the possibility of outsourcing sweeping, power washing, and snow removal.** Outsourcing these maintenance activities may save money, time, and equipment.

- **Provide more frequent sweeping and general facility clean up.** Ideally, parking facilities should be swept at least twice a month (depending on usage). With the current level of maintenance staffing, increasing facility cleanliness may prove to be difficult.

- **Work to set adequate maintenance reserve funds.** A reserve study should be conducted to determine an adequate maintenance reserve based on the age of each parking facility, preventative maintenance schedules, current maintenance practices, and the current condition of the facilities.

- **A proactive maintenance approach should be adopted.** By adhering to a well-planned maintenance program, the City will benefit by owning parking structures with good defenses against premature deterioration. Facility service-life will be extended and out-of-pocket capital repair costs will be minimized. Should significant repair work be required in the future the impact on visitors, as well potentially significant revenue losses associated with the temporary loss of parking, could be significant.

  Carl Walker, Inc. has recommended a detailed and comprehensive approach to facility maintenance that is included in Appendix B.

Department Staffing

Overall, it is our opinion that the Parking Department is significantly understaffed for an operation of its size and scope, compared to industry standards and other municipal operations. This is especially true given the importance of parking to creating a positive image for the downtown in support of larger economic revitalization efforts.

The following staffing adjustments are recommended:

- **Parking Attendants** – It is recommended that the Parking Division add two part-time parking attendants, to meet short-term staffing demands and to reduce their dependence on temporary workers. Also, additional new staff will be needed once new facilities open.

- **Supervisory Staff** – It is recommended that the Parking Division create an additional part-time supervisory position to handle special event and weekend demands, in addition to the supervisory need for new facilities.

- **Maintenance Staff** – It is recommended that the Parking Division create two full-time positions or three part-time positions to improve maintenance coverage. These new positions will allow the maintenance unit to better meet weekend and evening maintenance needs, as well as provide more staff for larger projects.

- **Office Staff** – The number of office staff should be increased from three positions to five, to provide improved internal and external customer service.

  Of the three positions that were cut from the Parking Division in 2002 it is recommended that two of these positions be restored. Because Parking is such a small department, the loss of three staff positions represented a large part of the department's total staff. The rationale for this recommendation lies in the two primary areas:

  - First is the loss of experience and expertise. Together, the two staff members represent over 20 years of experience in the parking department.
  - Secondly, these positions were instrumental in the recent financial improvements made by the Parking Department in terms of increasing revenues. This was primarily done through proactive monitoring of parking facility utilization, aggressive management of monthly parking waiting lists and resourceful recruitment of new monthly customers. These staff positions would generate parking revenues in excess of their salary and benefit expenses.

  The reinstatement of these two key positions would also reenergize the Department and improve overall staff morale. Customer service, which has also declined as a result of these layoffs, would also be enhanced.

- **Security** – The Parking Division must have adequate input in the scheduling of security staff. The bulk of security staffing should be at night and on weekends, when the parking facilities are most vulnerable.

- **Parking Manager -** Given the planned retirement of the existing Parking Division Manager, begin a recruitment and transition process to hire and orient an experienced, motivated, and energetic parking manager who both possesses extensive parking management knowledge and skills, and understands Downtown Albuquerque's development goals. We recommend that Albuquerque set its sights high – in other words, seek to create an award-winning "best-in-class" parking system. This will begin with hiring the right person to lead the Parking Division.

In Appendix C, we have included a brochure used by the City of West Hollywood, California for the recruitment of a new parking manager. It is recommended that the City of Albuquerque use this document as a guide for creating a similar recruiting document. As when advertising for this position the following parking and downtown specific sources are recommended in addition to local sources:

- The International Parking Institute (IPI)
    - Parking Professional Magazine
    - IPI Website
- The National Parking Association (NPA)
    - Parking Magazine
    - NPA Website
- International Downtown Association (IDA)
    - IDA Newsletter
    - IDA Website
- Parking Today Magazine and Website
- Southwest Parking Association Website (www.southwestparking.org)

Customer Service

- **Automate processes where possible.** Investigate technology options that can improve operational efficiency. Automating processes will allow the Parking Division to do more with less staff.

- **Provide services over the Internet.** Use the existing City website, or create a new one, that can provide a menu of customer services. As the popularity of the Internet grows, so to will the possibilities for extending customer service options. Specific internet parking service area could include:

    - Parking permit applications

    - Vehicle information updates and changes

- Waiting list sign-up
- Temporary permit sales
- Information on other parking services

Administration

- **Develop a set of Guiding Principles for the Parking Division.** The Parking Manager should work closely with other key City staff, the Deputy CAO and other interested parties such as the DAT and HDIC, to develop a set of "Guiding Principles" for the Parking Division. A draft set of recommended parking principles is included as a starting point. Once a refined and accepted set of principles is adopted, it is recommended that the City Counsel ratify these principles.

- **Develop and publish an Annual Parking Report.** The primary purposes of the Annual Parking Report are listed below:

  - ✓ Identifies key departmental issues and challenges
  - ✓ Promotes departmental achievements
  - ✓ Documents the "state of parking" to the administration
  - ✓ Builds confidence and credibility in the department

  A template is provided in Appendix D to assist in the development of the first annual report.

- **Create a parking policies and procedures manual.** The Parking Division should create a parking policies and procedures manual. This will help ensure employee adherence to established policies. An outline of a policies and procedures manual is provided in Appendix E.

- **Create a positive and interactive relationship with downtown development groups such as the Downtown Action Team and the HDIC**. These entities should work closely to promote programs of common interest such as parking validation programs, promoting alternative transportation programs (in conjunction with Transit), integrating public and private parking resources where feasible in support of special events in the downtown, coordinating parking and downtown marketing campaigns, surveying downtown patrons on their attitudes toward parking and needed services, etc.

- **Provide the department with the resources it needs to provide a first class operation, including professional parking management training and support.** This includes the opportunity to interact with other parking professionals at industry trade shows and participate in parking management certification programs (such as the Certified Administrator of Public Parking or C.A.P.P. offered by the International Parking Institute), develop alliances with groups such as the International Downtown Association which provide excellent peer networks.

Parking System Financial Analysis

From FY 1998 to FY 2002, total parking revenues have increased approximately $368,610 (or 12.3%). On average, parking revenues increased approximately 3.2% per year. The increases in revenue are due to the Parking Division's aggressive management of the parking permit program and increased parking fees. These positive management initiatives were significantly hampered by the elimination of key office staff that were primarily responsible for the proactive and aggressive management of monthly parking permit accounts. From FY 1998 to FY 2002, parking expenses (not including bond debt) increased $112,000 (or 4.1%). On average, parking expenses increased 1.25% per year.

In addition to reviewing current and historical revenue and expenses, ***Carl Walker, Inc.*** also reviewed several parking agreements. The parking agreements reviewed were:

- Social Security Administration parking lease agreement
- Gold Avenue Parking Structure agreement
- El Prado Parking Structure agreement
- Albuquerque High School Parking Structures agreement

All of the agreements were constructed with the intent of increasing downtown development and utilization, not to help the Parking Division to become profitable. None of the reviewed parking agreements will generate sufficient revenue to allow the Parking Division to cover operations, maintenance, and/or debt service. The reason the Parking Division is no longer able to operate in a profitable fashion is directly due to these parking agreements and the increased parking debt service obligations.

The Parking Division projects, if their recommended rate increases are effective, that future parking revenue will increase in the short-term. While some market changes and parking agreements will reduce parking revenues, increases in parking fees and revenue generated by new facilities will create a positive revenue change. However, increases in bond debt and operations expenses will significantly outpace any minor increases in revenue. Baseline revenue and expense projections reveal that the Parking Division will begin to experience income losses exceeding $1.8 million in FY 2004.

In order to reduce the impact of future parking income losses, ***Carl Walker, Inc.*** explored three possible options. All three options included increases to revenue as outlined previously, including:

- Increasing facility revenue by 10%
- Increasing meter revenue by 33% (increase rate to $1.00 per hour)
- Increasing enforcement revenue by 35%

First, the City could decide to continue to use unspent bond funds for new construction, and implement only the revenue enhancements. Secondly, the City could choose to use unspent bond funds to cover the first several years of bond principal (front-end payback), and implement the revenue enhancements. Finally, the City could choose to use unspent bond funds to pay down debt in equal amounts over the remaining life of the bond (split-call payback), and implement revenue enhancements. After reviewing the possible options, ***Carl Walker, Inc.*** recommends the third approach (split-call payback) for the following reasons:

- Using the split-call payback approach would not help the Parking Division become profitable. However, this approach will help the Parking Division limit the income losses through FY 2014.

- Using the split call approach, the Parking Division would not experience any period of negative income exceeding $2.0 million. Using the front-end approach, the Parking Division would experience two years of losses exceeding $2.0 million.

- The split call approach would save nearly $500,000 in bond debt payments over the life of the bond when compared to the front-end approach.

- Overall, using unspent bond funds to pay down bond debt in this fashion would save the City over $2.8 million versus using all of the bond funds for future projects.

Carl Walker, Inc. also proposes the following additional financial recommendations:

- **If possible, the City should cease further parking construction and divest from the Gold Avenue Parking Structure.** If the City sold its interest in the parking structure, it would receive only one-half of the selling price. However, it would save $4 million in operations and maintenance through FY 2014, and would be able to use the proceeds from the sale to pay down bond debt.

Additional divestiture could also include all of the parking construction projects completed under the existing bond. Since none of the projects will generate enough income to meet individual expenses, they could all be targets for divestiture. However, the older parking facilities can function profitably as a system, and should be retained by the City.

- **Privatization of the parking system is not an option at this time from the perspective of financial benefits.** As evidenced by the recent request for proposals concerning parking operations at the Gold Avenue Structure, privatizing parking operations would be more costly than continuing to operate under the current system. A private parking operator would seek to cover all costs and generate a profit on operations, instead of operating at a loss as the current system does.

- **Work to set adequate maintenance and working capital reserves.** The Parking Division needs to create and maintain adequate maintenance and working capital reserves. Continued deferring of need facility maintenance will be financially detrimental in the long-term. Condition appraisals of all City owned parking facilities are recommended and should include a prioritization of needed maintenance with cost estimates.

- **Perform a parking facility warranty review.** Given the number of new parking facilities in the City's inventory all warranties should be collected into a single three ring binder. Six months prior to the expiration of warranties, walk-through inspections should be scheduled to evaluate the items covered under warranty. These "walk-throughs" should be conducted with the appropriate firm representatives and be well documented both in writing and with digital photographs. Special attention should be paid to sealant and expansion joint systems. This process can save the City significant amounts of maintenance costs and insure that warranty obligations are properly addressed.

- **Determine if the past parking deals, created to encourage downtown development, have paid for themselves through increased property, sales taxes and or downtown vitality.** The City should conduct a study to determine if the construction of City parking facilities has provided the intended positive socio-economic benefit to the downtown area.

- **Require limited parking studies when new developments are proposed.** Perform a specific analysis of parking resources available within a reasonable distance from their proposed project to determine if new parking construction is necessary.

- **Consider shared parking opportunities.** If the City can create shared parking opportunities within and near areas scheduled for development, the cost of the required parking could be shared by the developments – and overall parking requirements may be reduced.

- **Carefully analyze future parking agreements.** In addition to the other financial recommendations included in this report, ***Carl Walker, Inc.*** recommends that the City consider the following issues when considering future parking agreements:

  - Ensure the agreement provides sufficient revenue to allow the Parking Division to cover operating expenses. Ideally parking facility revenues would cover all expenses, including bond debt. However, higher parking fees or lease payments may discourage downtown development and/or visitation. So, if adequate funds exist, parking bond debt payments may be subsidized by other City funds.

  - Parking agreements should provide shorter time intervals for, or provide a means to renegotiate, parking rate adjustments. Parking agreements that create parking rate structures for long periods (e.g. twenty years) can hurt the parking system as future parking and/or development demands may outpace income.

  - Include the Parking Division in all future parking agreement negotiations.

  - Ensure the parking provided in the parking agreement is truly necessary. Explore all available options such as shared parking, existing supplies (both public and private), and surface parking.

- **Inclusion of Parking Division on downtown strategic planning.** The City should include a representative from the parking division to participate in downtown development and strategic planning discussions and processes. Because of the importance of parking on numerous levels to the health and vitality of the downtown parking should be an active participant in the development of long range planning.

1. INTRODUCTION

1.01. Background

The City of Albuquerque, with an estimated population of 450,000 people, has experiencing a period of substantial growth and development in the downtown area. Over the past few years, new commercial and governmental developments have increased the size and density of the downtown. Along with these new developments has come an increased demand for parking.

In 1998, a downtown parking study was completed that showed that new developments being planned by the City would create an increased need for parking. In fact, the City would face a parking space deficit, unless more parking resources were created. In order to create more parking spaces in the downtown area, the City issued a bond for the sole purpose of building parking structures in 2000. Four parking development sites were selected:

- El Prado Structure – Designed to serve a planned hotel development.
- Gold Avenue Structure – Providing parking for the Alvarado Development.
- Old Albuquerque High School – Providing parking for a mixed-use development (two structures planned).
- Residential Structure – Designed to provide parking for a future residential project.

At the time of this report, the El Prado and Gold Avenue structures were completed and the Old Albuquerque High School project was underway. A site has not yet been determined for the Residential Structure. The City entered into contracts with various developers to construct the parking required to serve the parking needs of the specific projects. In some cases, the City was not only providing the parking structures, but also providing for the management of the facilities as well.

The City looked to the Parking Division to cover the operating, maintenance, and debt expenses for the new facilities. The Parking Division is currently considered an enterprise fund, meaning the City expects the Division to generate positive income. Until the bond was issued, the Parking Division was on its way to generating a positive income. However, now the Parking Division is no longer able to cover its expenses, as the new facilities cannot generate sufficient revenue. The Parking Division is now not expected to generate a positive income until the latest parking bond is retired in 2014.

This problem has created several questions in the minds of City administrative staff. Can the Parking Division generate sufficient revenue to cover expenses? Should the

Parking Division be required to generate enough revenue to cover bond debt and other expenses? What is the best way to manage City parking resources? To answer these questions, the City has commissioned ***Carl Walker, Inc.*** to review and assess current Parking Division management and operational practices, as well as review Division financial issues.

1.02. Scope of Services

The City of Albuquerque has commissioned ***Carl Walker, Inc.*** to prepare a Parking Operations and Financial Review. The scope of services is outlines below:

- *Parking Organizational Analysis* – Evaluate current management methods and processes. Analyze current organizational structure, as well as current goals and objectives. Determine potential changes to parking organization and guiding values.

- *Current Parking Supply and Demand* "Snapshot"– Update the current downtown parking inventory and conduct a "snapshot" occupancy survey to provide a current picture of parking supply and demand in the downtown area. Estimate the current parking adequacy within the study area.

- *Parking Rate Survey and Analysis* – Evaluate current City parking rates and compare them to private operator rates within the study area. Based on current parking adequacy and rates, determine the viability of future parking rates increases.

- *Parking Operations and Management Review* – Review current operational and managerial practices related to the operation of the parking system. Review transient, monthly and on-street policies and procedures. Review the parking enforcement program, as well as facility maintenance. Also, review parking revenue and access control equipment conditions. Identify opportunities to increase operational accountability and efficiency.

- *Parking System Financial Analysis* – Review current bond debt expenses and potential new facility revenues. Analyze current parking utilization and relate it to parking decks constructed, or to be constructed, as part of existing bonds. Identify operational alternatives including private management and parking resource divestiture. Identify potential supplemental revenue sources.

1.03. Study Area

The study area is bounded by Mountain Avenue to the north, Coal Avenue to the south, 8th Street to the west, and railroad tracks to the east. The following graphic illustrates the study area.

FIGURE 1.

City of Albuquerque
Downtown Study Area

Surface Parking
Parking Structures

Map printed in June, 2009

SCALE IN FEET

1 : 3600

PLANNING DEPARTMENT

2. PARKING ORGANIZATIONAL ANALYSIS

2.01. Current System Goals and Objectives

Any discussion of parking system goals and objectives must be related to the "Park Once – Pedestrian First" planning concept adopted by the City Council as part of the City of Albuquerque's Downtown 2010 Plan. This is the philosophical backbone upon which larger issues such as appropriate organization alignment and guiding principles should be framed. It was assumed, based on discussions with City staff that these philosophies continue to be supported and promoted by the City.

The Transportation and Parking elements of the Downtown 2010 Plan strongly support the "Park Once – Pedestrian First" planning concept which promotes making the downtown a "pedestrian first" place by promoting a "park once" environment. In support of this overall goal, the integration of excellent pedestrian, transit and bicycle facilities are required. The Downtown 2010 Plan identified three key action elements for achieving this vision:

1. **Modify downtown streets and sidewalks to serve the needs of pedestrians, transit, bicyclists and cars with the focus on serving pedestrians first**. This planning element was to be supported by the following actions:

    a. "Pedestrian priority" signage installed throughout downtown.
    b. Fund and operate a downtown "circulator" within the downtown core. The "circulator" was envisioned as being bi-directional, free, high service levels (5 minute headways) and should be fun.
    c. Amenities such as improved lighting, signage, street furniture, landscaping, etc. should be provided in public right-of-ways to support and encourage pedestrian activity.
    d. Bicycle racks and other bicycle friendly facilities should be provided throughout the downtown and the historic district.

2. **Developing, managing and operating parking as an essential civic infrastructure and reducing overall parking ratios over time to a Park Once environment.** This planning element was to be supported by the following actions:

    a. Removal of all parking requirements for downtown development.
    b. Developing and instituting a "Park-Once Strategy" which includes a "shared use" parking program for both public and private structures/lots and which investigates the most effective way to manage parking facilities throughout downtown (both public and private).
    c. Maximize on-street parking throughout the downtown.

d. Locate long-term parking structures at strategic entrances to downtown and strategically locate short-term parking throughout the arts/entertainment district.
e. Incorporate ground floor commercial activity into all new parking structures.
f. Institute a prohibition on new commercial surface parking lots in the downtown core.
g. Improve existing commercial surface parking lots in the downtown (paving, landscaping, lighting, etc.).

3. **Change downtown to make it more understandable to infrequent users and provide easy access to other parts of the historic district**. This planning element was to be supported by the following actions:

a. Convert the entire one-way street system to two-way operations
b. Establish "Express Shuttles" between downtown and Old Town/Biopark and between downtown and UNM/Nob Hill.
c. Find and operate a shuttle on Fourth Street connecting the new Hispanic Cultural Center to downtown.
d. Develop and implement a downtown informational and directional (wayfinding) signage program.
e. Improve the Central Avenue/Railway underpass to be more pedestrian friendly.

The element of this planning approach that has had the greatest impact on the financial profile of the City's Parking Division is the aggressive development of several new parking structures. To fund these capital projects, $25.6 million dollars in bonds were passed which have taken the Parking Division from being an essentially self-supporting operation to a system that will require substantial subsidization through the year 2014. However, it must be recognized that the vision that informed these infrastructure investments was that these facilities were essential elements to the revitalization of Downtown Albuquerque. The financial impacts of these decisions will be reviewed later in this report. This section is interested in the strategic and organizational implications of these decisions and developing realistic expectations for the Parking Division as we move forward into the next decade.

The Parking Department has been operating under the following Mission Statement:

> *"In coordination with downtown businesses, government agencies, and downtown action groups, the Parking Division evaluates and provides parking systems to meet the parking needs of their employees, customers, and visitors in order to support commerce and economic vitality."*

The main objectives of the Parking Division, as stated in an internally developed parking report, are listed below:

- *To provide efficient and cost effective parking systems and rates that support desired downtown business expansion and growth in consumer markets that promote economic vitality for the downtown area.*

- *Maximize current parking facilities to better service the downtown worker demand for monthly parking without negatively impacting the demand for customer and visitor hourly parking.*

- *Provide effective customer service supported by friendly and courteous parking attendant and maintenance services to ensure a pleasant parking experience for our customers.*

- *Provide consistent parking enforcement efforts for business and residential areas to ensure parking meter space turnover for customers and to enhance quality of life in permit parking restricted neighborhoods and areas.*

- *Create and provide our employees a positive work environment in which everyone can enjoy good teamwork, friendship, good group spirit, and a sense of "We're in This Together".*

The Parking Division currently operates as a "quasi enterprise unit", meaning that the division operates in such a fashion as to work toward self-sufficiency. On the other hand, the vision laid out in the Downtown 2010 Plan promotes parking as an essential public infrastructure with its overriding purpose being to support and encourage economic development in the downtown.

Ideally, the revenue generated from parking operations would allow the Parking Division to cover all operating expenses. The Parking Division made significant progress in recent years to increase revenues and was in an excellent position to contribute financially to the City's general fund revenues. This was possible because most of the City owned parking structures were paid off, and with the removal of the debt service obligations the facilities were profitable.

Downtown 2010 Plan

As part of the Downtown 2010 Plan adopted by City Council, an aggressive program of parking structure development was undertaken. Based on a parking study conducted by Desman Associates in 1998, a need for approximately 3,000 additional parking spaces was identified. The additional parking infrastructure was considered a key element to support the economic revitalization of the downtown area.

The current objectives clearly denote the Parking Division's desire to provide support and quality services, but they do not mention self-sufficiency.

The actions of City government, based on the adoption of the Downtown 2010 Plan and the impacts of $25.6 million dollar bond issue, have positioned the Parking Division to function as a “loss leader” in support of downtown revitalization efforts. This strategic approach to parking reflects a long-term vision in which enhanced economic development in the downtown, through the attraction of private development, long-term improvements in the tax base, etc. are seen as being in the best interests of the community. Based on discussion with City staff and Parking Study Task Force members, the short-term financial implications of this strategy appear to have been underestimated. The City’s general fund, based on the terms of the Series 2000 A bonds, will subsidize the revenue shortfalls from the Parking Division. The City realized that the Parking Division would not be able to support the debt generated by the bonds, so gross taxes were used to secure the bond instead of parking revenues.

As a direct result of the significant debt service obligations for the new parking structures and the limitations on parking revenues created by the terms of facility specific agreements, the annual impacts of these shortfalls on the City’s general fund range from $600,000 (in 2003) to a peak of approximately $2.6 million (in 2006) and extend through the year 2014 (based on the baseline financial pro-forma discussed later in this study).

The parking facilities developed or planned in the downtown area using funds from the $25.6 million Series 2000 A bonds include:

- El Prado Hotel Parking Structure – The facility was originally constructed to provide parking for a new downtown hotel development. The new development failed to materialize, and the parking garage was leased to a local parking company to be used exclusively for the La Posada Hotel. The current lease payments do not cover bond debt on this facility.

- Gold Avenue Parking Structure – This facility was constructed to provide parking for a new entertainment district. Potential facility users include monthly parkers, movie theater patrons, restaurant patrons, and retail customers. Free parking validations of 2-3 hours will be given by area businesses. The projected revenue generated at this facility is not expected to cover operating expenses or bond debt.

- Old Albuquerque High School – Two separate facilities are being constructed for this project. Construction is currently underway for the first garage, and construction for the second garage will commence at a later date. Parking revenues generated at this location are not expected to cover operating expenses or bond debt.

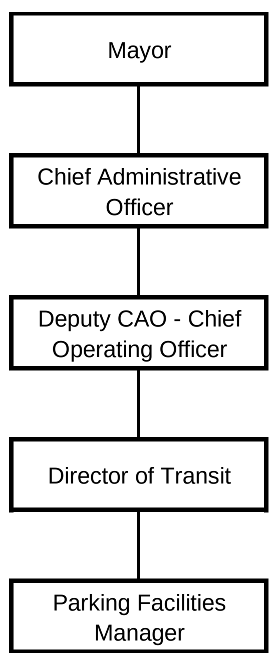
One of the primary focus areas of this study will be to examine the financial impacts of these policy decisions and to offer alternatives. This will be addressed in other sections of this report. The purpose of the financial discussion at this point is to frame the financial dimension relative to the development of a set of "Guiding Principles" for the Parking Division.

2.02. Current Organizational Structure

The Parking Division is currently a subsection of the Transit Department. The Transit Department is responsible for bus routing and scheduling, alternative transportation awareness and marketing, and the creation of programs designed to reduce the number of single occupancy vehicle trips. Operating within the Transit Department, the Parking Division is responsible for the operation and maintenance of City parking facilities, parking enforcement, parking permit issuance, and management of the City's on-street parking program.

The Parking Facilities Manager is responsible for managing and coordinating activities within the Parking Division. The Parking Facilities Manager reports directly to the Director of Transit. The following organizational chart illustrates the chain of command from the City Mayor to the Parking Facilities Manager.

Figure 2.

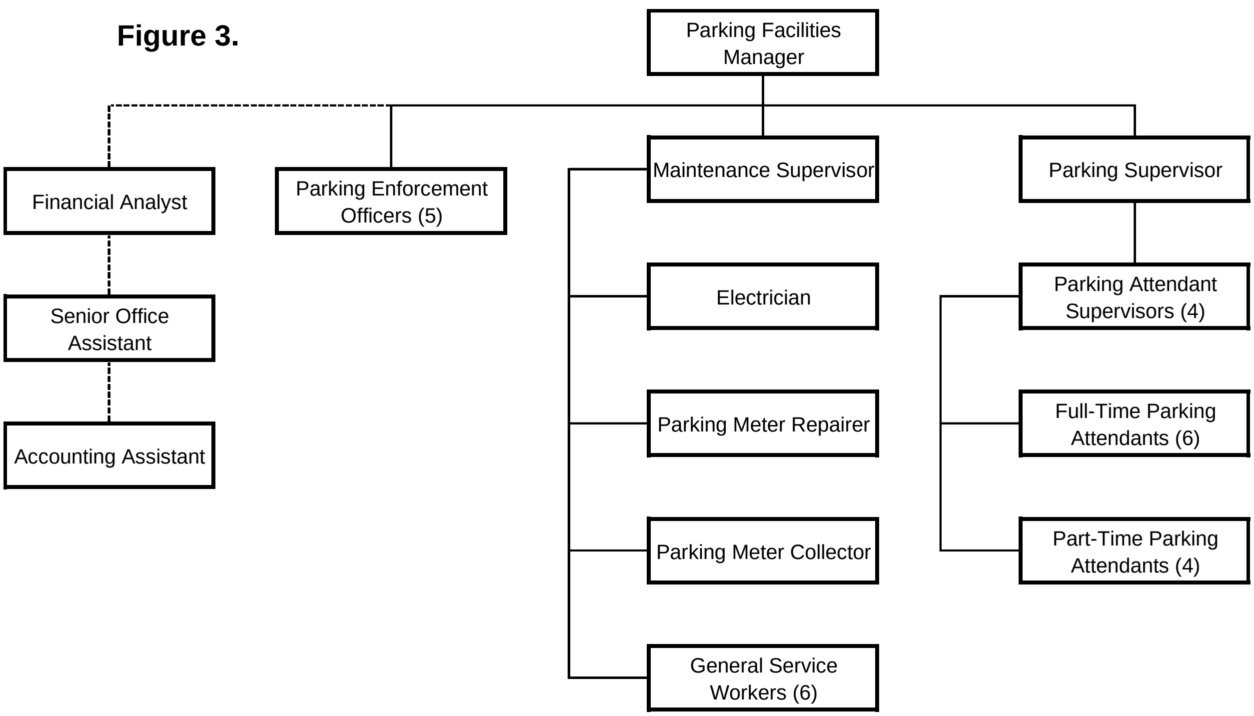


There are three Deputy CAOs that are responsible for various aspects of the City government. The Deputy CAO for Public Safety is responsible for emergency preparedness, police, fire, and the Metropolitan Detention Center. The Deputy CAO – Chief Financial Officer is responsible for the Office of Budget and Management, finance, administrative services, and human resources. The Deputy CAO – Chief Operating Officer is responsible for all other City functions including (but not limited to):

- Aviation
- Conference Center
- Community Services
- Parks and Recreation
- Planning
- Public Works
- Waste Management
- Transit (and Parking)

Within the Parking Division, four distinct operational areas exist. The following chart illustrates the current organization of the Parking Division.

Figure 3.



The first operational area is facility operations. Daily transient parker operations, as well as ongoing management of the parking permit system, are placed within the responsibility of the Parking Supervisor. This position schedules and manages the cashiering staff, manages the training program, and provides field level audit capabilities.

The second operational area is facility maintenance. The Maintenance Supervisor schedules and manages all facility maintenance work, as well as oversees parking meter repair and collections.

The third operational area is parking enforcement. There is no designated Parking Enforcement Supervisor, so the Parking Enforcement Officers report directly to the Parking Facilities Manager. The Enforcement Officers are given the authority to issue parking citations to vehicles that violate City parking regulations. The Enforcement Officers also provide testimony during citation appeal hearings.

The final operational area is administration. There are currently three administrative positions that are funded by the Parking Division, yet the positions are structured within the Finance Division of the Transit Department. The administrative positions are responsible for accounting, auditing, filing, assistance with monthly parking programs, and other administrative functions.

2.03. Recommended Organization and Guiding Principles

Parking is a key support service for the vitality and economic well-being of the Downtown. Parking should continue to be considered part of basic infrastructure of the Downtown. This is needed in order for the downtown to compete for development projects with less costly suburban locations. While operating parking as an enterprise fund is a laudable goal, parking has been treated more as tool for economic development in the recent past. Because of the impacts of the 26.5 million dollar bonds issued in 2001, parking is unable to operate as a self-supporting entity and still cover the debt service obligations for the newly developed facilities.

Parking currently resides within the Transit Division; however Parking and Transit have essentially conflicting mission statements. The over-riding mission of Transit is to discourage the use of single occupant vehicles and to encourage the use of mass transit and other transportation alternatives. The goal of providing adequate parking to meet the needs of the downtown community at affordable rates is on some levels in direct conflict with Transit's mission.

It should be recognized, however, that parking and transit are both components of the larger transportation system and there will always be close a relationship between the two entities. Often the most effect strategies to encourage the use of transit are to increase parking rates, thereby creating a disincentive to drive or at least to drive alone. However, this strategy may not be in the best interest of the Downtown overall. Under all the proposed organizational scenarios it is recommended that Parking be relocated from the Transit Division.

Carl Walker, Inc. proposes three alternatives relative to the possible realignment of the Parking Division within the City's organization structure.

Option 1. – Relocating the Parking Division within City Management

Because of the importance of parking to the economic vitality of the downtown and the fact that parking has already been treated primarily as tool for economic development, one organizational option would be that the Parking Division (including its staff) be reassigned under Albuquerque Development Services. This option reinforces the vision of parking as defined within the Downtown 2010 Plan and is consistent with the "Park Once – Pedestrian First" philosophy.

Supporting arguments for this recommendation include the fact that Parking and Transit have essentially conflicting mission statements as discussed above.

Secondly, if the Parking Division had a direct reporting relationship to the Director of Albuquerque Development Services, the two departments would be forced to have a better appreciation of the other's goals and objectives, as well as the direct and indirect consequences of the deals made that affect the fiscal health of the Parking Division and the City's general fund.

Finally, because Albuquerque Development Services reports directly to the Mayor's office, the Mayor and City administration would be better informed on the status of the Parking Division, including its financial health and operational concerns.

Given a well-defined set of guiding principles and a clear mission, many municipal parking operations function very well as stand-alone business unit. In the case of Albuquerque, this business unit model would not be a true enterprise fund, because it will not be capable of being covering all expenses (primarily debt service obligations).

Working closely with Albuquerque Development Services, the Parking Business Unit model could have as a goal to operate with a balanced budget with the exception of debt service obligations. While this would be difficult to achieve given some of the recent contractual agreements imposed on the department, it is possible with an aggressive and efficient parking management and operations plan, especially if this is a shared goal of both Albuquerque Development Services and parking. Creativity will be required to find new sources of revenue and the innovative use of new parking technologies to promote increased efficiency.

The most important keys to this approach include providing the department with the resources it needs to provide a first class operation, providing professional parking management with the appropriate training and support, and developing alliances with groups such as the International Downtown Association which provide excellent peer networks through a variety of parking management models. Another key is a positive and interactive relationship with downtown development groups such as the Downtown Action Team and the HDIC. These entities should work closely to promote programs of common interest such as parking validation programs, promoting alternative transportation programs (in conjunction with Transit), integrating public and private parking resources where feasible in support of special events in the downtown, coordinating parking and downtown marketing campaigns, surveying downtown patrons on their attitudes toward parking and needed services, etc.

After City staff reviewed the final draft of this report, several concerns were raised concerning moving the Parking Division to Albuquerque Development Services:

- Albuquerque Development Services doesn't have adequate staff to assist with the management of the parking system.
- The option could create a greater disconnect between Transit and Parking.
- Parking will be more concerned with day-to-day operations in the future, not with downtown development.
- The Parking Division currently shares financial staffing resources with the Transit Division. This advantage would be lost.

Another alternative discussed during the presentation of the draft report involved moving the Parking Division out of the Transit Division, yet remaining within the same chain of command. The Parking Manager would then report directly to the Deputy CAO. This relocation of the Parking Division would address some of the initial concerns advanced by the City. However, the City should still endeavor to create stronger ties between the Parking Division and the Departments of Economic Development and Albuquerque Development Services.

Since Parking must be placed under a larger Division within the City organizational structure and if Albuquerque Development Services is not acceptable to the City, Public Works is another common and often appropriate location. This could be especially true for Albuquerque due to the City's stated philosophical approach that considers parking as public infrastructure.

Option 2 – Outsource Parking Day-to-Day Operations

Contract daily operations to a professional, private parking management firm, while retaining overall management and control as a City function. The primary advantage of this option is that day-to-day parking operations are placed in the hands of a professional parking management company, which would bring extensive experience and new ideas to the operation that should result in improved service levels. If this option is pursued it is recommended that detailed performance measures and standards be developed to insure that the highest levels of quality and accountability are achieved.

The first step in implementing this process is the development of the parking management contract. Once the contract has been drafted a Request for Proposals

(RFP) should be developed based on the terms of the contract. Issues such as: does the contract include management of on-street as well as off-street facilities, how to handle special events functions, who provides enforcement, contract length of term, contract renewal options, etc. must be addressed.

The primary disadvantage to this approach is cost. This approach, while potentially providing a higher level of service and management expertise, will have significantly higher operating expenses than the current City operation.

There are two basic options available when evaluating privatization of parking operations: Parking Management Agreements and Parking Concession Agreements. Both methodologies are reviewed in detail below. The recommended methodology for outsourcing day-to-day operations is through a parking management agreement. Under this approach a firm is either paid a fixed fee and/or a percentage of gross revenues or expenditures, or a combination of both, and is reimbursed by the City for all costs incurred in the operation.

Parking Management Agreements

This form of operation can give the City complete control over staffing levels, validation policies, parking rates and customer service policies. With a management agreement the parking operator provides the necessary labor and services for the operation of the parking facilities, in accordance with an agreed upon annual operating expense budget. The parking operator will then receive a monthly payment, either a lump sum amount or a percentage of the gross or net parking revenues. This monthly payment is the fee (profit) to manage the facility.

The parking operator would provide the City with a monthly invoice including a detailed record of expenditures (with receipts) and would then be reimbursed for approved expenses. The expenditures include the time for all cashiering and maintenance personnel and manager/supervisory personnel time, if agreed to.

The management agreement does require additional personnel time for City staff, since it is necessary to audit the gross parking revenues, as well as the monthly operating expenses. Having an annual external audit by a professional parking consulting or accounting firm is recommended as a means of providing an additional level of accountability, due to the specialized nature of the business. The preferred arrangement is that private parking operator work with all parties up front to establish reporting guidelines and accounting practices so that when the annual audit is conducted there should be no excuse for not having the expected and required documentation.

Under the management agreement the parking revenues are deposited on a daily basis into a separate City bank account. Coordination with the City's Cash Management Department is recommended to insure that the procedures developed are consistent with overall City practices.

The City staff should have significant input into establishing the "level of service" to the City parking patrons by deciding on the quantity of cashiers, acceptable traffic queuing upon exit, lost ticket/insufficient funds policies, parking related services offered (lost vehicle assistance, dead battery assistance, vehicle lock-out assistance) etc.

The private parking operator will serve as a buffer to City management with respect to City parking complaints and potential wrongdoing by those employed within the City parking system. It is recommended that customer complaints and responses be documented and reviewed by the City staff on a monthly basis.

Concession Agreement Operations

With a Concession style agreement, the concessionaire will provide all necessary labor and services for the complete operation of parking facilities in return for an agreed to percentage of the gross parking revenues. The actual percentage varies from operation to operation based on the size, complexity, revenue potential and perceived risk to the operator. There could be a guaranteed minimum annual payment to the City.

With this type of agreement, a minimal amount of time is required by City staff in the day-to-day operations of the parking program. Typically the City receives a deposit from monthly parking revenues within two weeks after the end of the each calendar month. Periodic conversations with the parking operator are necessary to discuss operational issues that affect the quality of service to downtown parking patrons.

The concession agreement is the simplest type of agreement for administrative purposes, in that only the gross parking revenue need be audited. All operational expenses remain the responsibility of the concessionaire, thereby resulting in minimal control of this function by City staff. Another concern that must be understood is that the concessionaire has use of the parking revenue for a lengthy period of time before the monthly payment is deposited for the City.

The parking operator serves as a buffer to City management with respect to parking complaints and potential wrongdoing by those employed within the City parking system.

In general, concession agreements work best for large and complex parking operations where the management wishes to divest itself from the day-to-day parking operational concerns, to better focus on its core business. These operations typically have the need for highly specialized parking expertise, generally due to the complexity of operations combined with large annual revenues and political pressures. The most common venue for concession agreements in the parking industry is in an airport environment.

The table on the following page summarizes the key advantages and disadvantages to the owner by type of operating methodology.

City of Albuquerque, New Mexico		
Out-Sourced Parking Operations – Operating Methodologies		
Operating Method	**Advantages (to the City)**	**Disadvantages (to the City)**
Management Agreement	City can have complete control of staffing, rates and service policies.	Increased operating costs compared to in-house management.
	Most complaints go to parking operator, rather City Hall.	Tendency to add floating employees to the City operation when not assigned elsewhere.
	Provides insulation for City in case of scandal.	City must monitor the budget and service levels carefully. Operator should be required to submit budget and proposed levels of service six months to one year in advance.
	Lower inventory and supply costs (if a larger parking operator is used).	Requires a detailed review and audit of both receipts and expenses to be sure that the payment to the operator is appropriate.
	Receipts should be deposited to the City's bank account daily.	Moderate risk to the City.
Concession Agreement	Fee can be arranged to provide an incentive to maximize revenues.	Operators desire to maximize parking revenues may not be in the best overall interests of the City.
	Fees can be arranged to provide a minimum annual revenue guarantee.	City has least control of staffing, service policies, etc. Performance standards should be used to offset this disadvantage.
	Simplest agreement to administer; requires auditing of only the receipts of the operation. It is not necessary to audit expenses.	Operator has use of parking revenues for agreed upon periods. Revenues are usually submitted 10 – 15 days after the last day of the previous month. Initial payment at the beginning of the month can be required.
	City has minimal financial risk.	Concession agreements are typically used for larger, more complex operations, such as airports and large parking authorities.
	The parking operator takes responsibility for complaints.	
	Provides insulation for City in case of scandal.	
	Lower inventory and supply costs (if a larger parking operator is used).	

Option 3 – Create a New Public/Private, Not-for-profit Organization to Manage and Promote Parking Programs

Create a new public/private, not-for-profit organization to manage parking in Downtown Albuquerque. This more radical departure from traditional municipal programs has been implemented in several places around the country. One such example is Tempe, Arizona.

A board of 9-13 members representing Downtown business interests and the City of Albuquerque would govern the proposed new organization. The new organization would assume responsibility for the entire Downtown public parking system – meters, enforcement, surface lots and garages; and would coordinate its activities with private providers to ensure the best possible experience for Downtown parking customers.

One of the advantages to this approach is that it removes or at least distances parking decisions from elected City officials. The board of the non-profit organization would make strategic and operational decisions related to parking based on the set of guiding principles adopted at the organization creation. City Counsel should have significant input in the initial development of these principles.

Another advantage to this approach is that the new organization can be more nimble and flexible in providing the required services to support the Downtown community. This more entrepreneurial and responsive organization would be free of the bureaucracy that can sometimes constrain and impede the effectiveness of municipal governments.

<u>Public/Private, Not-for-Profit Downtown Parking System Organization</u>

Although on the surface, Albuquerque appears to have a fairly well integrated parking management structure, the reality is it has a fragmented parking system with components that seem to be separately managed within the City's organizational structure. There are numerous instances of decisions being made without the review or input from the professionals paid to manage the parking system. This lack of interaction and communication can breed discontent and apathy within the division. Others involved in various ways in downtown parking, such as private companies and the Downtown Action Team and HDIC only occasionally communicate and cooperate with the Parking Department in ways that benefit the customer.

Carl Walker, Inc. recommends the following goals for Downtown Albuquerque:

- Achieve a unified, centralized management structure that anticipates demand and needed services and responds promptly and appropriately.

  Results:
  - Promotes and supports economic development

- Creates policies that encourage private investment
- Coordinates and plans with other developers
- Responds effectively to downtown stakeholders
- Provides increased tax revenues that support neighborhood development
- Enhances downtown promotion and communication
- Maximizes the efficient use of current parking resources
- Provides a consistently high level of customer service
- Influences the quality of customer service at private parking facilities
- Develops measures of success and routinely surveys customer satisfaction

- Create a downtown parking system that makes parking an incentive rather than a disincentive to downtown revitalization and improvement.

  Results:
  - Reviews and adjusts prices based on user behavior
  - Maintains clean, attractive facilities adequately staffed by friendly personnel
  - Maintains safe, secure and well monitored facilities
  - Assures accessible and convenient parking
  - Creates an image and identity for the parking system that is positive and easily recognizable
  - Provides a parking experience that is consistently positive
  - Increased downtown vitality will increase facility utilization and revenues.

- Organize and manage the Downtown parking system so that it is self-supporting, with the exception of debt service obligations.

  Results:
  - Encourages efficient and effective administration
  - Reinvests surplus revenues in system improvements
  - Increases flexibility to address evolving nature of Downtown
  - Promotes planned rather than reactive management
  - Generates revenues for finance future capital investments

- Promote the development of professional parking management through training, education, certification programs and peer networking

  Results:
  - Provides a firm foundation for a professionally run organization
  - Provides a forward looking and progressive approach
  - Encourages the understanding and implementation of industry “best practices

SUPPORTIVE RECOMMENDATIONS

- The City should investigate other sources of funds to retire debt service obligations in addition to parking revenues and the City's general fund. Tax Increment Financing (TIF), Cash-in-Lieu of parking programs and special assessment districts might be worthwhile options. Many cities use Tax Increment Financing in conjunction with major downtown developments as a way of providing structured parking.

- Downtown companies might consider providing employees with financial incentives to reduce commuter trips to and from downtown. Encouraging employees to take public transit would also reduce the occurrence of employee use of close parking metered spaces.

Mid- to long-term actions (based on creation of a new management entity)

- A 10% increase in facility revenue in the downtown core is recommended to assist in minimizing impacts to the general fund's subsidy for parking capital projects.

- Creating a single, unified system of management would allow the creation of consistent signing and branding throughout the system. At present, it is difficult for an occasional visitor to Downtown to determine which parking facilities are public, private, or reserved for employees.

Parking management should aggressively market parking validation programs to downtown stakeholders. The validation program should be targeted toward retail and restaurants, but also toward professional firms, such as attorneys, architects and accountants.

Guiding Principles

In order to provide direction and guidance for the parking program, it is recommended that a set of "Guiding Principles" be adopted for the Parking Division. ***Carl Walker, Inc.*** has developed a preliminary draft of recommended Parking Principles for the City. It is suggested that the Parking Study Task force and other concerned community groups review this draft set of principles and revise or amend them as required. Once consensus on the amended Parking Principles has been reached, it is recommended that these principles be formally adopted by the City Council.

Carl Walker, Inc. recommends that the City create a downtown parking system built around the following principles:

- The Downtown parking system should be customer-oriented, not violator- or revenue-oriented (although parking revenue and enforcement are still important). If customers see the system as fair and friendly, we believe that visits to downtown will increase and therefore increased parking revenues will result.

- The Downtown parking system should seek to provide customers with "an experience worth having." All aspects of downtown parking should reflect an understanding of what the downtown customer desires in terms of a positive and memorable downtown experience.

- The Downtown parking system should be managed by a single entity capable of addressing both operations and capital improvements.

- The Downtown parking system should be seen as an essential and integral part of the community's economic development strategies and programs.

- The Downtown parking system should be better promoted and marketed. The recent investments in parking infrastructure should be actively promoted and celebrated. For example, the high ratio of parking per 1000 square feet of leaseable space in the downtown core, relative to other municipalities, should be used in new business development and tenant recruitment.

- Finally, we recommend that Albuquerque set its sights high – in other words, seek to create an award-winning "best-in-class" parking system.

City of Albuquerque - Parking Principles Draft

1. Parking services shall be considered a key public infrastructure for the downtown. As such, parking will be subsidized by the City's general fund for the purpose of covering debt service for new parking facilities. Aside from debt service obligations, Parking will function as an auxiliary enterprise that shall fund its own expenses, including the funding of maintenance reserve funds.

2. The downtown parking system should be customer-oriented, not violator- or revenue-oriented. The downtown parking system should be seen as an essential and integral part of the community's economic development strategies and programs.

3. Achieve a unified, centralized management structure that anticipates demand and responds appropriately.

4. Operational funding shall be addressed through price structures of monthly parking permits, visitor rates, service charges and fines. To support the investment in parking as a public infrastructure and in recognition of the desire to eliminate parking development requirements in the downtown, a Parking "in-lieu-of" assessment should be adopted to off-set parking infrastructure development in the downtown.

5. The Parking Division administers all public parking services in downtown Albuquerque; other departments or non-governmental entities will not run their own parking operations.

6. Transient, monthly and special events parking rates will be variable, based on time, location, or the service provided. Parking rates shall be established to cover direct and indirect parking costs. Parking rates shall be consistent with local market rates. Parking rates shall be at levels that will encourage rather than discourage access to the downtown.

7. Other City departments and downtown businesses may purchase daily and/or hourly validation stamps for their visitors and patrons. The cost of validation stamps will be discounted to promote program use and active business participation and promotion.

8. The Parking Division shall be included in all long-range downtown strategic planning. Temporary and permanent parking revenue losses due to construction and new development shall be addressed in the planning process.

9. Fines shall be established to discourage illegal parking. The Parking Division will review peer city parking fine rates when recommending modifications to the City of Albuquerque parking fine structure.

10. City departments that sponsor events will pay the actual direct and indirect costs associated with requested parking services as determined by the Parking Division and verified through the annual budget process. A sponsoring department shall notify the Parking Division of the services required for a scheduled event no less than thirty days preceding the date of the event, and shall pay within thirty days upon receiving a bill for those services.

11. The Parking Division shall work towards the creation of a public/private partnership that can manage and/or influence the entire Downtown parking system – both public and private.

12. The Parking Division will work closely with the Downtown Action Team, the Historic District Improvement Company (HDIC), and the Department of Economic Development to promote and market parking services in downtown Albuquerque.

13. The Parking Division will establish a 3-year budget planning cycle. The plan will work towards a budget that will not have a deficit balance at the end of the 3-year cycle, excluding debt service obligations.

2.04. Other Recommendations

Carl Walker, Inc. recommends that the City of Albuquerque, in cooperation with the Downtown Action Team (DAT) and the Historic District Improvement Company (HDIC) undertake the following strategies to improve the parking experience in downtown Albuquerque.

Immediate Action Items

- Develop a common parking validation program for downtown Albuquerque.
- Increase the number of businesses participating in the validation program.
- On random days, instead of parking tickets, give parking customers coupons on their windshields that can be used at downtown merchant locations.
- Continue to aggressively encourage employees to park in City garages and lots and away from on-street, short-term meters.
- Maximize the creation and availability on-street parking spaces.
- Immediately adjust the rates for on-street parking meters to one dollar per hour.
- Immediately increase the rates for the meter bag program for nonprofits, media and contractors.
- Fully integrate the Gold Street Structure into the downtown parking system, including adequate cashier, maintenance and security staffing.
- Conduct focus groups to better understand downtown parking customer needs.
- Establish parking violation pay station/drop boxes in downtown with a reduction in ticket cost for early payment.

3. CURRENT PARKING SUPPLY AND DEMAND

3.01. Current Parking Supply

During the first week in May 2002, employees from ***Carl Walker, Inc.*** conducted an inventory of parking spaces located within the downtown study area. The parking spaces were classified into three categories: public, private, and on-street. To be considered a public parking space, the space must be available to anyone, and not reserved for any classification of person or vehicle (e.g. monthly parking, customer only parking, etc.) Parking spaces were classified as private if they were in any way reserved for particular people or vehicles. Finally, the on-street classification encompasses all on-street spaces, regardless of use. Generally, all on-street spaces were available for public parking.

The downtown has a total parking supply of 18,592 parking spaces within the study area. Of these, 17,024 parking spaces are in off-street parking lots and structures and 1,568 spaces are on-street. The City has a current inventory of over 1,000 electronic meters located on City streets and in the Library off-street lot.

Some blocks could not be completely inventoried, or could not be counted at all. Several blocks contained government parking facilities to which ***Carl Walker, Inc.*** was unable to gain entry. Therefore, the current parking supply for the downtown study area is somewhat understated.

The following three subsections detail the current downtown parking supply.

3.01.A. Public Parking

3,628 off-street spaces are public, meaning they can be used by anyone at any time. Based on City inventories, the City manages 1,231 public spaces in the downtown study area. This number equates to the City managing approximately 34% of the total public parking supply. The relatively low number of off-street public parking spaces is not unusual, as most privately built parking structures are intended to serve a specific development only. The public off-street spaces are controlled using a variety of methods including pay-on-exit, honor boxes, and meters.

3.01.B. Private Parking

13,396 off-street parking spaces are considered private. This means the spaces can only be used by certain people (i.e. customers, monthly permit holders, etc.) and/or at certain times. Currently, the City uses about 64% of the parking spaces it operates for monthly parking. The City parking areas account for 2,186 private parking spaces or approximately 16% of the total number of private parking spaces available in the downtown study area.

3.01.C. On-Street Parking

There were a total of 1,568 parking spaces, of which the majority was available to the general public. The City primarily uses meters to control on-street spaces, but some areas were controlled by signage and pavement markings (e.g. loading zones, timed parking, etc.)

3.02. Current Parking Demand

After the parking inventory was completed, ***Carl Walker, Inc.*** and the City Parking Department conducted an occupancy survey to determine how many parking spaces were utilized during a typical peak parking period. The completed survey provided a "snapshot" of parking occupancy, and did not attempt to determine the absolute peak parking period. Based on other municipal parking occupancy studies conducted by ***Carl Walker, Inc.***, and on a previous downtown Albuquerque parking study completed in 1998, it was determined that Wednesday between 10:00 a.m. and 2:00 p.m. would reflect a typical "near-peak" level of parking occupancy.

The parking occupancy survey looked at two categories of parking, on-street and off-street. The occupancy survey did not differentiate between public and private off-street parking spaces. As most of the private parking spaces provided both employee parking and customer parking, dividing the use types for this limited occupancy survey would have been impractical. The intent of the survey was to determine the overall level of parking utilization in the study area. The results of this occupancy survey will help the City determine future parking expansion needs and options.

Block numbers were assigned to the various blocks located in the study area. The following graphic illustrates the block numbering sequence.

FIGURE 4.

City of Albuquerque
Block Numbering
Scheme

Black blocks are blocks with City parking facilities

Map printed in June, 2009

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A total of 10,149 parking spaces were occupied during the survey period. This level of usage translates into 54.6% of the total parking supply. The following table illustrates the occupancy levels for blocks that contain City parking facilities:

Table 1. City of Albuquerque Parking Occupancy Survey - Wednesday, May 8, 2002

Blocks with City Parking Facilities

Block #	Parking Suppy	Parking Occupied	% Occupied
36	347	212	61.1%
44	522	278	53.3%
46	430	175	40.7%
54	959	556	58.0%
56	717	486	67.8%
67 & 68	613	525	85.6%
71	130	78	60.0%
93	749	162	21.6%
98	589	417	70.8%
TOTAL	5,056	2,889	57.1%
All Other Areas	13,536	7,260	53.6%

For the location of the blocks with City parking facilities, please see Figure 4. Approximately 57.1% of the parking contained in the ten blocks noted above was occupied during the survey period. Blocks 67 and 68 had the highest overall level of occupancy, with 85.6% of the total parking supply occupied during the survey.

The complete results of the occupancy survey by individual block can be found in Appendix A.

3.03. Current Parking Adequacy

In determining the current parking adequacy for the study area, it is important to define two terms typically used in analyzing parking adequacy: Effective Supply/Capacity and Design Day Conditions. When a parking area's occupancy reaches 85-90% of the total capacity, depending on the user group, the area becomes effectively full. When parking lot occupancy exceeds effective capacity, users become frustrated as it becomes increasingly difficult to find an available parking space. Users will begin to either park illegally in the lot or leave the lot altogether and search for parking elsewhere. In a downtown environment, when visitors are faced with significant parking difficulties, they will often avoid the downtown altogether and shop in the suburbs. The accepted effective fill percentage for parking in the downtown study area is 90%. This 10% "cushion" of spaces is used to accommodate spaces lost temporarily due to construction, improper or illegal parking, and provides for shorter searches for available parking.

Design Day parking conditions attempt to represent typical peak activity that may be exceeded only occasionally during the year. Due to the limited nature of the occupancy study for this project, Design Day conditions will not be factored into the adequacy model. As stated earlier in this report, the occupancy survey that was conducted provided a "snap shot" of parking conditions during a typical peak parking period.

The following table illustrates the total observed parking adequacy for the entire study area. Overall, there is a substantial surplus of parking available in downtown Albuquerque. Much of this is due to recent substantial private parking developments associated with large governmental projects, as well as the municipal parking projects created using $25.6 million dollar parking bonds.

Table 2.		**Number of Spaces**
Current Total Parking Supply		18,592
Current Effective Supply (90% of Total)		16,733
Observed Parking Occupancy (from survey conducted on 5/8/2002)	60.7%	10,149
Current Effective Parking Surplus/Deficit		6,584

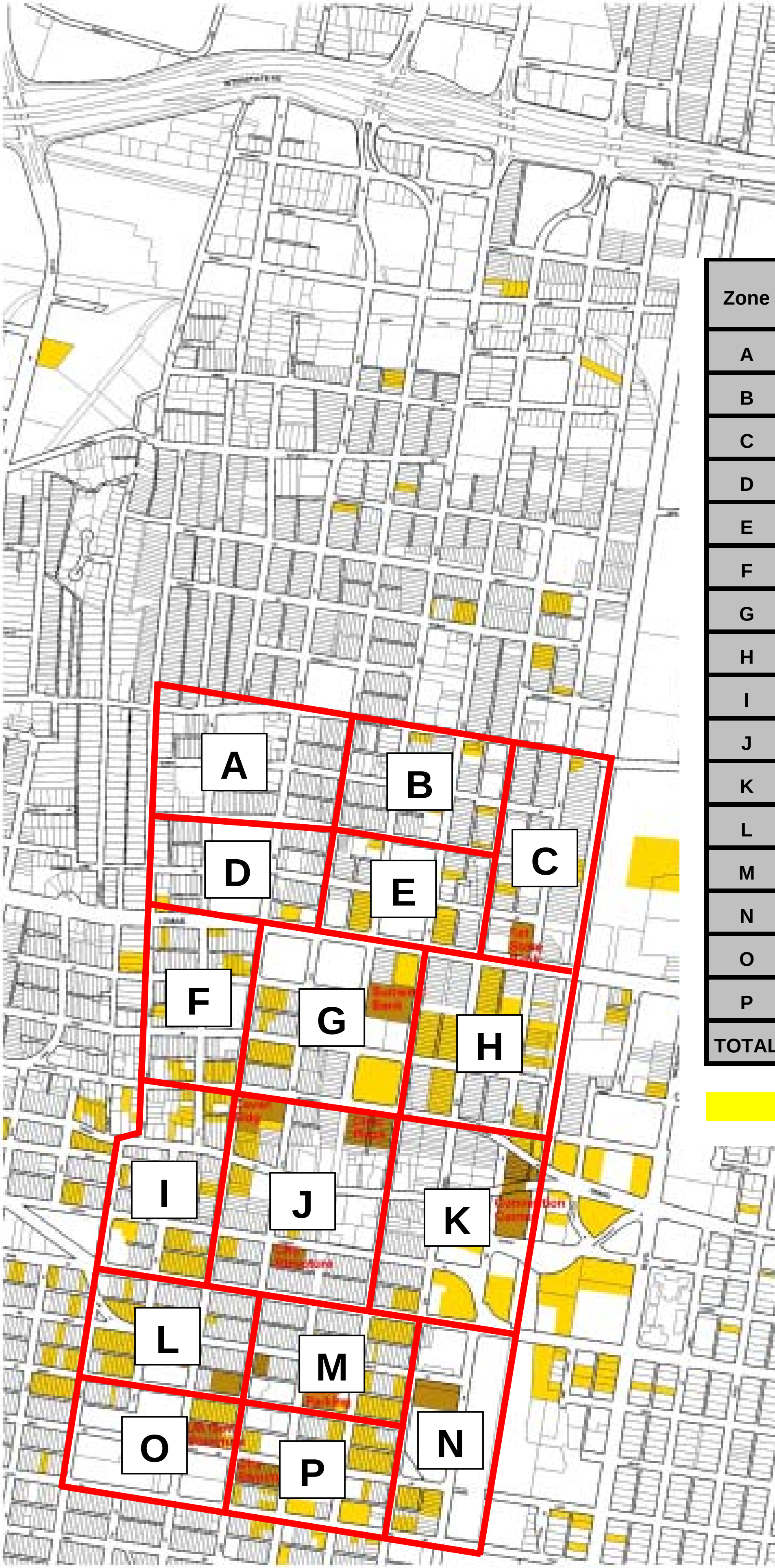
Based on the effective parking supply of the study area, there is currently a parking surplus of 6,584 spaces or approximately 40% of the effective supply.

In order to provide a more useful parking adequacy model, the study area was divided into sixteen separate parking zones. The parking zones provide a more uniform means of looking at current parking adequacy. Viewing parking adequacy from the perspective of the overall study area, while useful in gauging the overall health of the system, doesn't provide a picture of the parking environment in adequate detail. Some areas in the downtown may have plenty of available parking while other areas may not have enough. Also, looking at the parking adequacy on a block-by-block basis is not entirely accurate, since some blocks have far more parking than others.

Breaking up the study area into six to nine block sections provides an intermediate picture of parking adequacy, and also takes into account patron walking distances. The following graphic illustrates current parking adequacy based on the sixteen parking zones.

FIGURE 5.

City of Albuquerque
Zoned Occupancy
Survey Results



Zone	Effective Supply	Spaces Occ.	% Occ.
A	473	207	43.8%
B	744	388	52.1%
C	701	298	42.5%
D	542	298	55.0%
E	230	140	61.0%
F	619	422	68.2%
G	2,294	1,561	68.0%
H	1,002	690	68.9%
I	1,798	1,093	60.8%
J	1,917	1,424	74.3%
K	1,491	886	59.4%
L	1,238	850	68.7%
M	1,026	677	66.0%
N	905	198	21.9%
O	572	265	46.4%
P	1,182	752	63.6%
TOTAL	16,733	10,149	60.7%

= Zone with City Lots/Decks

In summary, there is currently a substantial surplus of parking available in the study area. All of the parking zones have a parking surplus, and only Zone "J" is over 70% utilized based on effective supply.

Current land use data for the study area was not available for this report. So, parking adequacy is based solely on observed parking demand.

3.04. Future Parking Adequacy

Currently, few specifics are known about future development of the downtown area. There are four areas that have been designated as future development sites. The four development areas are:

1. Block 65 – Undetermined Commercial/Retail/Residential Development. This development may contain first level commercial/retail space, with residential components above the first floor. No specifics were available concerning size or composition. This development would be built on an existing surface parking lot.

2. Block 77 – Undetermined Commercial/Retail/Residential Development. This development may also contain first level commercial/retail space, with residential components above the first floor. Again, no specifics were available concerning size or composition. This development would also be built on an existing surface parking lot.

3. Blocks 85,92, and 93 – Residential Development (and fourth bond related parking project). This development would create additional residential space near the Alvarado Transportation Center. No specifics were available concerning the number of residential units that would be created.

4. Blocks 87 through 101 – Residential Development. This area has been designated for neighborhood development. No specifics were available concerning the number of residential units that would be created.

The areas designated for future development currently have a combined parking surplus of 3,655 parking spaces. While the effect of the future developments cannot be determined at this time, it is clear that a portion of the parking supply will be lost to construction.

The following graphic illustrates the potential location for each of the described developments, as well as the parking surplus in each area.

FIGURE 6.

City of Albuquerque
Future Development with Parking Surpluses

Potential Parking Sources
Development Locations

The parking surpluses listed below are based on the effective parking supply of each region. Also, it is assumed that the parking for any residential development would be provided as close to the project as possible. So, only the available parking located within the project area was included in the surpluses listed.

4. PARKING RATE SURVEY AND ANALYSIS

4.01. Current Parking Market

Parking rates within a city environment depend on several factors. A review of these factors can help determine market dynamics. These factors include:

- Current Transportation Characteristics
- Parking Adequacy (composite of supply and demand)
- Ownership of Parking
- Prevailing Prices
- Future Development Projects

Reviewing each of these factors provides a clearer picture of the existing parking market in downtown Albuquerque.

4.01.A. Current Transportation Characteristics

The majority of people who live and work in the downtown area travel to the area in single occupancy vehicles. Based on a survey conducted by Research and Polling, Inc. in July 2001, 88% of the 874 respondents stated that they drive alone to the downtown area. The results of the survey also showed that 14% of respondents have carpooled, 13% have used bicycles or walked to downtown, and 4% have used public transportation. The high utilization of single occupancy vehicles will create a higher demand for parking in the downtown area.

Historically, the public's utilization of City transit is quite low. Therefore, it is unlikely that many people will switch to public transportation even if parking rates continue to rise.

4.01.B. Parking Adequacy

The current observed parking adequacy for the downtown study area was detailed in Section 3.03 of this report. There is currently a 6,584 space parking surplus in the entire downtown study area, based on its effective parking supply.

As most of the City owned parking lots are located south of Lomas Boulevard and north of Coal Avenue, the parking adequacy of this smaller area will provide a more realistic picture of the parking adequacy surrounding City facilities. The current parking adequacy of the area bounded by Lomas Boulevard, Coal Avenue, Eighth Street, and the railroad tracks shows a surplus of 5,226 parking spaces. This amount of surplus parking provides the public with several parking options. Therefore, as parking rates for City owned facilities rise, people are more likely to look for other alternatives.

A parking study conducted in 1998 found a parking surplus of over 3,000 spaces (based on an effective supply factor of 10%). Comparing the 1998 study results to the results of the most recent occupancy survey, parking occupancy increased by approximately 4% while the parking supply increased by approximately 29%. It is important to note that differences between the two surveys may account for a small portion of the discrepancy between the changes in occupancy and supply. However, the demand for parking in the downtown area should continue to increase as new developments move into the area.

4.01.C. Ownership of Parking

Some municipalities take very active roles in the development and management of downtown parking resources, while other communities are content to allow private developments to create parking resources. The City of Albuquerque has taken a more active role in the development and management of downtown parking facilities, as evidenced by the recent parking bond initiative. The City currently owns and manages over 30% of the total downtown parking supply. This level of ownership has allowed the City to exert some control over parking prices in the downtown area. In most cases, when municipalities are able to control parking prices, the prices set are lower than the market will actually bear. Should the City raise parking rates, it is likely that the other downtown parking operators will do the same.

4.01.D. Current Parking Rates

The City currently charges $1.00 per half-hour up to a $6.00 maximum for hourly parking in facilities that provide public parking. The sole exception to this pricing structure is the Convention Center Garage, which charges a flat fee of $4.00 upon entry. For monthly parking, the City charges different rates for various locations, and has also negotiated special rates for some downtown businesses.

Carl Walker, Inc. surveyed parking operators located within the downtown area concerning current transient and monthly parking rates. The following figure shows the approximate locations of the parking lots/garages included in the survey. All of the surveyed locations fall within the same general area as the City owned facilities.

FIGURE 7.

City of Albuquerque
Parking Rate Survey
Map

City Parking Lots/Decks

Approximate Location of Surveyed Parking Lots/Decks

Map printed in June, 2009

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The average rate for hourly parking was $2.16 per hour in parking structures, and $1.56 per hour in surface lots. Based on the information gained during the rate survey, City hourly parking rates for structured parking are currently 8% below the average. Another component of hourly parking rates is the designated maximum fee. The average maximum fee charged by surveyed parking operators was $8.00 in parking garages and $7.00 in surface lots. The City's current maximum daily fee charge is 14%-25% below the average.

Monthly parking rates averaged $67.22 in parking garages, and $43.00 in surface parking lots. City parking rates average $62.50 for garage parking and $44.00 for surface parking. While current City monthly rates for surface parking are slightly above the average, City rates for garage parking are 7% below the average.

4.01.E. Future Development Projects

The City has determined that the development of parking resources will be used as an incentive to stimulate economic development. Obviously, it can be difficult to attract new development and new employees to the downtown area without sufficient parking resources.

Currently, few specifics are known about future development of the downtown area. As detailed in Section 3.04, there are four areas that have been designated as future development sites. There is currently no information available concerning the size and composition of the development projects. While it is not clear how these developments will affect the parking adequacy of the study area, new developments will obviously increase parking demand in the downtown.

Additional parking projects are also planned for the downtown area, which will increase the parking supply. One such parking project planned is the residential structure that will be built in the vicinity of the existing Alvarado Transportation Center. This parking project was part of the recent bond initiative.

4.02. Recommended Parking Rates

The parking market in downtown Albuquerque appears to be fairly stable, in that parking demand is somewhat inelastic. The vast majority of people traveling to downtown drive alone, and few appear to be interested in mass transit. People tend to park as close as possible to their destination, and most are willing to pay a little extra for convenience. Also, since the City controls a substantial portion of the downtown parking supply, there is more of an opportunity to increase parking rates to pay for parking projects.

The question lies in the availability of parking. There is currently an extreme surplus of parking in the downtown area, and people have many choices concerning where to park. Prices are currently fairly consistent across both City and private parking facilities. The availability of parking would tend to make the market more elastic, however this may not be the case in Albuquerque. In the same 2001 Research and Polling, Inc. survey that determined transportation utilization, it was found that a large portion of people believe there is a shortage of parking in the downtown area. The survey found that 21% of the 1,352 respondents felt that there was a lack of parking in the downtown area. They also felt that this lack of parking discouraged people from visiting downtown often. As the snapshot occupancy survey conducted for this report shows, there is clearly plenty of parking available for all downtown visitors. However, the parking may not be as convenient as some people would like. This perception will reduce the importance of the parking surpluses relative to the overall parking market.

Based on our review of the current downtown parking market, ***Carl Walker, Inc.*** recommends the following parking rate changes to offset future expenses:

- **Increase parking facility revenue by 10%.** There appears to be sufficient room to increase parking permit prices in structures, and generally speaking the City surface lots provide more convenient parking than do most private lots. Also, selling more parking permits (e.g. rooftop parking programs) and improving collection efforts can increase revenue.

- **Increase the daily maximum in hourly parking areas to $8.00.** The current hourly charge is consistent with other private parking operations, and is also higher than or consistent with other similar municipal parking operations. Therefore, it is not recommended to raise the hourly prices at this time, although an increase could be of value in a couple of years.

  However, it is recommended that the City consider raising the daily maximum charge from $6.00 to $8.00. It is difficult to gauge how this move will impact overall parking revenue, as parking duration data was not available from the system at the time of this report. Increasing the daily maximum will have a much smaller effect than increasing first hour rates. However, increasing the daily maximum will impact all parkers who park over three hours in City facilities. This move will help generate more revenue, but will also bring the City in line with other local parking operations.

- **Increase parking meter rates from $.75 per hour to $1.00 per hour.** Even at $1.00 per hour, the rate for on-street parking will be one-half that of off-street parking. An increase in parking meter rates could provide an immediate boost to parking revenues of perhaps $220,000 or more in the first full year.

5. OPERATIONS AND MANAGEMENT STRATEGIES

5.01. Current System Management Review

5.01.A. Transient (Hourly) Parking

The City currently operates 1,231 hourly parking spaces in the downtown study area. The spaces are contained in three parking structures and two surface lots. The Gold Avenue Parking Structure is the forth City parking structure that will contain hourly parking. The structure will contain 318 hourly spaces during weekdays and 637 spaces during evenings, weekends, and holidays. The City also operates 326 hourly parking spaces located outside of the study area in surface lots.

The Parking Division currently utilizes Amano Cincinnati fee computers and gates, McGann parking management software, in all of their hourly lots with the exception of the Library Lot, which uses parking meters. This system allows the Parking Division to monitor and audit all lane and cashier activities, and provide detailed revenue control reports.

Cashier operations are run in the following manner:

1. Cashier reports for duty and the Cashier Supervisor opens the cashier booth.

2. The Supervisor records the beginning lane information (e.g. lane counts, beginning spitter ticket, etc.) and verifies the Cashier's beginning change bank.

3. The Cashier processes parking customer transactions as follows:

    a. Cashier processes patron spitter tickets through the fee computer.

    b. For customers paying cash, the Cashier collects the appropriate fee and provides change.

    c. For customers utilizing validation stamps, the Cashier collects the validated spitter tickets and the customer pays any amount over the validation. There are two types of validation stamps. The "Park-n-Shop" validations equate to one hours worth of parking and are provided by participating area businesses. Therefore, if a customer receives two "Park-n-Shop" stamps from a business, and the total parking fee is $3.00, the customer would be asked to pay the difference.

The second form of validation is the use of approved ink stamps. Some businesses have been permitted to use ink stamps to cover the entire parking fee for their customers.

The businesses that use validation stamps and/or ink stamps are charged full value for their use.

d. The Parking Division sells daily and weekly permits for hourly parking areas. Called *Hourly Parking Permit System* passes, these permits provide a set amount of parking time in hourly lots. The Parking Division reports that relatively few of these passes are issued.

e. For customers that are unable to pay for all or part of their parking fees, the Cashier will issue a "Short Pay" receipt. The revenue control system generates this receipt, which includes the customer's contact information. The customer is then required to make their payment directly to the Parking Division office.

f. The exception to the process outlined above is the Convention Center Structure, which operates on a pay-on-entry basis. Customers are charged the appropriate fee as they enter the facility.

4. The Shift Supervisor generally provides lunch and restroom breaks. However, Cashiers are permitted to lock their cashier booths for restroom breaks in an emergency or if the Supervisor is unavailable.

5. Cashiers can give periodic drop deposits to the Supervisor. The Cashier and Supervisor verify the drop amount, noting the verification on the drop log, and lock the deposit bag.

6. At shift change, the outgoing Cashier verifies the change bank with the incoming Cashier, and end of shift readings are taken (e.g. last spitter ticket, land counts, etc.)

7. The Supervisor coordinates minor revenue control system maintenance (jammed spitters, etc.) as well as installs the spitter tickets.

The Parking Division audits all cashier logs and spitter tickets. Collected parking funds are sent to the Transit Department counting facility for verification. The funds are verified and prepared for deposit, and the Parking Division is notified of deposit errors.

During interviews with Parking Division staff, ***Carl Walker, Inc.*** reviewed daily cashier logs, other shift reports, daily drops logs, and special event reports. The forms and reports reviewed included (but were not limited to):

- Supervisor's Daily Custodial and Operational Cash Fund Audit
- Check Off Log Daily Parking Revenues (Drop Log)
- Old Town at Central Daily Cashier Report
- Daily Cashier Report – Civic Center Facility
- Treasurer's Daily Report of Deposits
- Event Parking Cashier and Drop Sheet

The format of the various reports were consistent with other parking operations reviewed by ***Carl Walker, Inc.,*** and provided adequate space for necessary information. The completed reports reviewed were filled out properly, and provided the information necessary for office audits.

5.01.B. Monthly Parking

The City currently operates 2,201 monthly parking spaces located in the downtown study area. The City monthly spaces in the downtown are located in four parking structures and five surface lots. The Gold Avenue Parking Structure is the fifth City parking structure that will provide monthly parking. The structure will contain 317 monthly parking spaces that can be used on weekdays from 8:00 a.m. to 5:30 p.m. The City operates an additional 55 monthly parking spaces in surface lots located outside of the downtown study area.

All monthly permit holders are required to complete a monthly parker application. The application includes all of the necessary billing, contact, and vehicle information. After the customer has completed the application, assuming space is available, they are required to pay a $15.00 access card deposit and a prorated portion of their first monthly parking charge. After all of the fees are paid, the customer is issued a parking permit and an access card. The customer will be billed each month, based on the date their monthly parking agreement started and the applicable monthly fee for the facility to which they have been assigned.

With the addition of the new Gold Street Parking Deck a new parking access and revenue control system was purchased. The Amano Cincinnati, Inc. equipment with Amano-McGann parking management software is an excellent choice for the City of Albuquerque to control facility access and provides a strong base and an expandable platform from which to build for the future. The equipment is managed centrally, at the Parking Office, to allow for efficient operation of the system. The system can provide detailed access control reports, which can be used to monitor facility utilization. The system also provides a means of anti-passback control, although the system is currently set for soft-passback (which allows an access card to be used multiple times for entry without corresponding exit usage).

During the recent move of the Parking Offices to their new location in the Alverado Transit Center, the fourteen-year-old card access system which controls monthly access to all the City's parking facilities (with the exception of the Gold Street Deck) did not come back up. The IS department is currently working on the problem and believes they have found a way to get the system communicating again. The problem is that the system's modems are archaic and communicate using analog phone lines rather than being able to handle digital data.

It is strongly recommended that funds be made available to upgrade the rest of the City's parking facilities with the new proximity card readers that have recently been installed in the Gold Deck and tied into the new Amano parking access and revenue control system. The cost of this upgrade is estimated at $65,000. The benefits of the upgrade include:

- A more reliable and technologically current system
- Improved management software and management information
- Streamlined monthly account maintenance which will improve efficiency, effectiveness and potentially generate additional revenue
- Improved management reports and auditing capabilities
- Enhanced customer service

Because this system upgrade is so fundamental to effective management of the parking system, it is recommended that if funds are unavailable from any other source, that the parking bond funds be used to make this transition happen as soon as possible. This allocation of funds from the bond monies is entirely consistent with the intent and purpose of the funds.

The Parking Division regularly audits monthly card billings and activity. This process allows to Parking Division to ensure that utilized monthly access cards are tied to active, paying customers.

5.01.C. Special Event Parking

The City provides special event parking in its parking facilities as needed. Depending on the size of the event, the Parking Division may operate appropriate facilities on a pay-on-entry basis, instead of the usual pay-on-exit, which is appropriate and recommended. A different cashier activity log is used in these situations, which can record lane counts and the sequence of event parking tickets issued. The Supervisor verifies all lane data, and ensures it is entered on the cashier activity log.

Periodically, the Parking Division will open other City owned surface parking areas for special event parking. The other areas are opened during large events, or based on their proximity to the event. Generally, these areas are opened on evenings or during weekends.

5.01.D. On-Street Parking

The City has a current on-street parking inventory of 1,568 spaces, of which approximately 1,100 are metered. The revenue collected from the City's parking meters accounts for 13.8% of the total revenue collected by the Parking Division.

There are two separate staff positions that are responsible for the collection and maintenance of the City's parking meters. The Parking Meter Collector collects coins from the parking meters on a weekly basis. The Parking Meter Repairer individually checks each parking meter to ensure functionality on a weekly basis. All City parking meters have been converted to electronic meters (from mechanical meters).

5.01.E. Parking Enforcement

The Parking Enforcement unit has five full-time enforcement officers. Parking enforcement is done manually. Handheld computers were purchased for the parking enforcement officers, but the software was not Y2K compatible. The handheld computers have never been fully utilized. Parking citations are reviewed and entered into the City's computer system in the Parking Office by administrative staff.

Enforcement officers utilize "boot" lists to identify vehicles with outstanding parking citations. If an Enforcement Officer finds a vehicle listed on the boot list, a vehicle immobilization clamp (or boot) will be placed on the vehicle. The owner of the vehicle will then be required to pay all outstanding fees before the clamp is removed. If the vehicle remains immobilized for over seventy-two hours, the vehicle will be impounded. The vehicle owner can retrieve the vehicle from the impound facility without paying for outstanding parking citations, as the vehicle owner can request that their parking citations be appealed to the court. The towing charge, applicable storage fees, and the boot fee are required to be paid before the vehicle is released.

For the last fiscal year (FY 2001) the Parking Enforcement Unit issued 50,111 parking citations. The City of Albuquerque Police Department issued another

12,386 parking citations during FY01. The 62,497 citations issued created approximately $462,000 in revenue, or an average of $7.40 per citation.

Based on five full-time Parking Enforcement Officers, approximately 9,400 staff hours per year can be used for parking enforcement (assuming 200 hours of vacation, sick, and holiday time per employee, per year). Assuming 9,400 staff hours per year, approximately 5.33 citations were issued per staff hour (based on FY01 citation totals). The estimate of the number of citations issued per hour is skewed however, as parking enforcement officers spend time each week attending citation appeals in court.

5.01.F. Facility Maintenance and Security

The Parking Division is responsible for the maintenance of the parking facilities including:

- Landscaping systems
- Litter control
- Sweeping (Once every two months)
- Snow removal
- General Parking Access and Revenue Control equipment maintenance
- Power washing
- General janitorial services
- Elevators and HVAC systems
- Painting

The maintenance staff utilizes a facility maintenance checklist, which details daily cleaning responsibilities and scheduled maintenance checks. The checklist also provides a mechanism for staff to note other maintenance needs.

The maintenance unit utilizes a number of ¼ to ¾ ton pick-up trucks for occasional snow removal and hauling, but also uses several “Gator” type small haulers for trash removal. The unit also has two surface sweepers (one from Advance and one from Tennant). The Parking Division is currently in the process of replacing some of its older vehicles, including one of the sweepers, as the budget permits.

The maintenance staff also assists parking operations in the following capacities:

- Traffic control
- Available parking space counts

Security is provided directly by the Transit Department. The Transit Department schedules the officers, and determines availability. The Parking Division does not manage or train the security staff.

5.01.G. Department Staffing

Staffing issues are currently a major concern within the Parking Division. The number of staff positions has fallen in the past few years as the City has eliminated positions or reassigned staff to reduce costs. According to the organizational chart provided by the City, the Parking Division currently has the following positions:

- One Parking Facilities Manager
- One Parking Supervisor
    - Four Parking Attendant Supervisors
    - Six Full-time Parking Attendants
    - Four Part-time Parking Attendants
- One Maintenance Supervisor
    - One Electrician
    - One Parking Meter Repairer
    - Six General Service Workers
    - One Parking Meter Collector
- Five Parking Enforcement Officers
- Three Office Positions (Finance Division Org. Chart)
    - One Financial Analyst
    - One Senior Office Assistant
    - One Accounting Assistant

The Parking Division has a total of thirty full-time positions and four part-time positions. The department also funds six security officer positions through the Transit Department for security assistance for the City parking facilities. Municipal parking operations with similar revenue characteristics average approximately forty total employees.

5.01.H. Customer Service

Customer service appears to be a top priority within the Parking Division. In meetings with department staff, each employee stressed the importance of customer service, and appeared to organize their area of responsibility with the intent of improving overall service.

During on-site visits, ***Carl Walker, Inc.*** parked in City parking facilities to gauge current levels of customer service (within the hourly parking operation). The cashiers were not aware of our presence in the facilities, nor were they aware of whom we were. In every instance, the cashiers warmly greeted us, politely processed our transactions, and finally wished us a good day. When the cashiers were asked for additional assistance, such as for vehicle assistance or directions, all were extremely helpful.

Administrative staff seemed helpful and caring during periods of observation. Staffed answered telephones in a very professional manner, and all staff appeared helpful and responsive. Administrative services, such as the management of the parking waiting list, appear to be constructed with both the needs of the Parking Division and the needs of parking customers as the focus.

5.02. Recommended System Management Changes

5.02.A. Transient (Hourly) Parking

Recommendations for hourly parking operations are centered on ensuring financial accountability and increasing revenues. Recommendations for the hourly parking operation are as follows.

- **Conduct regular "surprise" audits.** All hourly parking cashiers should be audited at least twice per quarter. Supervisory level staff should perform the audits, and all findings should be reported to the Parking Manager. The cashiers should not be told in advance of the audits, and the audits should be conducted at completely random times.

  Ideally, another cashier would be utilized to operate the lane while the regular cashier is audited. The collected funds, spitter tickets, and lane data should be reviewed to ensure accuracy. The cashier should document any discrepancies and provide reasonable explanations of variances. At the conclusion of the audit, the results should be posted in the cashier's employee file and used during employee reviews.

  Surprise audits can also be conducted for supervisory staff. The senior supervisor could observe supervisor activities to ensure all policies and procedures are adhered to. The senior supervisor would observe opening procedures, cashier break activities, and end of shift duties. This will provide the senior supervisor with information to determine training needs, and reward exemplary performance.

- **Provide relief cashiers.** It was noted during staff interviews that cashiers, on occasion, are permitted to leave their booths to take emergency bathroom breaks. Even though the booths are secured, this practice is not acceptable. Adequate staff should be on hand to relieve cashiers. Cashier relief could be provided by a supervisor or by a break cashier. All funds should be verified before and after the break.

- **The "Short Pays" policy should be changed.** Consider allowing cashiers to issue parking citations instead of short pay receipts. The parking citation charge would be the regular parking fee if the citation were paid within 24 – 48 hours. If the citation is not paid within that timeframe, the citation fine would become $25.00, and it would allow the Parking Division to tow repeat offenders if necessary.

  Another way to reduce the number of short pay customers is to increase their ability to pay. The existing revenue control system could be modified to accept credit cards, in addition to the cash and checks currently accepted. While there will be a processing fee for handling credit card transactions, it should be less than the losses due to the current short pay system.

  Currently, short pays are nearly impossible to collect. The loss of revenue could be $30,000 or more each year (based on estimates from the Parking Division). Steps must be taken to reduce or eliminate these losses.

5.02.B. Monthly Parking

Monthly parking recommendations consist of enhancing revenue, curbing abuse, and enhancing efficiency. Recommendations for the monthly parking program are as follows:

- **Create "rooftop" parking rates.** Creating rooftop parking rates will provide a lower cost parking alternative for customers by utilizing the available parking located on the rooftops of the parking garages. Generally, even when a parking facility is oversold by 120%, the parking located on the highest (exposed) level is underutilized. This is due to the fact that most parking customers that purchase parking in garages expect covered parking. Creating a rooftop parking rate will allow the Parking Division to sell more permits for each facility, thereby increasing parking revenue.

  Several concerns must be addressed before rooftop parking is implemented. First, enforcement needs must be analyzed. Situations will undoubtedly arise where a rooftop parker parks on a lower level. Generally, a different colored or shaped permit is issued to rooftop parkers to make identification easier. When they purchase their permits, they should be told that if their vehicles are found on lower levels of the parking facility, their vehicles could be cited/towed and their parking privileges can be revoked.

Secondly, sufficient space must be available in the parking facility. The level of usage at each facility should be carefully examined before instituting a rooftop parking program. Since most parking facilities are already oversold, problems like poor weather or transit changes may increase the number of regular permits in a facility on a given day. Rooftop parkers must be notified that, since their permits are provided at a reduced rate, they may be asked to park in other facilities when space is limited.

- **Institute policy changes to curb improper permit transfers.** City parking permits allow parkers to use multiple vehicles under a single permit. This is typically how parking permits are used. However, City staff mentioned that on a number of occasions monthly parkers have given friends or family members their parking permits. The monthly parker then parks in the facility with their access card, and the friend or family member gains access to the facility by saying they forgot their parking card. This situation could be handled in a number of ways:

    - Vehicles are not allowed to enter the facility without an access card.

    - All vehicles must display a parking permit at all times while in the parking facility.

    - Vehicles without access cards are permitted into the parking facilities, but the drivers must sign-in and the permit number must be recorded. Then, access card records could be checked to determine is an abuse has occurred.

    - Monthly parkers are issued parking validators for each vehicle registered with the Parking Division. The monthly parking validator would be a small sticker that would be placed on each registered vehicle's windshield. This would allow parking staff to quickly determine if a vehicle displaying a parking permit is properly registered.

- **Institute late charges for parking permit customers that pay over 15 days late.** Late charges should be instituted as a means of encouraging customers to pay their parking bills on time.

- **Consider reducing the amount of time that must pass before parking keycards are deactivated from 90 days to 30 days.** This will help provide a greater incentive to pay on time. It is highly irregular for other bill collectors to allow three months to pass before disconnecting or discontinuing service.

- **Issue parking permit bills at the same time each month or at only two different times (1st and 15th).** Currently, monthly customers have different billing cycles, based on when they signed up for parking. Consolidating billing periods will allow staff to deal with billings only once or twice a month, instead of dealing with them daily.

- **Consider creating a database for monthly parker waiting list that can automatically generate notice letters when spaces become available.** This will reduce the need to call people when spaces are available.

- **Improve monthly card audit procedures.** On a designated day each month, the Parking Division should audit monthly card accounts. First, the monthly access cards in stock should be verified, to ensure that the cards are issued in sequential order. Then, reports should be pulled from the access control system detailing customer accounts and access card utilization (by card number). The access control system generated reports should be verified against the access card inventory, as well as the monthly billing report. This will help quickly identify unauthorized access card usage.

5.02.C. Special Event Parking

Special event parking can be much more difficult to control than regular hourly parking. By its nature, special event parking tends to circumvent automated system controls as the parking fee is collected on entry without using spitter tickets. Therefore, it is vital that all established revenue control procedures are followed. Based on our review of special event parking operations, ***Carl Walker, Inc.*** recommends the following actions be taken:

- **Conduct surprise audits during event parking periods.** Just like regular hourly parking, it is important to conduct surprise audits of special event parking staff. The surprise audits would be conducted in the same way as the hourly cashier audits.

- **Ensure enough staff is available to properly operate the parking areas during events.** The current number of parking cashiers is barely adequate for regular operations. Large weekend events are difficult to staff properly, as almost all budgeted staff hours are used during the week. Typically, temporary staff is utilized to augment cashier coverage. The usage of temporary staff is fine, as long as they are adequately trained and they have some parking experience in the downtown area. Often, parking departments rely on internal staff for special event parking coverage (i.e. providing overtime or special event pay to office or other field staff), or an outside source is utilized (i.e. a private parking company).

- **Continually review private parking operator special event parking charges, to ensure City rates are compatible with the rates charged by area operators.** All parking rates should be regularly reviewed to ensure City parking rates are comparable.

5.02.D. On-Street Parking

On-street parking is the least expensive parking alternative in the downtown area. Even if the parking fee for on-street parking were doubled, it would still be the least expensive parking option. Generally, parking meter rates should be more expensive than other off-street parking options, to encourage short-term parking.

Carl Walker, Inc. recommends the following:

- **Increase parking meter rates to $1.00 per hour.** Even at $1.00 per hour, the rate for on-street parking will be one-half that of off-street parking. An increase to parking meter rates will provide an immediate boost to parking revenues of perhaps $220,000 or more in the first full year.

- **Enforce parking meters during weekends.** Before weekend enforcement begins, create a marketing campaign to let the downtown parking public know about the new enforcement plan. Ample time should be given to alert the public, and once enforcement begins, warnings should be issued for the first two weeks to provide for an adequate period of adjustment.

  If the policy is to charge for on-street parking during weekends, then enforcement should be available. Beginning weekend enforcement will increase on-street parking revenues, and help the Parking Division cover the cost of downtown parking developments (thereby reducing City parking subsidies).

- **Continue to review meter placement to ensure meters are placed in the most appropriate areas.** Regular meter evaluations should be conducted (perhaps twice per year) to ensure meters are located in the appropriate areas. Parking meters that produce low levels of revenue (not adequately covering expenses) should be removed and placed in higher demand areas or used for spare parts.

5.02.E. Parking Enforcement

Major issues facing the parking enforcement unit include parking appeals, utilization of handheld equipment, and productivity. **Carl Walker, Inc.** recommends the following:

- **Add an administrative layer before parking citations go through the judicial system.** In the current system, the Parking Division retains only $1 of each upheld citation. This reduces the amount of funds available for debt service. If possible, create a parking appeals section that has the power to adjudicate citations, with all of the revenue from upheld citations being maintained by parking. If an appellant wants to argue the citation further, then it could go through the judicial system. Otherwise, work to increase the share of upheld parking citations that go to the Parking Division from court adjudicated parking appeals.

  If it is not possible to change the way parking citations are adjudicated, discontinue sending enforcement officers to parking citation appeal hearings. It is not financially wise to send a parking enforcement officer to defend a parking citation for $1.00. Instead, the parking enforcement officers could increase the number of parking citations issued per hour, provide customer assistance in the field, and assist with special event parking where needed. Basically, the enforcement officers could provide the Parking Division with a greater benefit by not attending parking appeal hearings.

- **Consider restarting weekend enforcement.** As stated earlier, if the City is going to continue requiring people to pay the parking meters on Saturdays, parking enforcement is necessary.

- **Use the handheld computers that are currently in inventory.** Purchase the software necessary to utilize the handheld parking citation computers previously purchased. The handheld computers should increase efficiency by automating tasks, reducing errors, and improving data storage. The software upgrade could cost $10,000 to $15,000.

- **Increase enforcement productivity.** Do not create quotas. However, increase the number of citations issued per staff hour. Set an initial goal of 7-10 per hour, then work to realistically increase that goal each year. Reducing the amount of time that enforcement staff spends at citation appeal hearings, and utilizing the handheld citation computers, should make increasing productivity simple. Increasing the number of citations issued by 2.5 per hour, per officer, could result in an additional $175,000 in revenue.

5.02.F. Facility Maintenance and Security

Reducing facility maintenance costs and ensuring adequate maintenance coverage appear to be the two main challenges facing the Parking Division. ***Carl Walker, Inc.*** recommends the following:

- **Lock down facilities when they are not staffed.** The Parking Division should discontinue the practice of allowing parking during hours the parking facilities are not staffed. The lack of staff and/or adequate security has created some maintenance and vandalism concerns in City parking facilities as off-hour parkers are damaging equipment, signs, glass, or structures. To correct this problem, coiling grilles should be installed at all entry/exit lanes in all City parking facilities. Vehicles can be allowed to exit the facilities during off-hours, but no vehicles would be permitted to enter the garage.

  If the facilities are to remain open to serve specific downtown businesses, the businesses whose patrons utilize the facility should be asked to help cover damages that occur. Otherwise, a parking attendant should remain on duty during the hours that the facility is utilized. The attendant should collect the applicable parking fee from all parking customers.

- **Investigate the possibility of outsourcing sweeping, power washing, and snow removal.** Outsourcing these maintenance activities may save money, time, and equipment. Also, outsourcing these duties will allow City maintenance staff to tackle other maintenance issues.

- **Provide more frequent sweeping and general facility clean up.** Ideally, parking facilities should be swept at least twice a month (depending on usage). With the current level of maintenance staffing, increasing facility cleanliness may prove to be difficult. Also, with new facilities (e.g. Gold Avenue), more staff may be needed.

- **Work to set adequate maintenance reserve funds.** A reserve study should be conducted to determine an adequate maintenance reserve based on the age of each parking facility, preventative maintenance schedules, current maintenance practices, and the current condition of the facilities. Once an appropriate dollar amount is determined, the Parking Division should work locate the necessary funds.

- **A proactive maintenance approach should be adopted.** In contrast to an office building that is enclosed and insulated from the external environmental conditions, a parking structure is constantly exposed to ambient weather conditions throughout its service life. Extreme weather conditions, temperature fluctuations, etc. combine in physical, mechanical and chemical processes that can result in damaging effects on the steel connections, precast concrete, and cast-in-place concrete components of the garage.

By adhering to a well-planned maintenance program, the City will benefit by owning parking structures with good defenses against premature deterioration. Facility service-life will be extended and out-of-pocket repair costs will be minimized. Should significant repair work be required in the future the impact on visitors, as well potentially significant revenue losses associated with the temporary loss of parking, could be significant.

A complete breakdown of ***Carl Walker, Inc.'s*** recommended approach to facility maintenance is included in Appendix B.

5.02.G. Department Staffing

City budget cuts have resulted in a reduction in Parking Division Staff. The current level of Division staff provides only the minimum amount necessary to run daily operations. ***Carl Walker, Inc.*** recommends the following changes to Division staffing:

- **Parking Attendants** – The current transient parking system uses approximately 380 attendant hours per week (assuming there is a weekend event downtown or at the convention center). This number of hours would require the need for nine full time attendants and one part time attendant. The Parking Division currently has six full-time attendants, four part-time attendants, and also utilizes four temporary workers from Westaff. This staffing level permits the Parking Division to meet minimum staffing needs, but will make it difficult for the Division to handle special event parking needs. Also, with the addition of new parking facilities, more parking attendants will be needed. It is recommended that the Parking Division add two part-time parking attendants, to meet short-term staffing demands and to reduce their dependence on temporary workers. Also, new staff will be needed once new facilities open.

- **Supervisory Staff** – Based on the overall hours of operation of approximately 14 hours per day, or roughly 100 hours each week, two full-time supervisors and one part-time supervisor would be required to ensure there is always at least one supervisor on duty. This would be considered a minimal level of coverage. The Parking Division current employs four parking supervisors. The current number of parking supervisors provides minimal coverage, as the extent of the parking operation would require more than one supervisor on duty during busy periods and/or special events. Also, as more facilities open, the need for adequate supervisory coverage will increase. It is recommended that the Parking Division create an additional part-time supervisory position to handle special event and weekend demands, in addition to the supervisory need for new facilities.

- **Maintenance Staff** – The Parking Division currently has one full-time maintenance supervisor and six general maintenance workers. Determining the number of staff needed to provide adequate maintenance coverage can be difficult. The number of staff needed can depend on the type of parking, the size of each facility, duties performed, distance from supplies to the work area, etc. In private parking operations, it is not uncommon for multiple maintenance workers to be permanently assigned to a single facility. Based on the number of parking facilities operated by the Parking Division, and the anticipated job duties of the workers, the current number of maintenance workers would seem to be inadequate.

  Ideally, basic cleaning functions would be performed on a daily basis, and larger projects would be completed on a less frequent basis. Basic cleaning would include general trash pick-up, elevator cleaning, etc. Larger projects would include sweeping, power washing, etc. If there is a combined 240 maintenance worker hours each week (forty hours times six employees), an average of only four hours per day (weekdays only) could be spent at each facility for general cleaning. Since the size of each location varies, the time spent at each location will vary. While this amount of coverage may provide simple surface cleaning, it cannot provide adequate coverage for proper cleaning and larger maintenance projects.

  Some of the time constraints placed upon the maintenance staff can be minimized by outsourcing some duties, however additional staff may still be warranted. It is recommended that the Parking Division create two full-time positions or three part-time positions to improve maintenance coverage. These new positions will allow the maintenance unit to better meet weekend and evening maintenance needs, as well as provide more staff for larger projects.

- **Office Staff** – The Parking Division currently employs three administrative positions. The current positions provide general administrative assistance and assistance for the parking enforcement section. In a typical municipal parking operation, the following administrative positions would be available during normal office hours Monday through Friday:

1. Front Desk Receptionist – This position would provide customer service support, answer telephones, issue temporary parking permits and perform generic office functions.

2. Administrative Assistant (Enforcement) – This position would be responsible for tracking and filing parking citations, and entering citations into the computer system. This position would also create "boot lists", track citation appeals, compile enforcement statistics, and perform other duties as assigned.

3. Administrative Assistant (Financial) – This administrative position would be responsible for providing general financial assistance. Job duties would include tracking accounts receivable, accounts payable, petty cash accounts, budget tracking, ordering supplies, payroll and other general cash management functions.

4. Administrative Assistant (Parking Permits) – This position would be responsible for tracking parking permits and monthly parking customers. Job duties would include issuing permits, tracking permits, entering issued permits into the access control system, entering and updating customer information, the administration of the waiting lists, and other duties as assigned.

The number of parking citations issued and tracked by the Parking Division may warrant the designation of two administrative assistants for the enforcement section.

The Parking Division lost three administrative positions during budget cuts that took place shortly before the start of this study. Currently, the Parking Division is using temporary workers to provide additional office and customer service coverage. However, this level of staffing provides less than adequate service. The number of office staff should be increased from three positions to five, to provide better and timelier internal and external customer service.

The rationale for this recommendation lies in the two primary areas:

First is the loss of experience and expertise. Together, the two staff members represent over 20 years of experience in the parking department.

Secondly, these positions were instrumental in the recent financial improvements made by the Parking Department in terms of increasing revenues. This was primarily done through proactive monitoring of parking facility utilization, aggressive management of monthly parking waiting lists and resourceful recruitment of new monthly customers. These staff positions could generate parking revenues in excess of their salary and benefit expenses.

The reinstatement of these two key positions could also reenergize the Department and improve overall staff morale. Customer service, which has also taken a hit as a result of these layoffs, would also be enhanced.

- **Security** – The Parking Division must have adequate input in the scheduling of security staff. The bulk of security staffing should be at night and on weekends, when the parking facilities are most vulnerable. Enhanced parking facility security should be made a departmental priority.

These recommendations are designed to reduce the divisions dependence on temporary workers, ensure adequate supervision during operational hours, provide better maintained facilities, and provide sufficient office staff (based on industry standards). Attaching a dollar figure relative to increased revenue or decreased expenses to the addition of parking staff is difficult. Some of the recommended position increases, such as the increase in maintenance staff, do not directly generate income. However, these positions do help create a more professional parking operation, which can improve the public's opinion of downtown parking as well as improve division moral.

5.02.H. Customer Service

As stated earlier, customer service appears to be a major focus of the Parking Division. However, because of extremely limited staffing, the perception is that customer service is inadequate. In order to enhance customer service, ***Carl Walker, Inc.*** recommends the following:

- **Automate processes where possible.** Investigate technology options that can improve operational efficiency. For example, create a customer waiting list database that can automatically prepare waiting list notifications that can be sent to customers when space is available. Email notifications concerning space availability can be sent out instead of preparing traditional mailings. Automating processes will allow the Division to do more with fewer staff.

- **Provide services over the Internet.** Use the existing City website, or create a new one, that can provide a menu of customer services. The site could provide:

    - Parking permit applications

- Vehicle information updates and changes
- Waiting list sign-up
- Temporary permit sales
- Information on other parking services

Again, this will allow the Parking Division to do more with less. As the popularity of the Internet grows, so to will the possibilities for extending customer service options.

- **Provide additional staffing as outlined in Section 5.02.G.**

6. PARKING SYSTEM FINANCIAL ANALYSIS

6.01. Current Parking Revenues and Expenses

Current Parking Division revenue and expenses are outlined in the table below. The table also illustrates the revenue and expenses for previous fiscal years.

Table 3.

Previous and Current Revenue and Expenses - City of Albuquerque Parking Division

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003*
Revenue						
Facility Revenue	$2,055,045	$2,238,268	$2,430,693	$2,593,710	$2,292,090	$2,167,050
Meter Revenue	$512,783	$511,001	$508,427	$548,963	$559,040	$658,950
Enforcement Revenue	$357,931	$380,590	$510,401	$461,892	$418,346	$338,000
Other Revenue	$77,365	$73,542	$61,908	$91,463	$111,258	$47,000
General Fund Transfers	$1,385,000	$1,486,000	$628,000	$0	$0	$300,000
New Revenue from Const.						$373,775
Total Revenue	$4,388,124	$4,689,401	$4,139,429	$3,696,028	$3,380,734	$3,884,775
% Change (previous year)^		6.7%	9.6%	5.3%	-8.5%	-5.0%
Expenses						
Personnel	$1,406,974	$1,419,615	$1,462,484	$1,538,251	$1,631,674	$1,679,963
Operations#	$842,676	$578,334	$706,070	$679,654	$779,115	$932,997
Transfers Out<	$2,760,332	$2,692,470	$1,781,767	$1,693,413	$729,010	$1,881,040
Total Expenses	$5,009,982	$4,690,419	$3,950,321	$3,911,318	$3,139,799	$4,494,000
% Change (previous year)		-6.4%	-15.8%	-1.0%	-19.7%	43.1%
Net Income (Loss)	**($621,858)**	**($1,018)**	**$189,108**	**($215,290)**	**$240,935**	**($609,225)**

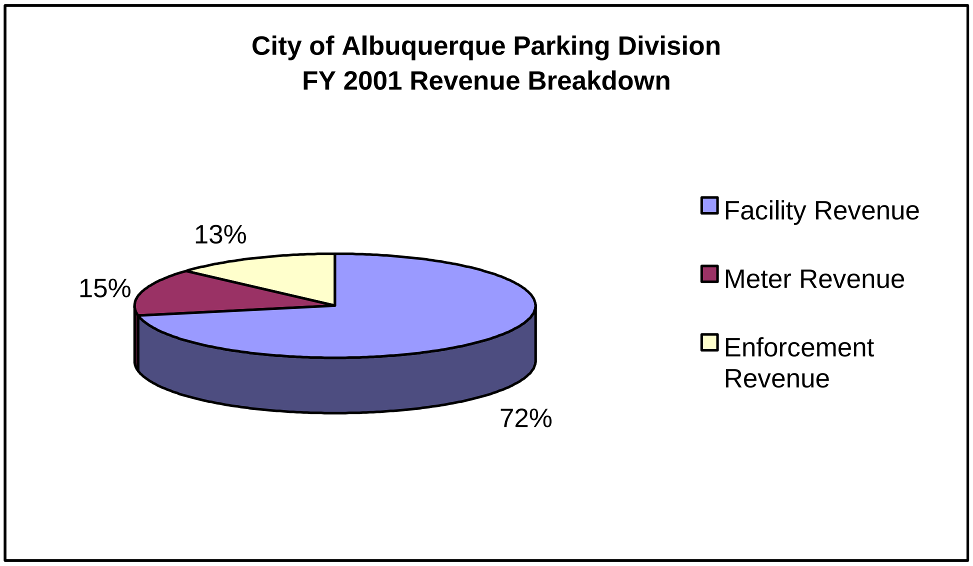
* City Projection with Anticipated New Construction Revenue
^ Does not include General Fund Transfers
# Operations includes operations, internal service, and capital outlays
< Transfers Out includes Bond Debt

From FY 1998 to FY 2002, total parking revenues (not including General Fund transfers) have increased $368,610 (or 12.3%). On average, parking revenues increased approximately 3.2% per year. The increases in revenue are due to the Parking Division's diligent management of the parking permit program and increased parking fees. The Parking Division has clearly worked hard in increase permit program efficiency by resolving unpaid bills, terminating unauthorized access cards, and searching for new permit customers.

From FY 1998 to FY 2002, parking operations expenses (not including bond debt) increased approximately $112,000 (or 4.1%). On average, parking expenses increased 1.25% per year. Overall reductions in total Parking Division expenses were due mainly to reductions in system bond debt, and other reductions in transfers out.

Based on the last complete fiscal year at the time this report was created (FY 2001), the Parking Division had the following revenue breakdown:

Figure 8.

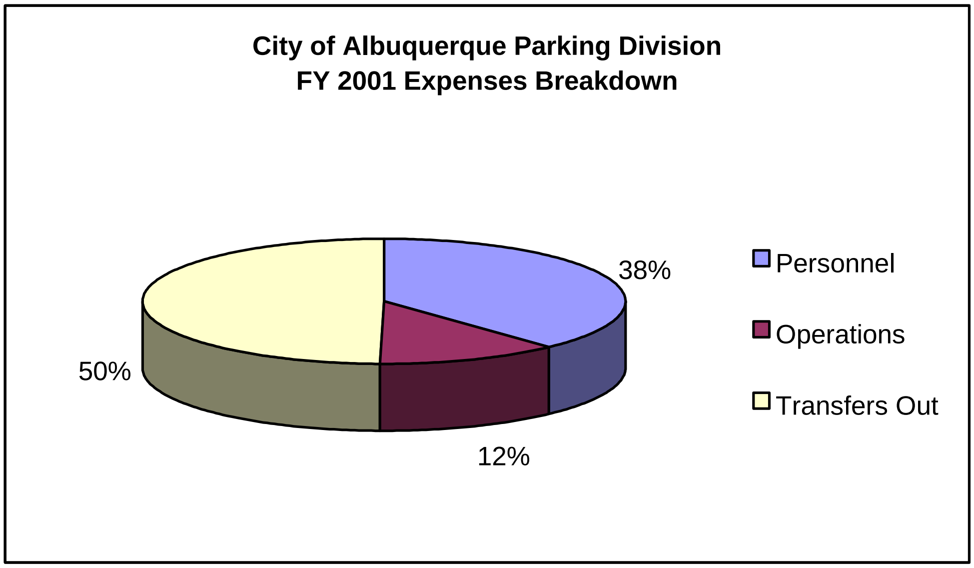


The percentage breakdown of parking revenue compares favorably with other municipal operations. An industry study conducted by the International Parking Institute found that, based on the three revenue classifications used by the City, municipal operations had the following average revenue breakdown:

- Facility Revenue – 65.5%
- Meter Revenue – 20%
- Enforcement – 14.5%

Also based on the last complete fiscal year, FY 2001, the Parking Division had the following expenses breakdown:

Figure 9.



The percentage breakdown of parking expenses incurred by the Parking Division is quite different than other municipal parking operations. The industry study conducted by the International Parking Institute found that, based on the three expense classifications used by the City, municipal operations had the following average expenses:

- Personnel – 33.8%
- Operations – 42.4%
- Transfers Out – 23.8%

While personnel expenses are fairly similar (38% versus the industry average of 33.8%), the expenses for operations and transfers out are somewhat reversed. This is due in part to the fact that not all municipal parking operations are required to cover debt service. However, if the amount of funds transferred out of the Parking Division for debt service and administrative costs were reduced, more funds would be available for improving operations.

6.02. Current Parking Agreements

The City provided ***Carl Walker, Inc.*** with parking agreements for four recent parking projects. The agreements provided included:

- El Prado Structure (3rd and Copper)
- Gold Avenue Structure
- Albuquerque High School Structures

- 4th and Lead – Social Security Lease Agreement

The agreements for the El Prado, Gold Avenue, and Albuquerque High School structures relate directly to the current Series 2000 bond. The bond also made funds available for an additional parking structure project to serve a future residential development project.

It is understood that these agreements were not intended to benefit the Parking Division. The primary driving force behind these agreements was to increase development in the downtown area, and to increase downtown vitality. However, these agreements are a significant reason why the Parking Division is unable to function in a profitable fashion.

- **Social Security Agreement (4th and Lead Facility)**

  This agreement leased all of the parking in the City's 4th Street and Lead Avenue Parking Structure to the Social Security Administration (SSA) for a period of twenty years. The SSA would pay $35.00 per space in the first contract year, and the monthly per space payment would increase approximately 3% per year. In year ten of the agreement (or the year 2011), the charge per space would be $45.66. The per space parking charge in years eleven through twenty would be based on the average rate of parking in the downtown area.

  In the years preceding the agreement, the facility generated approximately $225,000 in revenue (based on an average of the previous five years). Under this agreement, the facility will not return to that level of revenue until year seven of the agreement (or the year 2008). Until that time, the facility will lose approximately $128,000 in revenue, or an average of $21,258 per year (based on the previous level of revenue of $225,000). The losses do not include lost oversell potential.

- **Gold Avenue Structure**

  This structure was constructed as part of the Alvarado Transportation Center Master Development. The structure was meant to support a large commercial development located directly north of the structure, as well as the needs of the new Alvarado Transportation Center.

  This agreement was clearly constructed for the benefit of the development. The agreement removed almost any risk of the development of a parking structure away from the project developer. The City is responsible for the operation, maintenance, and debt services for the facility, while the revenue potential of the facility is limited by the agreement. It is understood that benefit estimates generated during the formulation of this development show the potential of generating up to $30 million in tax revenue derived directly from the development. However, the purpose of this review was to directly address issues related to the Parking Division.

This agreement poses the following challenges to the efficient and profitable operation of the parking structure:

1. The Century Theater (located in the commercial development) is guaranteed to utilize the entire facility from 5:30 p.m. to 8:00 a.m. every day. The theater is also guaranteed to utilize one-half of the facility from 8:00 a.m. to 5:30 p.m. daily. This means that theoretically, the Parking Division could sell parking permits for one-half of the facility for part of each day, or they could provide additional hourly parking. As free parking validations are provided by the commercial development, this may be the only substantial opportunity for the facility to generate revenue.

2. Once additional retail, or the commercial activities, move(s) into the development, the agreement provides a supplemental guarantee of 170 parking spaces for their use. This will further limit the revenue generating capability of the structure.

3. Free parking validations will be provided by each business located in the commercial development. Retail and restaurant establishments will provide a two-hour validation, and the theater will provide a three-hour validation. There is no charge to either the customer or to the business that provides the free parking validation. Also, customers may combine the free parking validations so that they can receive up to five hours of free parking. The use of free validations is obviously designed to attract businesses to the commercial development, and also to reduce the perceived cost of visiting the development. However, the provision of free parking validations reduces the possibility of the facility operating in a profitable fashion.

   The agreement allows the validation policy to be reviewed and revised every five years. Also, the agreement allows the City to eliminate free parking validations in twenty years. However, if the validation program is changed, and it therefore begins to generate a profit, the City would be required to split any revenue 50/50 with the Master Developer (Historic Downtown Improvement Company or HDIC).

4. The agreement stipulates that the City will be required to pay for the construction of “Podium Parking” that will serve a future residential component (Phase II Residential). The agreement also stipulates that the parking must be designed and constructed by HDIC. Also, once the parking is constructed, it is to be owned by HDIC (at the City’s expense).

5. The City is contractually obligated to cover all operating, maintenance, insurance, and debt expenses for the structure, yet share some of the parking revenue. In fact, all of the funds generated by the project are designated to be deposited into the Metropolitan Redevelopment Fund, and not be used to cover parking structure expenses (the agreement does not define what funds, if any, are exempted). Therefore, the Parking Division, while coving the facility expenses, may never see any of the revenue. This is not necessarily an issue as long as adequate subsidies exist.

6. The City is basically a partner, or investor in this agreement. The City is guaranteed a preferred return 1% annually from the net operating income of the development. In addition to this preferred return, the City is entitled to 25% of the net operating income in years six through twelve, and 50% of the income in years thirteen through twenty. The returns end once 125% of the City's Capital Account Balance has been repaid, or after twenty years, whichever occurs first. The City assumes a certain level of risk in that, if the property fails to produce an adequate level of income within twenty years, the 125% return on investment may never be realized. Also, the City will not see any return on investment until the year 2019 (not including any related taxes).

   An important issue to consider is the future value of the project. A factor used by most financial experts to gauge the potential of an investment is Net Present Value (NPV). NPV is used to gauge the future value of an investment in today's dollars. Assuming a 5% discount rate, the NPV of the City's potential profit from the development (paid yearly) may only be approximately $8 million. This does not include any related tax revenue. Considering the initial investment of approximately $13 million, as well as future facility operating costs and bond interest, the project will not provide sufficient revenue to cover all expenses without additional subsidies from the City.

7. Should the City decide to sell the Gold Avenue Parking Structure, due to a lack of revenue potential, the proceeds would be split 50/50 with HDIC. Section 702.C. of the agreement states that "In the event of the sale of the Project, or part thereof, or of a refinancing of the Project, or part thereof, funds available for the distribution shall be distributed, between the Master Developer (HDIC) and the City, on a 50/50 basis."

The basic challenge of this agreement is that the City is working with the developer as an investor. The City has accepted a portion of the risk associated with the development, and has agreed to be the last "investor" to see a profit. Another major challenge is the short-term return on investment. With the bond debt, tax abatement, operating costs, and capital investments, the City will not see any substantial return on the investment for a decade or more.

- **El Prado Structure**

  This structure was constructed to serve a new downtown hotel development. However, the hotel portion of the development never materialized. The parking structure was ultimately leased to the Parking Company of Albuquerque (PCA) through a turnkey agreement with Prinova Investments.

  The main challenges presented by the agreement are:

  1. The lease payments do not cover the bond debt assigned to the facility.

  2. Should the PCA not be able to make the scheduled lease payment, a significant amount of leeway is given before a default occurs. PCA is not considered in default as long as basic rent deficiency in a given year does not exceed 50%. Also, PCA can cure delinquencies as long as they pay the deficiency (plus interest) within thirty-six months. The thirty-six month period is a rolling deficiency, so PCA could roll delinquencies over separate thirty-six month periods.

  This structure is also known as the Acropolis Structure, the Prinova Structure, or the 3rd Street and Copper Structure.

- **Albuquerque High School Structures**

  The City has entered into an agreement with Paradigm & Company, L.L.C. (the project developer) to provide two separate parking garages to serve the Albuquerque High School Development Project. The two structures are to be built at separate times, and will serve different parts of the development. The agreement for the construction and management of the facilities is fairly well laid out, however the potential revenue generated by the facility will not cover all facility expenses

  Up to 80% of the parking in the garages can be reserved by the developer for the exclusive use of the project. The developer would then pay the City a monthly parking fee (per space). The beginning monthly fee is set by the agreement at $30.00 per space. Assuming a total of 525 parking spaces are constructed (per the construction agreement), the resultant revenue would equal $151,200. This amount of revenue would not cover operations, maintenance and bond debt.

  While the City will not be providing security or parking attendants, the City will still be responsible for maintenance and insurance.

A fourth parking development project is included in the current bond. The facility would serve a future residential development project. No agreement was made available to ***Carl Walker, Inc.*** concerning the future of the residential parking project.

6.03. Projected Revenues and Expenses

The City has provided ***Carl Walker, Inc.*** with information concerning changes to revenue and expenses, as well as bond debt projections. Current bond debt projections are as follows:

Table 4.

City of Albuquerque, New Mexico
Variable Rate Taxable Gross Receipts Tax Improvement Revenue Bonds
Series 2000 A
Debt Service Schedule

Date	Principal	Coupon [1]	Int. & fees	Ser 2000A P & I	LOC Fee	Insurance/ Remarketing	Total Net P & I
7/1/00			$ 711,834	$ 711,834	-	-	$ 711,834
7/1/01		6.00%	1,521,353	1,521,353	$ 35,233	$ 65,046	1,621,632
7/1/02		3.50%	896,000	896,000	30,507	56,320	982,827
7/1/03	$ 300,000	5.25%	1,533,750	1,833,750	30,507	56,320	1,920,577
7/1/04	800,000	6.00%	1,518,000	2,318,000	30,149	55,660	2,403,809
7/1/05	1,300,000	6.00%	1,470,000	2,770,000	29,196	53,900	2,853,096
7/1/06	1,900,000	6.00%	1,392,000	3,292,000	27,647	51,040	3,370,687
7/1/07	2,100,000	6.00%	1,278,000	3,378,000	25,383	46,860	3,450,243
7/1/08	2,200,000	6.00%	1,152,000	3,352,000	22,880	42,240	3,417,120
7/1/09	2,300,000	6.00%	1,020,000	3,320,000	20,258	37,400	3,377,658
7/1/10	2,600,000	6.00%	882,000	3,482,000	17,518	32,340	3,531,858
7/1/11	2,600,000	6.00%	726,000	3,326,000	14,419	26,620	3,367,039
7/1/12	2,800,000	6.00%	570,000	3,370,000	11,321	20,900	3,402,221
7/1/13	3,200,000	6.00%	402,000	3,602,000	7,984	14,740	3,624,724
7/1/14	3,500,000	6.00%	210,000	3,710,000	4,171	7,700	3,721,871
	$ 25,600,000		$ 15,282,937	$ 40,882,937	$ 307,171	$ 567,086	$41,757,195

[1] Interest rate based on Taxable rate (not Tax-exempt rate) for budgetary purposes only.

This bond debt schedule assumes that no funds are utilized to pay down bond debt.

In its 2003 budget report, the Parking Division outlined several items that will lead to increases or decreases in revenue and expenses. The Parking Division believes that parking system revenue and expenses will change as follows:

<u>Parking Revenue Decreases</u>

Future parking revenue will be reduced in the short-term due to:

- The Social Security Administration Parking Agreement will result in a loss of permit oversell and reduced parking rates. The loss in facility revenue will total approximately $83,700.

- The United States Forestry Department move will reduce the amount of parking permits sold in the 5th and Copper Garage by 80 permits. The dollar loss is approximately $57,600 in first year.

- The opening of the new District Courthouse and District Attorney Office Building has reduced Civic Center permits sold by 60 permits. The permits were being sold for $75.00 per month. Also, approximately $130,000 of transient parking revenue will be lost due to the new buildings (e.g. juror parking, visitor parking, etc.) The total reduction in revenue is approximately $184,000.

- The current Gap, Inc. agreement resulted in the loss of 80 paying permit holders (@ $35 each), and 170 spaces were provided for Gap, Inc. in the Conference Center garage at a reduced fee ($40 less). Also, fifty $35.00 permit spots were eliminated. The total reduction in parking revenue is approximately $136,200.

- The loss of the Old Town and 19th Street surface lot will result in the loss of approximately $20,000 revenue. The parking lot is being lost due to the construction of a new museum.

The total loss of parking revenue for all of the previously listed items will be approximately $480,000. The loss of parking revenue may be exacerbated by a reduction in special event parking at the Convention Center.

Parking Revenue Increases

Parking revenue is anticipated to increase in the future due to the following items:

- The Parking Division has already increased parking meter rates from $.50 per hour to $.75 per hour. This anticipated increase in meter rates was projected to increase division revenues by approximately $250,000.

- The Parking Division has also increased monthly parking fees by $10.00 per month for all parking permits that are not currently under a set fee contract. An increase in monthly permit fees of $10.00 could increase revenues by approximately $175,000.

- The third parking fee increase presented by the Parking Division is an increase in special event parking rates of $1.00. Based on the number of events in the upcoming year, the increase to parking revenue could be approximately $50,000.

- Parking revenues will also be increased once the new Gold Avenue Parking Structure becomes operational. The Parking Division plans to sell parking permits for the facility for $35.00 per month. Approximately one half of the facility can be used for permit parking under the current facility agreement. Assuming one half of the available parking permits are sold during the first fiscal year, there will be an increase in parking revenue of $67,000. The facility will also increase parking revenue through hourly parking. Since many of the people utilizing the facility will be able to receive free validated parking, the amount of revenue that will be generated by hourly parking is difficult to determine. For the purpose of projecting parking revenues, it is assumed the facility will be able to generate $100 per day in hourly parking fees. Therefore, the total revenue generated by the new Gold Avenue Parking Structure is estimated at approximately $103,500 per year.

The total parking revenue increases are estimated at $578,500.

Increases in Parking Expenses

The expenses incurred by the Parking Division will increase over time due to:

- The bond debt covered by the Parking Division will increase each year, depending on prevailing interest rates. If no bond funds are used to reduce debt obligations, annual bond debt payments could average $3.2 million and reach as high as $3.7 million in the last year.

- Additional staff will be required to operate the new Gold Avenue Parking Structure. Staffing cost projections have been created by the City, and included on the FY 2003 budget.

- Maintenance and operational cost will also increase due to the new Gold Avenue Parking Structure. Again, these costs have been included in the City's FY 2003 budget.

Assuming that the City does not use any of the remaining bond funds to pay down bond debt, and using the assumptions listed on the next page, Parking Division revenue and expense projections are illustrated in Table 5 (page 84).

Baseline Budget Projection Assumptions

1. Revenue Projections

   a. Parking Division revenue growth (not including general fund transfers) was greater than 3% from 1998 to 2002. A growth factor of 3% per year was used for years after 2004.

   b. General Fund transfers are included for years 1998 through 2003. Fund transfers are not included for years 2004 through 2015. It is assumed that the City will cover all future parking losses with transfers from the General Fund. However, ***Carl Walker, Inc.*** wants to emphasize future Parking Division losses by not balancing each year's projected revenue and expenses using assumed General Fund transfers.

   c. New construction revenue was calculated as follows:

      1. El Prado lease payments starting in 2003 as outlined in the Parking Unit Sale and Lease Agreement plus;

      2. Gold Avenue Parking Structure revenue calculated at 50% of possible permit sales and hourly parking sales of $100 per day totaling $103,500 plus;

      3. Old Albuquerque High School Parking Structure revenue calculated at $30 per month per space, using occupancy rates of 50% in year one (2004), 70% in year two, and 90% in subsequent years.

2. Expense Projections

   a. Parking Division expenses grew an average of 1.25% per year from 1998 through 2002. A growth factor of 2% per year was used for years after 2004.

   b. The City of Albuquerque provided bond debt projections.

NOTE: Revenue and expense projections included in this report are based on financial information provided by the City of Albuquerque. Historical trends and parking systems changes detailed by the Parking Division were used to determine future revenue and expense changes. ***Carl Walker, Inc.*** cannot guarantee the revenue and expense projections contained in this report will be realized as actual changes will be determined by fluctuations in the market and managerial decisions made by the City of Albuquerque.

Table 5.

Baseline Revenue and Expense Projections - City of Albuquerque Parking Division

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenue									
Facility Revenue	$2,055,045	$2,238,268	$2,430,693	$2,593,710	$2,292,090	$2,167,050	$2,232,062	$2,299,023	$2,367,994
Meter Revenue	$512,783	$511,001	$508,427	$548,963	$559,040	$658,950	$678,719	$699,080	$720,052
Enforcement Revenue	$357,931	$380,590	$510,401	$461,892	$418,346	$338,000	$348,140	$358,584	$369,342
Other Revenue	$77,365	$73,542	$61,908	$91,463	$111,258	$47,000	$48,410	$49,862	$51,358
General Fund Transfers	$1,385,000	$1,486,000	$628,000	$0	$0	$300,000	$0	$0	$0
New Revenue from Const.						$373,775	$475,813	$557,762	$675,216
Total Revenue	$4,388,124	$4,689,401	$4,139,429	$3,696,028	$3,380,734	$3,884,775	$3,783,143	$3,964,312	$4,183,962
% Change (previous year)		6.9%	-11.7%	-10.7%	-8.5%	14.9%	-2.6%	4.8%	5.5%
Expenses									
Personnel	$1,406,974	$1,419,615	$1,462,484	$1,538,251	$1,631,674	$1,679,963	$1,713,562	$1,747,834	$1,782,790
Operations	$842,676	$578,334	$706,070	$679,654	$779,115	$932,997	$951,657	$970,690	$990,104
Transfers Out	$497,332	$517,396	$626,354	$618,413	$448,010	$574,040	$585,521	$597,231	$609,176
Bond Debt	$2,263,000	$2,175,074	$1,155,413	$1,075,000	$281,000	$1,307,000	$2,403,809	$2,853,096	$3,370,687
Total Expenses	$5,009,982	$4,690,419	$3,950,321	$3,911,318	$3,139,799	$4,494,000	$5,654,549	$6,168,851	$6,752,757
% Change (previous year)		-6.4%	-15.8%	-1.0%	-19.7%	43.1%	25.8%	9.1%	9.5%
Net Income (Loss)		**($1,018)**	**$189,108**	**($215,290)**	**$240,935**	**($609,225)**	**($1,871,406)**	**($2,204,539)**	**($2,568,794)**

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revenue									
Facility Revenue	$2,439,034	$2,512,205	$2,587,571	$2,665,198	$2,745,154	$2,827,509	$2,912,334	$2,999,704	$3,089,695
Meter Revenue	$741,654	$763,904	$786,821	$810,425	$834,738	$859,780	$885,574	$912,141	$939,505
Enforcement Revenue	$380,422	$391,835	$403,590	$415,697	$428,168	$441,013	$454,244	$467,871	$481,907
New Revenue from Const.	$766,041	$880,615	$897,444	$896,967	$909,845	$920,749	$908,516	$924,357	$974,573
Other Revenue	$52,899	$54,486	$56,120	$57,804	$59,538	$61,324	$63,164	$65,059	$67,011
General Fund Transfers	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Revenue	$4,380,050	$4,603,044	$4,731,546	$4,846,092	$4,977,444	$5,110,376	$5,223,831	$5,369,132	$5,552,691
% Change (previous year)	4.7%	5.1%	2.8%	2.4%	2.7%	2.7%	2.2%	2.8%	3.4%
Expenses									
Personnel	$1,818,446	$1,854,815	$1,891,911	$1,929,749	$1,968,344	$2,007,711	$2,047,866	$2,088,823	$2,130,599
Operations	$1,009,906	$1,030,104	$1,050,706	$1,071,720	$1,093,155	$1,115,018	$1,137,318	$1,160,064	$1,183,266
Transfers Out	$621,359	$633,787	$646,462	$659,392	$672,579	$686,031	$699,752	$713,747	$728,022
Bond Debt	$3,450,243	$3,417,120	$3,377,658	$3,531,858	$3,367,039	$3,402,221	$3,624,724	$3,721,871	$0
Total Expenses	$6,899,954	$6,935,826	$6,966,738	$7,192,719	$7,101,117	$7,210,981	$7,509,659	$7,684,505	$4,041,887
% Change (previous year)	2.2%	0.5%	0.4%	3.2%	-1.3%	1.5%	4.1%	2.3%	-47.4%
Net Income (Loss)	**($2,519,905)**	**($2,332,781)**	**($2,235,192)**	**($2,346,627)**	**($2,123,674)**	**($2,100,605)**	**($2,285,828)**	**($2,315,373)**	**$1,510,805**

The Parking Division is projected to generate a net loss through FY 2014. Once the current bond debt is retired in 2015, the Parking Division will once again generate a positive income.

6.04. Enhancing Revenue and Decreasing Expenses

Opportunities to Increase Revenue

Several opportunities exist for increasing parking revenue. Increasing several revenue streams will distribute parking costs through the entire system, instead of relying on a single source. This will allow for smaller fee increases when compared to increasing a single revenue source. All rate increases should be enacted with the expressed purpose of covering parking expenses and debts, and this should be communicated with system customers. ***Carl Walker, Inc.*** recommends the following steps be taken:

- **Increase parking rates.** It is recommended that the City increase parking meter rates and facility revenue. Meter rates should be increased to $1.00 per hour. Also, parking facility revenue should be increase by 10%. The 10% increase can be generated through changing the hourly parking maximum charge from $6.00 to $8.00, increasing permit rates, selling more permits (e.g. rooftop parking), and increasing collection efforts. Combined, these rate increases could result in a $450,000 boost in parking revenue above what has already been set by the Parking Division.

- **Increase enforcement revenue.** Parking enforcement revenue should be increased by 35% through more efficient parking enforcement and increased fines. If the parking enforcement officers simply issue 2.5 more citations per hour per officer, this goal should be easy to achieve. This is not a recommendation to simply write more parking citations, but rather work more efficiently to increase production and to improve adherence to current parking regulations. A 35% increase in enforcement revenue would mean an additional $120,000 to assist with bond debt.

- **The "Short Pays" policy should be changed.** Consider allowing cashiers to issue parking citations instead of short pay receipts. The parking citation charge would be the regular parking fee if the citation were paid within 24 – 48 hours. If the citation is not paid within that timeframe, the citation fine would become $25.00, and it would allow the Parking Division to tow repeat offenders if necessary.

  Short-pays could also be reduced or eliminated by increasing the ability of customers to pay (e.g. accepting credit cards and/or debit cards). Eliminating one-half of the short-pay issue could increase parking revenues by $15,000 or more each year.

- **Alter the policy for appealing parking citations.** When parking citations are appealed, more of the revenue generated by upheld citations should be given to the Parking Division. This could be achieved by creating an internal appeals unit that could hear appeals on a daily, weekly, or monthly basis. If the creation of a parking appeals unit is not possible, then enforcement officers should spend less time working with the current appeals process. Enforcement officers could then spend more time in the field.

- **Provide advertising space in parking facilities and at parking meters.** Systems exist that would allow the Parking Division to sell advertising space in parking facilities (near elevators, etc.) and on parking meters. Advertising may provide a supplemental revenue stream.

Based on the above changes, the parking revenue could be increase by approximately $600,000 (not including potential advertising revenue).

<u>Opportunities to Reduce Expenses</u>

Opportunities also exist to reduce anticipated Parking Division expenses. While overall parking expenses are anticipated to increase due to increased operations and bond debt expenses, ***Carl Walker, Inc.*** recommends the following actions be taken to reduce the impact of future expenses:

- **Use bond funds currently available to pay down debt.** The City has reported that $2.0 million of the initial bond funds may be available to pay down debt. These funds could be used to pay down system debt, by prepaying bond principal. Prepaying bond principal would reduce future anticipated income losses. Parking projects that have not yet been started should be eliminated, in favor of utilizing existing parking supplies. Specific spreadsheets detailing the effects of prepaying debt are included in Section 6.06.

- **Reduce maintenance expenses by closing facilities when not attended.** The lack of staff and/or adequate security has created some maintenance concerns in City parking facilities as off-hours parkers are damaging equipment, signs, glass, or structures. To correct this problem, coiling grilles should be installed at all entry/exit lanes in all City parking facilities. Vehicles can be allowed to exit the facilities during off-hours, but no vehicles would be permitted to enter the garage.

Based on the above changes, total parking expenses could be reduced by $200,000 or more per year.

Implementing the recommended revenue enhancements and expense reductions can lead to three possible scenarios.

- First, the City could decide to continue to use unspent bond funds for new construction, and implement only the revenue enhancements.
- Secondly, the City could choose to use unspent bond funds to cover the first several years of bond principal (front-end payback), and implement the revenue enhancements.
- Finally, the City could choose to use unspent bond funds to pay down debt in equal amounts over the remaining life of the bond (split-call payback), and implement revenue enhancements.

All of the scenarios were constructed under the assumption that the Parking Division would continue to operate City parking resources in the future.

If the City chooses to use unspent bond funds for additional parking projects, and implement the recommended revenue enhancements, the projected revenue and expenses for the Parking Division would be as follows:

Table 6.

Revenue and Expense Projections - City of Albuquerque Parking Division (No Debt Payback - Revenue Enhancements Only)

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenue									
Facility Revenue	$2,055,045	$2,238,268	$2,430,693	$2,593,710	$2,292,090	$2,167,050	$2,232,062	$2,299,023	$2,367,994
Meter Revenue	$512,783	$511,001	$508,427	$548,963	$559,040	$658,950	$678,719	$699,080	$720,052
Enforcement Revenue	$357,931	$380,590	$510,401	$461,892	$418,346	$338,000	$348,140	$358,584	$369,342
Other Revenue	$77,365	$73,542	$61,908	$91,463	$111,258	$47,000	$48,410	$49,862	$51,358
General Fund Transfers	$1,385,000	$1,486,000	$628,000	$0	$0	$300,000	$0	$0	$0
New Revenue from Const.						$373,775	$475,813	$557,762	$675,216
Additional $.25 Meter Increase						*$54,363*	*$223,977*	*$230,696*	*$237,617*
10% Increase in Facility Rev.						*$54,176*	*$223,206*	*$229,902*	*$236,799*
35% Increase in Enforcement						*$29,575*	*$121,849*	*$125,504*	*$129,270*
Total Revenue	$4,388,124	$4,689,401	$4,139,429	$3,696,028	$3,380,734	$4,022,890	$4,352,175	$4,550,415	$4,787,649
% Change (previous year)		6.9%	-11.7%	-10.7%	-8.5%	19.0%	8.2%	4.6%	5.2%
Expenses									
Personnel	$1,406,974	$1,419,615	$1,462,484	$1,538,251	$1,631,674	$1,679,963	$1,713,562	$1,747,834	$1,782,790
Operations	$842,676	$578,334	$706,070	$679,654	$779,115	$932,997	$951,657	$970,690	$990,104
Transfers Out	$497,332	$517,396	$626,354	$618,413	$448,010	$574,040	$585,521	$597,231	$609,176
Bond Debt	$2,263,000	$2,175,074	$1,155,413	$1,075,000	$281,000	$1,307,000	$2,403,809	$2,853,096	$3,370,687
Personnel Recommendations						$160,000	$163,200	$166,464	$169,793
Total Expenses	$5,009,982	$4,690,419	$3,950,321	$3,911,318	$3,139,799	$4,654,000	$5,817,749	$6,335,315	$6,922,550
% Change (previous year)		-6.4%	-15.8%	-1.0%	-19.7%	48.2%	25.0%	8.9%	9.3%
Net Income (Loss)		**($1,018)**	**$189,108**	**($215,290)**	**$240,935**	**($631,110)**	**($1,465,574)**	**($1,784,900)**	**($2,134,901)**

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revenue									
Facility Revenue	$2,439,034	$2,512,205	$2,587,571	$2,665,198	$2,745,154	$2,827,509	$2,912,334	$2,999,704	$3,089,695
Meter Revenue	$741,654	$763,904	$786,821	$810,425	$834,738	$859,780	$885,574	$912,141	$939,505
Enforcement Revenue	$380,422	$391,835	$403,590	$415,697	$428,168	$441,013	$454,244	$467,871	$481,907
New Revenue from Const.	$766,041	$880,615	$897,444	$896,967	$909,845	$920,749	$908,516	$924,357	$974,573
Other Revenue	$52,899	$54,486	$56,120	$57,804	$59,538	$61,324	$63,164	$65,059	$67,011
General Fund Transfers	$0	$0	$0	$0	$0	$0	$0	$0	$0
Additional $.25 Meter Increase	*$244,746*	*$252,088*	*$259,651*	*$267,440*	*$275,464*	*$283,727*	*$292,239*	*$301,007*	*$310,037*
10% Increase in Facility Rev.	*$243,903*	*$251,220*	*$258,757*	*$266,520*	*$274,515*	*$282,751*	*$291,233*	*$299,970*	*$308,970*
35% Increase in Enforcement	*$133,148*	*$137,142*	*$141,256*	*$145,494*	*$149,859*	*$154,355*	*$158,985*	*$163,755*	*$168,668*
Total Revenue	$5,001,847	$5,243,495	$5,391,210	$5,525,546	$5,677,282	$5,831,209	$5,966,290	$6,133,864	$6,340,365
% Change (previous year)	4.5%	4.8%	2.8%	2.5%	2.7%	2.7%	2.3%	2.8%	3.4%
Expenses									
Personnel	$1,818,446	$1,854,815	$1,891,911	$1,929,749	$1,968,344	$2,007,711	$2,047,866	$2,088,823	$2,130,599
Operations	$1,009,906	$1,030,104	$1,050,706	$1,071,720	$1,093,155	$1,115,018	$1,137,318	$1,160,064	$1,183,266
Transfers Out	$621,359	$633,787	$646,462	$659,392	$672,579	$686,031	$699,752	$713,747	$728,022
Bond Debt	$3,450,243	$3,417,120	$3,377,658	$3,531,858	$3,367,039	$3,402,221	$3,624,724	$3,721,871	$0
Personnel Recommendations	$173,189	$176,653	$180,186	$183,790	$187,466	$191,215	$195,039	$198,940	$202,919
Total Expenses	$7,073,143	$7,112,478	$7,146,924	$7,376,509	$7,288,583	$7,402,196	$7,704,698	$7,883,445	$4,244,805
% Change (previous year)	2.2%	0.6%	0.5%	3.2%	-1.2%	1.6%	4.1%	2.3%	-46.2%
Net Income (Loss)	**($2,071,297)**	**($1,868,984)**	**($1,755,713)**	**($1,850,963)**	**($1,611,301)**	**($1,570,987)**	**($1,738,409)**	**($1,749,581)**	**$2,095,560**

If the City chooses not to use unspent bond funds to pay down Parking Division debt, the Division will experience losses greater than $1 million per year from FY 2004 through FY

2014. If sufficient general fund subsidies exist, this may not be a major concern and it is consistent with the philosophy of considering parking as public downtown infrastructure.

The second option is for the City to use unspent bond funds to pay back debt on the front end of the debt service schedule. This would mean that the $2.0 million in unspent funds would be used to pay the bond principal amounts for FY 2003 through a portion of FY 2005. The updated bond debt repayment schedule would change from its original form (Section 6.03) to the following:

Table 7.

City of Albuquerque, New Mexico
Variable Rate Taxable Gross Receipts Tax Improvement Revenue Bonds
Series 2000 A
Debt Service Schedule

Date	Principal	Coupon [1]	Int. & fees	Ser 2000A P & I	LOC Fee	Insurance/ Remarketing	Total Net P & I
7/1/00			$ 711,834	$ 711,834	-	-	$ 711,834
7/1/01		6.00%	1,521,353	1,521,353	$ 35,233	$ 65,046	1,621,632
7/1/02		3.50%	896,000	896,000	28,123	51,920	976,043
7/1/03	$ -	5.25%	1,416,000	1,416,000	28,123	51,920	1,496,043
7/1/04	-	6.00%	1,416,000	1,416,000	28,123	51,920	1,496,043
7/1/05	400,000	6.00%	1,416,000	1,816,000	28,123	51,920	1,896,043
7/1/06	1,900,000	6.00%	1,392,000	3,292,000	27,647	51,040	3,370,687
7/1/07	2,100,000	6.00%	1,278,000	3,378,000	25,383	46,860	3,450,243
7/1/08	2,200,000	6.00%	1,152,000	3,352,000	22,880	42,240	3,417,120
7/1/09	2,300,000	6.00%	1,020,000	3,320,000	20,258	37,400	3,377,658
7/1/10	2,600,000	6.00%	882,000	3,482,000	17,518	32,340	3,531,858
7/1/11	2,600,000	6.00%	726,000	3,326,000	14,419	26,620	3,367,039
7/1/12	2,800,000	6.00%	570,000	3,370,000	11,321	20,900	3,402,221
7/1/13	3,200,000	6.00%	402,000	3,602,000	7,984	14,740	3,624,724
7/1/14	3,500,000	6.00%	210,000	3,710,000	4,171	7,700	3,721,871
	$ 23,600,000		$ 15,009,187	$ 38,609,187	$ 299,306	$ 552,566	$39,461,060

[1] Interest rate based on Taxable rate (not Tax-exempt rate) for budgetary purposes only.

Using this approach would help the Parking Division minimize bond debt during FY 2003 through FY 2005, but will not help cover debt payments after that time. This approach would save approximately $2.3 million in bond debt payments.

If the City decides to use the front-end payback approach, with the recommended revenue enhancements, the projected revenue and expenses for the Parking Division would be as follows:

Table 8.

Revenue and Expense Projections - City of Albuquerque Parking Division (Front-End Debt Payback and Revenue Enhancements)

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenue									
Facility Revenue	$2,055,045	$2,238,268	$2,430,693	$2,593,710	$2,292,090	$2,167,050	$2,232,062	$2,299,023	$2,367,994
Meter Revenue	$512,783	$511,001	$508,427	$548,963	$559,040	$658,950	$678,719	$699,080	$720,052
Enforcement Revenue	$357,931	$380,590	$510,401	$461,892	$418,346	$338,000	$348,140	$358,584	$369,342
Other Revenue	$77,365	$73,542	$61,908	$91,463	$111,258	$47,000	$48,410	$49,862	$51,358
General Fund Transfers	$1,385,000	$1,486,000	$628,000	$0	$0	$300,000	$0	$0	$0
New Revenue from Const.						$373,775	$475,813	$557,762	$675,216
Additional $.25 Meter Increase						*$54,363*	*$223,977*	*$230,696*	*$237,617*
10% Increase in Facility Rev.						*$54,176*	*$223,206*	*$229,902*	*$236,799*
35% Increase in Enforcement						*$29,575*	*$121,849*	*$125,504*	*$129,270*
Total Revenue	$4,388,124	$4,689,401	$4,139,429	$3,696,028	$3,380,734	$4,022,890	$4,352,175	$4,550,415	$4,787,649
% Change (previous year)		6.9%	-11.7%	-10.7%	-8.5%	19.0%	8.2%	4.6%	5.2%
Expenses									
Personnel	$1,406,974	$1,419,615	$1,462,484	$1,538,251	$1,631,674	$1,679,963	$1,713,562	$1,747,834	$1,782,790
Operations	$842,676	$578,334	$706,070	$679,654	$779,115	$932,997	$951,657	$970,690	$990,104
Transfers Out	$497,332	$517,396	$626,354	$618,413	$448,010	$574,040	$585,521	$597,231	$609,176
Bond Debt	$2,263,000	$2,175,074	$1,155,413	$1,075,000	$281,000	$1,307,000	$1,496,043	$1,896,043	$3,370,687
Personnel Recommendations						$160,000	$163,200	$166,464	$169,793
Total Expenses	$5,009,982	$4,690,419	$3,950,321	$3,911,318	$3,139,799	$4,654,000	$4,909,983	$5,378,262	$6,922,550
% Change (previous year)		-6.4%	-15.8%	-1.0%	-19.7%	48.2%	5.5%	9.5%	28.7%
Net Income (Loss)		**($1,018)**	**$189,108**	**($215,290)**	**$240,935**	**($631,110)**	**($557,808)**	**($827,847)**	**($2,134,901)**

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revenue									
Facility Revenue	$2,439,034	$2,512,205	$2,587,571	$2,665,198	$2,745,154	$2,827,509	$2,912,334	$2,999,704	$3,089,695
Meter Revenue	$741,654	$763,904	$786,821	$810,425	$834,738	$859,780	$885,574	$912,141	$939,505
Enforcement Revenue	$380,422	$391,835	$403,590	$415,697	$428,168	$441,013	$454,244	$467,871	$481,907
New Revenue from Const.	$766,041	$880,615	$897,444	$896,967	$909,845	$920,749	$908,516	$924,357	$974,573
Other Revenue	$52,899	$54,486	$56,120	$57,804	$59,538	$61,324	$63,164	$65,059	$67,011
General Fund Transfers	$0	$0	$0	$0	$0	$0	$0	$0	$0
Additional $.25 Meter Increase	*$244,746*	*$252,088*	*$259,651*	*$267,440*	*$275,464*	*$283,727*	*$292,239*	*$301,007*	*$310,037*
10% Increase in Facility Rev.	*$243,903*	*$251,220*	*$258,757*	*$266,520*	*$274,515*	*$282,751*	*$291,233*	*$299,970*	*$308,970*
35% Increase in Enforcement	*$133,148*	*$137,142*	*$141,256*	*$145,494*	*$149,859*	*$154,355*	*$158,985*	*$163,755*	*$168,668*
Total Revenue	$5,001,847	$5,243,495	$5,391,210	$5,525,546	$5,677,282	$5,831,209	$5,966,290	$6,133,864	$6,340,365
% Change (previous year)	4.5%	4.8%	2.8%	2.5%	2.7%	2.7%	2.3%	2.8%	3.4%
Expenses									
Personnel	$1,818,446	$1,854,815	$1,891,911	$1,929,749	$1,968,344	$2,007,711	$2,047,866	$2,088,823	$2,130,599
Operations	$1,009,906	$1,030,104	$1,050,706	$1,071,720	$1,093,155	$1,115,018	$1,137,318	$1,160,064	$1,183,266
Transfers Out	$621,359	$633,787	$646,462	$659,392	$672,579	$686,031	$699,752	$713,747	$728,022
Bond Debt	$3,450,243	$3,417,120	$3,377,658	$3,531,858	$3,367,039	$3,402,221	$3,624,724	$3,721,871	$0
Personnel Recommendations	$173,189	$176,653	$180,186	$183,790	$187,466	$191,215	$195,039	$198,940	$202,919
Total Expenses	$7,073,143	$7,112,478	$7,146,924	$7,376,509	$7,288,583	$7,402,196	$7,704,698	$7,883,445	$4,244,805
% Change (previous year)	2.2%	0.6%	0.5%	3.2%	-1.2%	1.6%	4.1%	2.3%	-46.2%
Net Income (Loss)	**($2,071,297)**	**($1,868,984)**	**($1,755,713)**	**($1,850,963)**	**($1,611,301)**	**($1,570,987)**	**($1,738,409)**	**($1,749,581)**	**$2,095,560**

The third approach, which is the approach recommended by ***Carl Walker, Inc.***, would involve using unspent bond funds to pay down debt in equal installments over the remaining life of the bond (also known as a split call). This option would reduce the principal on the bond debt by approximately $166,667 each year. This approach would create the following debt service schedule:

Table 9.

City of Albuquerque, New Mexico
Variable Rate Taxable Gross Receipts Tax Improvement Revenue Bonds
Series 2000 A
Debt Service Schedule

Date	Principal	Coupon [1]	Int. & fees	Ser 2000A P & I	LOC Fee	Insurance/ Remarketing	Total Net P & I
7/1/00			$ 711,834	$ 711,834	-	-	$ 711,834
7/1/01		6.00%	1,521,353	1,521,353	$ 35,233	$ 65,046	1,621,632
7/1/02		3.50%	896,000	896,000	28,123	51,920	976,043
7/1/03	$ 133,333	5.25%	1,415,000	1,548,333	28,123	51,920	1,628,376
7/1/04	633,333	6.00%	1,408,000	2,041,333	27,964	51,627	2,120,924
7/1/05	1,133,333	6.00%	1,370,000	2,503,333	27,210	50,233	2,580,776
7/1/06	1,733,333	6.00%	1,302,000	3,035,333	25,859	47,740	3,108,932
7/1/07	1,933,333	6.00%	1,198,000	3,131,333	23,794	43,927	3,199,053
7/1/08	2,033,333	6.00%	1,082,000	3,115,333	21,490	39,673	3,176,496
7/1/09	2,133,333	6.00%	960,000	3,093,333	19,067	35,200	3,147,600
7/1/10	2,433,333	6.00%	832,000	3,265,333	16,524	30,507	3,312,364
7/1/11	2,433,333	6.00%	686,000	3,119,333	13,625	25,153	3,158,111
7/1/12	2,633,333	6.00%	540,000	3,173,333	10,725	19,800	3,203,858
7/1/13	3,033,333	6.00%	382,000	3,415,333	7,587	14,007	3,436,927
7/1/14	3,333,333	6.00%	200,000	3,533,333	3,972	7,333	3,544,639
	$ 23,599,996		$ 14,504,185	$ 38,104,181	$ 289,296	$ 534,086	$38,927,564

Using this approach would not help the Parking Division become profitable. The Parking Division will still experience a negative income throughout the entire debt payment schedule. However, this approach will help the Parking Division limit the income losses through FY 2014. Using the split call approach, the Parking Division would not experience any period of negative income exceeding $2.0 million. Using the front-end approach, the Parking Division would experience two years of losses exceeding $2.0 million. Also, the split call approach would save over $500,000 in bond debt payments over the life of the bond when compared to the front-end approach.

If the City decides to use the split call payback approach, with the recommended revenue enhancements, the projected revenue and expenses for the Parking Division would be as follows:

Table 10.

Revenue and Expense Projections - City of Albuquerque Parking Division (Split Call Debt Payback and Revenue Enhancements)

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenue									
Facility Revenue	$2,055,045	$2,238,268	$2,430,693	$2,593,710	$2,292,090	$2,167,050	$2,232,062	$2,299,023	$2,367,994
Meter Revenue	$512,783	$511,001	$508,427	$548,963	$559,040	$658,950	$678,719	$699,080	$720,052
Enforcement Revenue	$357,931	$380,590	$510,401	$461,892	$418,346	$338,000	$348,140	$358,584	$369,342
Other Revenue	$77,365	$73,542	$61,908	$91,463	$111,258	$47,000	$48,410	$49,862	$51,358
General Fund Transfers	$1,385,000	$1,486,000	$628,000	$0	$0	$300,000	$0	$0	$0
New Revenue from Const.						$373,775	$475,813	$557,762	$675,216
Additional $.25 Meter Increase						*$54,363*	*$223,977*	*$230,696*	*$237,617*
10% Increase in Facility Rev.						*$54,176*	*$223,206*	*$229,902*	*$236,799*
35% Increase in Enforcement						*$29,575*	*$121,849*	*$125,504*	*$129,270*
Total Revenue	$4,388,124	$4,689,401	$4,139,429	$3,696,028	$3,380,734	$4,022,890	$4,352,175	$4,550,415	$4,787,649
% Change (previous year)		6.9%	-11.7%	-10.7%	-8.5%	19.0%	8.2%	4.6%	5.2%
Expenses									
Personnel	$1,406,974	$1,419,615	$1,462,484	$1,538,251	$1,631,674	$1,679,963	$1,713,562	$1,747,834	$1,782,790
Operations	$842,676	$578,334	$706,070	$679,654	$779,115	$932,997	$951,657	$970,690	$990,104
Transfers Out	$497,332	$517,396	$626,354	$618,413	$448,010	$574,040	$585,521	$597,231	$609,176
Bond Debt	$2,263,000	$2,175,074	$1,155,413	$1,075,000	$281,000	$1,307,000	$2,120,924	$2,580,776	$3,108,932
Personnel Recommendations						$160,000	$163,200	$166,464	$169,793
Total Expenses	$5,009,982	$4,690,419	$3,950,321	$3,911,318	$3,139,799	$4,654,000	$5,534,864	$6,062,995	$6,660,795
% Change (previous year)		-6.4%	-15.8%	-1.0%	-19.7%	48.2%	18.9%	9.5%	9.9%
Net Income (Loss)		**($1,018)**	**$189,108**	**($215,290)**	**$240,935**	**($631,110)**	**($1,182,689)**	**($1,512,580)**	**($1,873,146)**

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revenue									
Facility Revenue	$2,439,034	$2,512,205	$2,587,571	$2,665,198	$2,745,154	$2,827,509	$2,912,334	$2,999,704	$3,089,695
Meter Revenue	$741,654	$763,904	$786,821	$810,425	$834,738	$859,780	$885,574	$912,141	$939,505
Enforcement Revenue	$380,422	$391,835	$403,590	$415,697	$428,168	$441,013	$454,244	$467,871	$481,907
New Revenue from Const.	$766,041	$880,615	$897,444	$896,967	$909,845	$920,749	$908,516	$924,357	$974,573
Other Revenue	$52,899	$54,486	$56,120	$57,804	$59,538	$61,324	$63,164	$65,059	$67,011
General Fund Transfers	$0	$0	$0	$0	$0	$0	$0	$0	$0
Additional $.25 Meter Increase	*$244,746*	*$252,088*	*$259,651*	*$267,440*	*$275,464*	*$283,727*	*$292,239*	*$301,007*	*$310,037*
10% Increase in Facility Rev.	*$243,903*	*$251,220*	*$258,757*	*$266,520*	*$274,515*	*$282,751*	*$291,233*	*$299,970*	*$308,970*
35% Increase in Enforcement	*$133,148*	*$137,142*	*$141,256*	*$145,494*	*$149,859*	*$154,355*	*$158,985*	*$163,755*	*$168,668*
Total Revenue	$5,001,847	$5,243,495	$5,391,210	$5,525,546	$5,677,282	$5,831,209	$5,966,290	$6,133,864	$6,340,365
% Change (previous year)	4.5%	4.8%	2.8%	2.5%	2.7%	2.7%	2.3%	2.8%	3.4%
Expenses									
Personnel	$1,818,446	$1,854,815	$1,891,911	$1,929,749	$1,968,344	$2,007,711	$2,047,866	$2,088,823	$2,130,599
Operations	$1,009,906	$1,030,104	$1,050,706	$1,071,720	$1,093,155	$1,115,018	$1,137,318	$1,160,064	$1,183,266
Transfers Out	$621,359	$633,787	$646,462	$659,392	$672,579	$686,031	$699,752	$713,747	$728,022
Bond Debt	$3,199,053	$3,176,496	$3,147,600	$3,312,364	$3,158,111	$3,203,858	$3,436,927	$3,544,639	$0
Personnel Recommendations	$173,189	$176,653	$180,186	$183,790	$187,466	$191,215	$195,039	$198,940	$202,919
Total Expenses	$6,821,953	$6,871,854	$6,916,866	$7,157,015	$7,079,655	$7,203,833	$7,516,901	$7,706,213	$4,244,805
% Change (previous year)	2.4%	0.7%	0.7%	3.5%	-1.1%	1.8%	4.3%	2.5%	-44.9%
Net Income (Loss)	**($1,820,107)**	**($1,628,360)**	**($1,525,655)**	**($1,631,469)**	**($1,402,373)**	**($1,372,624)**	**($1,550,612)**	**($1,572,349)**	**$2,095,560**

6.05. Additional Financial Recommendations

Below are some additional financial recommendations for the City to consider.

- **If possible, the City should cease further parking construction and divest from the Gold Avenue Parking Structure.** As the Gold Avenue Parking Structure has just opened, and since it most likely will not generate a profit, it may be difficult to sell. However, if the city could remove itself from the ownership and operation of the facility, it may save money in the long run. If the City continues ownership of the facility, it will incur the following expenses through FY 2014:

  - Bond Debt – Approximately $10.8 million (based on the percentage of bond funds used in its construction.

  - Operations/Maintenance – Approximately $4 million

  If the City sold its interest in the parking structure, it would receive only one-half of the selling price. However, it would save $4 million in operations and maintenance through FY 2014, and would be able to use the proceeds from the sale to pay down bond debt.

  Additional divestiture could also include all of the parking construction projects completed under the existing bond. Since none of the projects will generate enough income to meet individual expenses, they could all be targets for divestiture. However, the older parking facilities can function profitably as a system, and should be retained by the City.

- **Privatization of the parking system is not an option at this time.** As evidenced by the recent request for proposals concerning parking operations at the Gold Avenue Structure, privatizing parking operations would be more costly than continuing to operate under the current system. Most private parking operators would seek to operate City parking facilities in a more upscale manner, as their reputations are created by the facilities they manage. This would definitely require more staff than is currently utilized. Also, a private parking operator would seek to cover all cost and generate a profit on operations, instead of operating at a loss as the current system does. Therefore, privatizing parking operations would limit the financial “flexibility” of the current system.

  A private parking operator can provide experienced and professional parking services. In the future, the City could choose to ask a local operator for an estimate for operating the City parking facilities.

- **Work to set adequate maintenance and working capital reserves.** The Parking Division needs to create and maintain adequate maintenance and working capital reserves. Planned and historical maintenance needs/expenses, planned and historical capital expenses, and other factors would determine the amount of funds in reserve.

- **Perform a parking facility warranty review.** Given the number of new parking facilities in the City's inventory all warranties should be collected into a single three ring binder. Six months prior to the expiration of warranties, walk-through inspections should be scheduled to evaluate the items covered under warranty. These "walk-throughs" should be conducted with the appropriate firm representatives and be well documented both in writing and with digital photographs. Special attention should be paid to sealant and expansion joint systems. This process can save the City significant amounts of maintenance costs and insure that warranty obligations are properly addressed.

- **Determine if the past parking deals, created to encourage downtown development, have paid for themselves through increased property, sales taxes and or downtown vitality.** Has there been a benefit to the City from providing parking facilities? The City should conduct a study to determine if the construction of City parking facilities has provided a positive socioeconomic benefit to the downtown area. If they have, it may be warranted for similar projects to continue. However, if they have not, more private investment would be warranted.

- **Require limited parking studies when new developments are proposed.** Require developers to perform an analysis of parking resources available within a suitable distance from their proposed project to determine if new parking construction is necessary. Work with private parking operator located around the development to provide the parking necessary. Also, look to create surface parking if possible.

- **Carefully analyze future parking agreements.** In addition to the other financial recommendations included in this report, ***Carl Walker, Inc.*** recommends that the City consider the following issues when considering future parking agreements:

    - Ensure the agreement provides sufficient revenue to allow the Parking Division to cover operating expenses. Ideally parking facility revenues would cover all expenses, including bond debt. However, higher parking fees or lease payments may discourage downtown development and/or visitation. So, if adequate funds exist, parking bond debt payments may be subsidized by other City funds.

    - Parking agreements should provide shorter time intervals for, or provide a means to renegotiate, parking rate adjustments. Parking agreements that create parking rate structures for long periods (e.g. twenty years) can hurt the parking system as future parking and/or development demands may outpace income.

- Include the Parking Division in all future parking agreement negotiations. Use the expertise of the Parking Division to better determine the viability of parking agreements.

- Ensure the parking provided in the parking agreement is truly necessary. Explore all available options such as shared parking, existing supplies (both public and private), and surface parking.

- **Consider working with local developments when considering parking expansion, instead of simply building parking at the City's expense.** In many cases, parking spaces can be used to serve different needs at different times throughout the day or on different days of the week. This concept, known as shared parking, can reduce the total number of parking spaces required. An example would be a parking lot between a church and an office building. The office workers would use most of the spaces on weekdays, while churchgoers would fill the lot on Sunday when the office is closed. The opportunity to implement shared parking is the result of two conditions:

  1. Variations in the peak accumulation of parked vehicles as a result of different activity patterns of adjacent or nearby land uses (by hour, by day, by season).

  2. Relationships among land use activities that result in people's attraction to two or more land uses on a single auto trip to a given area or development.[1]

  While peak parking demand ratios reflect the differences in parking demand generated by separate land uses and under certain conditions, they do not reflect the fact that total or combined peak parking demand can be significantly less than the sum of the individual demand values. That is, parking space requirements may be overstated if they require space for the peak parking accumulation of each individual land use.

  If the City can create shared parking opportunities within and near areas scheduled for development, the cost of the required parking could be shared by the developments – instead of being covered entirely by the City.

[1] ULI – The Urban Land Institute, Shared Parking. Washington, D.C., 1983

7. APPENDIX A – OCCUPANCY SURVEY DATA

City of Albuquerque Parking Occupancy Survey - Wednesday, May 8, 2002

Block #	Parking Suppy	Parking Occupied	% Occupied	Effective Supply (90% of Total)	% Occupied with Effective Supply
1	54	19	35.2%	49	39.1%
2	103	51	49.5%	93	55.0%
3	83	36	43.4%	75	48.2%
4	123	33	26.8%	111	29.8%
5	70	31	44.3%	63	49.2%
6	86	35	40.7%	77	45.2%
7	82	21	25.6%	74	28.5%
8	101	20	19.8%	91	22.0%
9	103	36	35.0%	93	38.8%
10	81	45	55.6%	73	61.7%
11	127	89	70.1%	114	77.9%
12	276	121	43.8%	248	48.7%
13	145	79	54.5%	131	60.5%
14	63	15	23.8%	57	26.5%
15	71	18	25.4%	64	28.2%
16	271	109	40.2%	244	44.7%
17	82	75	91.5%	74	101.6%
18	Included with Block #25				
19	Included with Block #26				
20	106	66	62.3%	95	69.2%

City of Albuquerque Parking Occupancy Survey - Wednesday, May 8, 2002

Block #	Parking Suppy	Parking Occupied	% Occupied	Effective Supply (90% of Total)	% Occupied with Effective Supply
21	147	57	38.8%	132	43.1%
22	113	30	26.5%	102	29.5%
23	60	18	30.0%	54	33.3%
24	118	78	66.1%	106	73.4%
25	36	16	44.4%	32	49.4%
26	Government Facility - No Count Available				
27	113	58	51.3%	102	57.0%
28	348	160	46.0%	313	51.1%
29	26	15	57.7%	23	64.1%
30	87	31	35.6%	78	39.6%
31	165	113	68.5%	149	76.1%
32	90	74	82.2%	81	91.4%
33	Government Facility - No Count Available				
34	1,097	709	64.6%	987	71.8%
35	282	200	70.9%	254	78.8%
36	347	212	61.1%	312	67.9%
37	134	87	64.9%	121	72.1%
38	109	53	48.6%	98	54.0%
39	16	22	137.5%	14	152.8%
40	231	188	81.4%	208	90.4%
41	63	51	81.0%	57	89.9%
42	143	87	60.8%	129	67.6%
43	168	116	69.0%	151	76.7%
44	522	278	53.3%	470	59.2%
45	115	86	74.8%	104	83.1%

City of Albuquerque Parking Occupancy Survey - Wednesday, May 8, 2002

Block #	Parking Suppy	Parking Occupied	% Occupied	Effective Supply (90% of Total)	% Occupied with Effective Supply
46	430	175	40.7%	387	45.2%
47	107	68	63.6%	96	70.6%
48	45	27	60.0%	41	66.7%
49	198	96	48.5%	178	53.9%
50	228	133	58.3%	205	64.8%
51	136	68	50.0%	122	55.6%
52	702	466	66.4%	632	73.8%
53	Included with Block #54				
54	959	556	58.0%	863	64.4%
55	N/A				
56	717	486	67.8%	645	75.3%
57	184	65	35.3%	166	39.3%
58	111	43	38.7%	100	43.0%
59	170	70	41.2%	153	45.8%
60	76	9	11.8%	68	13.2%
61	482	334	69.3%	434	77.0%
62	24	22	91.7%	22	101.9%
63	122	87	71.3%	110	79.2%
64	130	45	34.6%	117	38.5%
65	269	158	58.7%	242	65.3%
66	67	45	67.2%	60	74.6%
67	Included with Block #68				
68	613	525	85.6%	552	95.2%
69	534	113	21.2%	481	23.5%
70	132	100	75.8%	119	84.2%

City of Albuquerque Parking Occupancy Survey - Wednesday, May 8, 2002

Block #	Parking Suppy	Parking Occupied	% Occupied	Effective Supply (90% of Total)	% Occupied with Effective Supply
71	130	78	60.0%	117	66.7%
72	160	60	37.5%	144	41.7%
73	86	20	23.3%	77	25.8%
74	44	25	56.8%	40	63.1%
75	29	19	65.5%	26	72.8%
76	72	46	63.9%	65	71.0%
77	217	152	70.0%	195	77.8%
78	Included with Block #93				
79	Included with Block #94				
80	302	127	42.1%	272	46.7%
81	212	146	68.9%	191	76.5%
82	571	472	82.7%	514	91.8%
83	248	143	57.7%	223	64.1%
84	367	229	62.4%	330	69.3%
85	207	88	42.5%	186	47.2%
86	Included with Block #93				
87	53	39	73.6%	48	81.8%
88	158	63	39.9%	142	44.3%
89	149	85	57.0%	134	63.4%
90	197	100	50.8%	177	56.4%
91	101	77	76.2%	91	84.7%
92	226	100	44.2%	203	49.2%
93	749	162	21.6%	674	24.0%
94	133	6	4.5%	120	5.0%
95	Included with Block #96				

City of Albuquerque Parking Occupancy Survey - Wednesday, May 8, 2002

Block #	Parking Suppy	Parking Occupied	% Occupied	Effective Supply (90% of Total)	% Occupied with Effective Supply
96	208	61	29.3%	187	32.6%
97	67	17	25.4%	60	28.2%
98	589	417	70.8%	530	78.7%
99	79	43	54.4%	71	60.5%
100	121	15	12.4%	109	13.8%
101	124	30	24.2%	112	26.9%
TOTAL	18,592	10,149	54.6%	16,733	60.7%

8. APPENDIX B – MAINTENANCE PROGRAM

Facility Maintenance

Carl Walker Inc. recommends that a proactive maintenance program be adopted. The following Maintenance Plan Outline is presented to assist City staff by providing guidelines for establishing a comprehensive parking facility maintenance program. These guidelines, when properly implemented, will result in maximizing the facility's general appearance and service life while minimizing future repairs and associated costs. The maintenance and inspection procedures that are considered essential for the achievement of these goals are reviewed. These procedures range in scope from inspections intended to forestall premature structural deterioration to the day-to-day housekeeping required to keep the parking structures in a safe condition that is also pleasant and comfortable to its users.

In contrast to an office building that is enclosed and insulated from the external environmental conditions, a parking structure is constantly exposed to ambient weather conditions throughout its service life. Extreme weather conditions, temperature fluctuations, etc. combine in physical, mechanical and chemical processes that can result in damaging effects on the steel connections, precast concrete, and cast-in-place concrete components of the garage.

The recommended maintenance program can be divided into two categories. The first category consists of what will be termed "standard maintenance." This consists of routine tasks that are required to maintain the facility at a satisfactory level of service. These tasks include, but are not limited to, painting, cleaning, sweeping, re-lamping light fixtures, maintaining signage, and inspection of mechanical/electrical equipment to assure that these elements are functioning properly. These housekeeping duties help to produce a pleasant and secure atmosphere for patrons of the parking facilities.

The second category of maintenance is “preventive maintenance." This consists of tasks that are designed to prevent the need for major repairs in the future. These tasks include but are not limited to, periodic wash-downs, inspection of sealants and deck coatings, inspection of expansion joints, arresting any visible corrosion upon initial discovery and detecting deterioration in the concrete surfaces. The overall goal of preventive maintenance is to monitor and remedy minor correctable problems before they escalate into expensive major restoration projects. These tasks generally produce recommended items for capital budgets.

The maintenance program outlined below is designed to be easy to follow. The majority of items presented are tasks that will be accomplished by designated maintenance staff or parking facility cleaning contractors. In establishing a budget for this maintenance program, it is recommended that the periodic assistance of a qualified engineering consultant experienced in the design and evaluation of parking structures be obtained to provide a professional assessment of the facilities and make recommendations for any needed repairs.

This parking garage maintenance overview is broadly written to cover many types of parking structures and presents an outline for establishing a comprehensive maintenance program. We recommend that this overview be read by all who will be responsible for the maintenance program, so they can appreciate the importance of their role in assuring a successful program.

Inspection procedures are discussed and a basic description of the structural, mechanical and the electrical systems is provided. A recommended schedule of cleaning, inspection, and other necessary maintenance activities is also presented and includes a recommended maintenance record form, which could be utilized by the City to record the dates of preventive maintenance, types of repair, inspections, etc. We recommend that responsibility for implementing this maintenance program be assigned to a specific department and that completed maintenance records be submitted to management for verification on a regular basis.

As the City is aware, restoration repairs are costly and inconvenient. Therefore, it is important to maintain a scheduled maintenance program with proper management controls. The City should establish a budget which is adequate to support this scheduled maintenance program as part of the Parking Operations Plan.

The following information is intended to assist in accomplishing a proactive approach to parking facility maintenance. The City needs to evaluate if adequate staffing is in place to accomplish these tasks on a regular basis. This will be especially true over the next few years as the percentage of structured parking spaces increases. The specific program recommendations in the following section will help in determining specific staffing requirements.

The documentation of warranties, and their respective expiration dates, is important. A well-documented walk through, six months prior to the expiration deadline for items such as waterproofing membranes, expansion joints, etc. should be standard procedure and will provide significant benefits. Photos with date and time imprinting are valuable for insuring that warranty work is handled under warranty, should disputes develop. After the initial warranty assessment has been completed a letter to the manufacture to document any concerns should be sent. In the letter, request that a company representative be sent to the site to walk the facility with the appropriate City representative(s). Insure that the company follows up this walk-through in writing along with a plan and schedule to address the documented areas of concern.
A three ring binder is an effective way of organizing and providing easy access to the reference materials and allows for the manual to be easily updated with copies of new warranties, reports, etc. Keeping copies of all maintenance records in one location often greatly simplifies implementation and follow up of the maintenance program.

Recommended Maintenance Procedures

Cleaning

Frequent sweeping of the slabs, trash pickup, grease and oil cleanup, and slab wash downs are good maintenance practice. In fact, most membrane, sealant, and expansion joint warranties require that the parking structure be maintained in a clean, safe, and serviceable condition.

Debris and trash do not directly cause deterioration but do detract from the appearance of the facility and leave users with a negative and sometimes less secure feeling within the facility. In general, poor housekeeping invites disregard for proper waste disposal and may indicate an increased tolerance for vandalism or basic abuse of the facilities. If not removed, debris will eventually end up in floor drains and drain lines and cause slow or blocked drainage.

Debris that accumulates within expansion joint recesses can hasten deterioration of expansion joint systems. Stones, glass, and miscellaneous debris trapped against the expansion joint gland may puncture the gland during the repeated pounding of tire action and/or the continued expansion and contraction of the gland with seasonal structural movement. For this reason, the expansion joints should be swept or washed out periodically.

Sweeping of the floor slabs can be performed more efficiently with sweeping machines designed for parking floor slabs. All sweeping equipment must first be reviewed "in action" to identify any sharp or rigid components which might contact the traffic bearing membrane and cause damage. City staff should inspect sweeping machines on a regular basis to confirm that they are not damaging the membrane or joint sealants.

As a minimum requirement, a semi-annual wash-down of the floor slabs and the lower vertical surfaces of walls and columns with low-pressure water hoses is recommended. Preceded by sweeping, a wash-down of the garage will help clean the deck of debris, as well as reduce the accumulation of dirt that is tracked in and deposited by vehicles. By reducing the amount of dirt that can contaminate the concrete, the process of corrosion-induced structural deterioration will be retarded which, in turn, will reduce the potential for future repairs. One wash-down should be scheduled in the early spring. A more frequent (monthly) washing should be considered at high traffic areas and at any areas where slower drainage is observed. The water supply for the wash-down should be readily available from the wash-down system within the facility. In addition, after several months of vehicular traffic, the traffic striping becomes less visible due to an accumulation of dirt and debris. It is important to note that restriping is not necessarily required at this time; cleaning during the wash-down may be sufficient to "brighten" the striping.

Grease and oil spots that build up on parking stalls, drive lanes, and entry/exit locations should be removed as soon as significant "build-up" occurs. Large spots should be removed immediately and a general cleanup of all spots should be performed twice a year. Failure to remove grease and oil spots will prevent penetration of protective deck sealers when they must be reapplied for continued protection against water and salt penetration. ***Carl Walker, Inc.*** has recently become aware of a product called CC3 “Tough Spot” which effectively dissolves oil based stains and rust stains from concrete. More information is available on this product should, should the City be interested.

Clearly marked trashcans should be placed at areas of pedestrian traffic flow such as the stairs, pedestrian walkway, etc. These trashcans should be emptied daily. The absence of trash cans, or poor maintenance and collection of trash will tend to encourage littering.

Doors and Hardware

Maintenance schedules should be set up to review all doors for signs of corrosion or water damage. All door hardware should also be reviewed to assure that it is functioning properly. When a malfunction is noted, it should be corrected immediately to maintain the safety and security of the garage.

Lubrication of doors and related hardware should be performed according to manufacturer's recommendations or at least semi-annually. Proper cleaning, painting and lubrication of the doors is very important to maintain an attractive appearance.

Electrical Systems

Failure of lighting system components results in poor illumination in that area. Maintaining minimum and average luminance in accordance with Illuminating Engineering Society (IES) guidelines is an important safety and security concern. A properly illuminated facility promotes safer travel within the facility and provides a more secure feeling among its users.

Frequent inspection of lamps, ballasts, electrical conduit, light fixture structural attachments, distribution panels, etc. should be scheduled to ensure adequate illumination within the facilities at all times. Defective lamps should be replaced immediately. Electrical conduit and distribution panels should be inspected to determine if they are functioning properly. Any water leaking into the conduit or panel boxes must be noted and remedied promptly. Cleaning and repainting of metal items or replacement and repair to reduce leaking should be performed as needed.

Lumen depreciation also occurs due to dirt and dust that accumulates both inside and outside of the light fixture. Annual cleaning of light fixtures is recommended in order to maintain effective and efficient luminance.

A decal can be placed on the inside of each fixture to record lamp replacement dates, as well as the dates of periodic cleaning. These records assist in reducing potential liability for personal injuries due to alleged poor lighting or poor lighting maintenance.

Mechanical Equipment

Inspect elevator, shaft and associated hardware and service according to equipment manufacturer's recommendations. Leakage into elevator shafts should be corrected as soon as it is discovered. A maintenance agreement with a reputable elevator service company or the manufacturer is the most effective method for servicing elevators.

Particular care should be given to cleaning of the tracks or grooves in elevator floor sills. These tracks are in both the elevator cab floor sill and each landing floor sill. Dirt in these tracks can cause the elevator doors to malfunction. It is recommended that the tracks be cleaned monthly.

HVAC

HVAC systems in the parking offices and cashier booths should be inspected and air filters changed monthly. Service manuals provided for this equipment by the manufacturer should be checked for proper maintenance action. All servicing required should be performed promptly and to the specifications provided by the equipment manufacturer or supplier.

Inspect ventilation/exhaust fans and necessary support systems monthly. Keep replacement belts and pulleys for fans in stock and replace work or damaged parts periodically to reduce chances of breakdown. Direct all questions about servicing to the equipment manufacturer or supplier.

Painting

Maintenance of the painting system is necessary to maintain the facility’s appearance as well as protect the underlying metal from corrosion. Painted steel requiring maintenance and inspection includes handrails, light poles, precast steel connections, parking equipment, hollow metal doors and door frames, mechanical lines, and bollards. These surfaces should be inspected noting paint chipping and corrosion of the underlying metal. Rusting areas should be properly prepared by removing all rust down to bare, near white metal and then priming and painting.

Restriping of parking stalls should be performed as existing stripes fade or become difficult to see in order to avoid user confusion. What may appear to be faded stripes may only be stripes covered with dirt and debris. Therefore, the City should first clean striped areas using mild detergent prior to considering the repainting of stripes. This may be adequate to sufficiently brighten the existing stripes.

If restriping is necessary, and the City wishes to utilize the existing layout, the existing paint should be thoroughly cleaned and prepared by removing all debonded paint prior to applying new paint. When restriping with a new layout, it is necessary to completely remove the existing paint stripes by using a mechanical scarifier, sandblasting or shotblasting. When restriping a concrete surface, thorough cleaning and preparation is necessary prior to restriping.

Parking Control Equipment

Parking control equipment consists of ticket issuing machines, cashier booths, mechanical gates, and revenue control equipment. These items should be inspected for cleanliness, damage, corrosion, and performance. It is important to maintain parking control equipment to reduce lost revenues and minimize user inconvenience. Lubrication of all moving parts within the parking control equipment should be performed as a preventive maintenance program to minimize down time of equipment.

Plumbing Systems

The parking structure plumbing system design consists of floor drains and drain risers. Floor drains and downspout piping should be periodically inspected to assure proper drainage and the rapid disposal of water. Regularly remove sediment from the piping and flush the drain system thoroughly in conjunction with the annual floor slab wash-down. During the wash-down procedures, it is recommended that temporary filters, such as burlap, be installed over the drains to minimize debris and sediment collection in the drainage system.

All piping and fittings should be checked for damage, leaks and corrosion. Damaged components should be immediately repaired or replaced upon discovery. Appropriate action should be initiated to correct or minimize any leaking observed. All corrosion damage should be promptly repaired to arrest the process before a larger scale problem develops.

Waterproofing

Waterproofing materials consists of the following categories: waterproofing membranes, crack and joint sealant materials, expansion joints, and protective concrete sealers.

Periodic inspection of the traffic bearing membrane should be performed noting any cracks, tears, blistering, debonding, and worn or deteriorated areas. Isolated failures can lead to localized water leakage, increased chloride contamination, and subsequent corrosion induced concrete deterioration. Deteriorated areas should be evaluated to determine the cause. It is necessary to determine the cause so appropriate repairs can be performed. Repairs should consist of applying the same membrane system or a compatible equivalent. Prior to applying the membrane, the surface should be thoroughly cleaned, repaired, and primed. Repairs should be performed by a licensed applicator of the approved membrane material. A thorough investigation of the membrane should be performed one year to six months prior to warranty expiration. This will allow the contractor time to react and perform repairs within the warranty period.

Cracks and joint sealant material and expansion joints should be inspected to locate all leaking, adhesive and cohesive failures, tears, damage to armored edges, or joint edge deterioration. Failed joints and sealant material and subsequent leaking will contribute to additional chloride contamination of the floor slab and underlying structural members at localized areas. Increased chloride concentration and moisture increases the potential for corrosion of embedded reinforcement. Leaking may result in deposits of leached out cementitious products on vehicles, which can damage the paint finish. Also, leaking is a general nuisance to patrons.

Damaged joint sealant should be repaired by removal and replacement in accordance with the specification and detail provided in the original Contract Documents. Also, it is recommended to perform a detailed inspection of the joint sealant material and joints about one year to six months prior to the warranty expiration. This will allow the contractor to perform repairs within the warranty period. Inspection should be recorded on a plan sheet to locate specific areas to ensure all areas are repaired. It is recommended to document, in writing, repair requests to the contractor within the warranty period.

All expansion joint glands should be inspected periodically for signs of leaking. Failed joint systems and subsequent leaking will cause additional salt/dirt contamination to the adjacent concrete as well as a continuous nuisance to the facility users. Expansion joint systems are generally warranted for five (5) years against leaking. Damage from snowplows, vandalism, or neglect will not be warranted and therefore, it is important to adhere to the cleaning and maintenance schedule as described below.
Sealants have been installed at moving cracks, construction joints, and horizontal/vertical interfaces (coves). Urethane sealants are also used. The contractor generally provides a five-year warranty against leaking caused by failure of the sealants.

Generally, it is anticipated that the functional life of the expansion joint systems, deck coating, and sealants is 8 to 12 years. However, isolated damage or wear may require additional repairs.

Saline sealers are applied to the topping to minimize the infiltration of water and additional chloride. The primary intent of the sealer is to protect the concrete adjacent to joint sealants to limit any undermining of the sealant material. Damage to the sealants will lead to damage to the precast tees and beams. On a roof deck exposed to the sun, we typically recommend that the sealer be reapplied every 3 to 5 years.

Safety Checks

Safety checks include assuring the proper operation of parking control equipment, potential tripping hazards within the deck and stairways, lighting systems, signage and elevators.

The insurance industry indicates that approximately 50 percent of the claims for personal injury in parking structures are due to falls. Pedestrian walk paths must be maintained to avoid trip hazards such as damaged stair treads, damaged expansion joints, deteriorated concrete surfaces, or debris. Handrails should also be checked to verify rigidity and ability to withstand handrail loading.

Graphics

The signs should be reviewed periodically for damage from corrosion or vandalism. Replacement, if necessary, should be performed immediately to avoid possible traffic flow problems. Signs should be washed down periodically with a mild detergent to maintain appearance and visibility.

Structural Systems

Periodic inspections of the slab system, beams, columns, walls, etc., are important to allow for repairs and reduction in further deterioration. Maintaining the waterproofing system, including sealants, coatings, expansion joints, etc., is crucial for reducing continued deterioration of the structural system. Maintenance of the structural system is one of the most important goals of this maintenance manual.

Plan sheets should be used to properly locate all areas of noted deterioration so that a record set may be produced to monitor the rate of deterioration in the parking structure over time.

Stair Enclosures

Periodic cleaning should be performed. The scupper and downspout system to remove water from the stair enclosure roof should be periodically inspected and kept free of debris.

Recommended Maintenance Schedule

This section provides a recommended schedule of cleaning, inspection, and other maintenance activities. Generally, the need for repairs is determined during the inspection or maintenance phase.

The following symbols are used in Schedule 1 - Recommended Maintenance Schedule, to designate scheduled activity:

H: Housekeeping - Generally, housekeeping represents only that work conducted by in-house staff consisting of basic cleaning, sweeping, wash-downs, etc.

I: Inspection - Generally, inspections may be performed by properly instructed in-house staff. Periodic inspections are necessary to confirm proper functioning of systems or components.

M: Maintenance - Maintenance may generally be performed by in-house staff; however, may occasionally require outside contractor. Maintenance represents tasks necessary to ensure proper functioning of systems and components.

WORK ITEM	DAILY	WEEKLY	MONTHLY	SEMI-ANNUAL	ANNUAL	AS NEEDED	MAINTENANCE PROCEDURES	RECOMMENDED EQUIPMENT OR MATERIALS USED	WARRANTY	INSTALLER	COMMENTS
1. Cleaning											See Appendix B
A. Sweeping											See Appendix B
1. Stairs, pedestrian walkways, etc.		H						Bristle brooms, etc.			
2. Floor slabs, etc.			H					Sweeper.			
B. Trash Collection											
1. Empty trash cans	H										
2. Floor drains		H									Collect and remove debris from floor drains
C. Slab Washdown					H						
D. Stair Enclosures - Frames, Doors, and Glass			H				Wash or Wipe Down				
E. Storage Space						H					
F. Signs				H			Clean w/ mild detergent				
G. Oil & Grease Spots						H					
2. Doors and Hardware									One Year		
A. Check Operation	I										
B. Lubricate				M							
3. Electrical System											See Appendix B
A. Light Fixtures			I			M	Inspect individual fixtures.				
B. Light System	I					M	Inspect system for area blackouts, etc.				
4. Mechanical Equipment	I		H				Elevator Service Contract		One Year		
5. HVAC			I, M								
6. Landscaping	H	I				M					

WORK ITEM	DAILY	WEEKLY	MONTHLY	SEMI-ANNUAL	ANNUAL	AS NEEDED	MAINTENANCE PROCEDURES	RECOMMENDED EQUIPMENT OR MATERIALS USED	WARRANTY	INSTALLER	COMMENTS
7. Painting A.. Structural Steel/ Precast Concrete Connections					I	M	Review for paint chips and/or rust spots.		One Year		
B. Misc. Metal Doors, Piping, Handrails, Bollards, etc.					I	M	Review for paint chips and rust.				See Appendix B
C. Parking Stripes					I	M	Review for fading, wear, or debonding.		One Year		See Appendix B
8. Parking Control Equipment	I		H	M			Clean, lubricate and confirm operation.				
9. Plumbing Systems A. Floor Drains		I	H			M	Remove debris buildup.		One Year		Perform drain cleanout in conjunction with floor washdown.
B. Floor Drain Lines				I		M	Check for leaks and damage.				Perform cleanout in conjunction with floor washdown, if necessary.
10. Waterproofing A. Traffic-Bearing Membrane			H	I		M	Review for wear, tears, cracks, blisters, snowplow damage, debonding, leaks, etc. Repair immediately.	TBD	5 Years		5-year warranty against leaking, wear, etc. See Appendix B.
B. Crack & Joint Sealant			H		I	M	Review for leaks, adhesive or cohesive failures, tears, adjacent concrete deterioration, damage, etc. Repair.	TBD	5 Years		5-year warranty against leaking, wear, etc. See Appendix B.
C. Expansion Joint Seals			H,I			M	Review for leaks; nosing failures; gland damage such as tears, punctures, etc; and for snowplow damage.Repair immediately.	TBD	5 Years		5-year warranty against leaking, wear, etc. See Appendix B.

WORK ITEM	DAILY	WEEKLY	MONTHLY	SEMI-ANNUAL	ANNUAL	AS NEEDED	MAINTENANCE PROCEDURES	RECOMMENDED EQUIPMENT OR MATERIALS USED	WARRANTY	INSTALLER	COMMENTS
D. Concrete Surface Sealer					H,I	M		TBD			See Appendix B.
11. Safety Checks	I					M					See Appendix B.
12. Security Systems	I					M					See Appendix B.
13. Signs (Graphics)		I		H		M	Review for damage from vandalism, chipping, or flaking of paint. Review for sign and hardware damage.				See Appendix B.
14. Snow & Ice Control						H	Remove snow as required. Plow parallel to expansion joints.	Rubber-edged plow blades. Use non-chloride de-icer			Protect waterproofing system. See Appendix B.
15. Structural Systems											
A. Columns, Beams, Walls					I	M	Review for leaking cracks, spalls, delaminations, etc. Repair immediately.				Inspection by Professional Engineer may be required. See Appendix B.
B. Supported Floor Slabs			H	I		M	Review noting leaking cracks, spalls, delaminations, etc. Repair immediately.				Inspection by Professional Engineer may be required. See Appendix B
16. Stair Enclosures				H,I		M	Review for leaking joints, damage, etc. Repair immediately.				See Appendix B

Facility Maintenance Approaches

Based on our observations, the system in place for accomplishing custodial maintenance tasks in City parking facilities is at a level typical of similarly sized municipalities. Personnel are assigned to perform a generic set of clean-up tasks organized by location. The tasks scheduling is reasonably specific about the locations and tasks to be performed, but the level of detail leaves a great deal of discretion to the individual performing the work.

The generic task description approach does not effectively account for differences in tasks in the various areas. It also relies heavily on person-to-person training to demonstrate the processes and techniques for the custodial tasks that must be performed.

The vast majority of custodial cleaning programs in the parking facilities across the country take a similar approach. However, during trade workshops, many parking facility and maintenance managers have volunteered that they are not confident that their resources are being used effectively. It is a challenge to organize and manage a maintenance program when each staff member works, for the most part, independently in different areas of a large facility.

Another problem is scheduling essential, high priority or “visible” tasks, such as emptying overflowing trashcans early in the workday. When individuals are assigned to particular areas, such tasks could be scheduled as “first priority”. With the team approach, however, trash may not be emptied in the last area assigned to the team until all tasks have been completed in the preceding areas. That allows unsightly conditions to remain until late in the workday. Eventually, under the team approach, special assignments have to be made to address those special “visible” needs.

With both common approaches, the end result of a general tasking system is that some tasks are completed routinely, perhaps more often than necessary or consuming more time than necessary, while other, less obvious tasks are missed altogether. Trash is picked up consistently, but the tops of the pipes are never dusted. Sidewalks are swept, but dirty light covers are missed until bulbs are replaced. The problem is compounded over time as the individuals on the custodial staff tend to develop increasingly narrow routines – focusing more and more on repetitive tasks to the neglect of those that do not require daily attention. In some cases staff members lose time pondering “What do I do next?”

Carl Walker, Inc. offers a third approach. This approach addresses a series of essential questions that a maintenance manager must answer:

- How do I know that my personnel resources are adequate to meet the maintenance and custodial expectations?
- How do I budget for the personnel resources and supplies?
- How do I make sure that <u>all</u> maintenance and custodial tasks are completed?
- How do I develop a schedule that works?
- How do I develop an efficient schedule that makes the most of my personnel resources?
- How do I avoid wasted time?
- How do I deal with the tasks that are not normally performed on a daily or weekly basis?
- How do I monitor the completion of assigned tasks?
- How do I monitor and evaluate the performance of my staff?
- How do I document that maintenance and custodial functions are meeting expectations?

Maintenance Control Program

The Maintenance Control Program (MCP) described here was developed by one of the ***Carl Walker, Inc.*** team members and implemented at a 5,000+ space parking facility serving a major mixed-use complex, and at a major airport. The system is based on detailed identification of all maintenance and custodial tasks within a parking facility and development of a comprehensive, detailed schedule for methodically accomplishing those tasks. The outline that follows describes the steps involved in implementing this type of system. The initial effort required to develop and organize the task list into a workable schedule is considerable, but the benefits are worth the effort.

Implementation Steps

1. Identify all tasks to be performed within the area of responsibility.

    - Develop a detailed list of tasks grouped by location.

- Identify the type of task.

- Quantify each task in each area based on:

  a. Size of the area.

  b. Number of task repetitions (number of lights, length of curb, number of trash cans, etc.)

2. Determine time required to accomplish each task.

   - Times may vary for each, depending on the quantities and area size.

   - Include all time – material preparation and actual work.

   - BE REASONABLE. Consider the pace that must be maintained all day, not for just a short "sprint." Consider heat, cold, and customer interference and other working conditions.

   - Include start-and-stop times for changing equipment between different tasks.

   - Include travel time for moving to different locations within the area.

3. Assign a desired frequency for each task (how often each is to be performed).

   - Use industry frequency schedules (such as the one provided at the end of this section).

   - Use manufacture's preventative maintenance schedules for equipment.

4. Compute the total <u>base</u> staffing hours required to complete the entire group of tasks (all tasks in all areas.

   - This does not represent total staffing requirements because it does not include:

     a. Daily set-up time (assembling materials, etc.)

     b. Travel time (to and from the assigned work area).

     c. Significant travel time between points within the assigned work area.

- Add 15% as a contingency for the purpose of developing <u>initial</u> staffing requirements.

5. Compare total computed staffing requirements to actual staffing resources.

6. If requirements exceed resources, reduce specific frequencies until requirements and resources are balanced.

7. Evaluate acceptability of frequency schedule and identify shortfalls.

8. Submit task list and frequencies for administrative approval.

   - Administration must concur with frequencies and staffing requirements, OR…

   - Administration must concur with adjustment in frequencies that reduces staffing, OR…

   - Administration must commit to additional staffing needed to accomplish all work identified in the task list.

9. Develop list of equipment and supplies needed for each task – based on the list of specific tasks.

10. Develop a preliminary Work Schedule.

    - Base the work schedule on a 4-week cycle (28 calendar days).

    - Distribute each task identified in the master task list to a specific day and time period based on the designated task frequency.

    - Schedule tasks to minimize start-stop and travel time for each task, including grouping by area and by equipment/supplies needed so that the time spent changing equipment, materials and methods during the course of the day is minimized.

    - Include bathroom breaks, lunchtime and travel time involved in each.

    - **Include at least 30 minutes per day per person for contingencies NOT related to planned special projects. This time is needed so that the maintenance staff can respond to unforeseen situations without disrupting the normal task completion schedule. *<u>This is particularly important during construction when there are frequent demands for special tasks.</u>***

- Separate out infrequent tasks ("periodic tasks") into a separate schedule:

    a. Designate blocks of time in each person's weekly schedule for special projects – both schedule projects and contingency time for unscheduled projects.

    b. Time blocks for individual staff members should be concurrent so that it is possible to assemble several people at the same time for a special project.

    c. Identify tasks that are best accomplished by a special team.

    d. Assign periodic tasks to the special projects time according to the established frequency schedule.

11. Schedule tasks or groups of related tasks for specific time periods within the day.

    - Groups of tasks assigned to a specific period of time are better than "micro-detail" schedules because they allow some flexibility for the person performing the tasks.

    - Similarly, if the sequence of a particular group of tasks is not critical, it is better to allow staff member's discretion within the group of tasks. This latitude enriches the job and combats boredom.

12. List equipment and supplies for the day or by morning/afternoon as appropriate.

Benefits

1. All necessary tasks are identified and included in the program.

    - Less chance of items being overlooked.

    - Better understanding of the full task set.

2. Time requirements are more clearly identified and are verified.

3. By focusing on actual time requirements during initiation of the program, the supervisor and field staff will be evaluating methods and equipment, searching of ways to perform each task more efficiently. Involvement of all staff members is

productive in this process. It should result in a more effective overall maintenance program and set the stage for ongoing process involvements.

4. Training for the maintenance/custodial staff can be more effective because specific work methods are developed during implementation of the program. Those work methods can serve as the basis for training new staff members.

5. Adjusting frequencies allows resources to be matched to tasks that must be accomplished.

6. The result is properly prioritized schedule and frequencies that both the maintenance manager and the administration agree are appropriate to the program objectives.

7. Field staff is more confident in knowing what must be done each day and how it is accomplished.

8. Field staff is more confident that the time allocation is appropriate to the task.

9. Field staff knows what equipment and material is necessary for the tasks scheduled for that work period.

10. Supervisor can better prepare to have the necessary equipment and materials on hand based on the scheduled task requirements for the period.

11. Field staff does not have to waste time making continuous decisions about where to go and what to do next within their assigned work area. That is scheduled out in sufficient detail that they can move quickly from one task to the next without lost time in between actual work.

12. The schedule can be adjusted and refined as the staff finds better ways of accomplishing the work.

13. Tasks that are better accomplished as periodic, scheduled “special projects” (because of special equipment needs, team methods or the need to clear cars from the work area) can be removed from the normal work schedule.

14. Field staff is more accountable because the task schedule is more specific and can be more easily monitored.

15. Field staff morale is higher because evaluation of their performance is measured against both realistic expectations and specific tasks performed within specific time periods. They can be confident about moving to the next task with less risk of criticism from their supervisor for choosing different priorities. At the same time, tasks can be grouped to provide the staff with flexibility in performing the

work based on levels of individual initiative and personal responsibility – while maintaining the overall group task schedule.

16. Supervisors can locate field personnel within the facility more readily because of specific scheduling. They are more accountable to the supervisor for being in specific areas at specific times per the schedule.

There are also clear advantages to having this type of program in place from the standpoint of the administration:

1. It produces a better match between department resources and administrative expectations.

2. It provides a more comprehensive, consistent, efficient, and effective means of organizing and accomplishing tasks.

3. It provides a better tool for management to monitor and evaluate maintenance program performance – by using the schedule for the basis of spot inspections and evaluations.

4. It provides better documentation of program objectives and accomplishments.

9. APPENDIX C – SAMPLE MANAGER RECRUITMENT

PARKING MANAGER STAFF AND CONTRACTUAL ORGANIZATIONAL STRUCTURE

Director of Transportation & Public Works

- Transportation Manager
- Parking Manager
  - Parking Analyst
  - Parking Technician
  - Associate Planner
  - Permit Clerks (2)
  - Intern
  - Parking Enforcement
  - Citation Processing/Collection
  - Parking Meter Collection
  - Parking Meter Repair
  - Commercial Parking Operator
- City Engineer

COMPENSATION

Salary Range: $72,012 to $100,812 annually. Appointment possible at any place within the range depending on qualifications. (*This position and job description are currently being reviewed under a Classification and Compensation Study due to be completed in 2002*).

- A flexible benefit allowance for health, dental, and vision insurance with an added allowance for dependents, including children, spouse, or domestic partner. This flexible benefit allowance is effective on the 1st day of the month following 30 days of employment.
- Retirement contribution to PERS with the City paying both the employer and employee's contribution (2% at 55 for the single highest year formula).
- A $150 per month deferred compensation contribution paid by the City.
- A generous vacation, holiday, and leave program includes 120 hours of Administrative Leave.
- Life insurance equal to 1.5 times your annual salary plus $20,000.
- A Long-Term Disability policy which provides 66-2/3% of salary after a 30-day elimination period ($5,000/month maximum benefit).
- The flexible benefits program allows for optional purchase of Cancer/Hospitalization and long-term care (during an open enrollment period), as well as supplemental life insurance, prepaid legal services, and participation in the City's IRS 125 Flexible Benefit Plan for medical reimbursement and dependent care assistance.

TENTATIVE RECRUITMENT SCHEDULE

7 • 12 • 02	Closing date for resumes.
7•12 - 7•15	Review and screening of resumes.
7•17 - 7•29	Completion of supplemental questionnaires by more qualified candidates.
7•18 - 7•30	Interviews of selected candidates by consultant.
8•1 - 8•6	Transportation/PW Director screening of semi-finalists.
8•14 - 8•21	Finalists Interviews in West Hollywood
As soon as possible	Interview of top two/three candidates with Transportation/PW Director
As soon as possible	Reference checks.
As soon as possible	Appointment of Parking Manager.

For further information/to submit resumes contact:

Hughes, Perry & Associates
MANAGEMENT CONSULTANTS
P.O. BOX 384
THE SEA RANCH, CA 95497
(707) 785-3083 Fax: (707) 785-3086
email: info@hughesperry.com

City of West Hollywood
California 1984

THE CITY OF WEST HOLLYWOOD

is seeking a

PARKING MANAGER

PARKING MANAGER STAFF AND CONTRACTUAL ORGANIZATIONAL STRUCTURE

Director of Transportation & Public Works

Transportation Manager
Parking Manager
Parking Analyst
Parking Technician
Associate Planner
Permit Clerks (2)
Intern
Parking Enforcement
Citation Processing/Collection
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City of West Hollywood
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is seeking a

PARKING MANAGER

THE POSITION/CHALLENGES

West Hollywood is the one of the most densely populated communities in the western United States, with approximately 20,000 residents per square mile and 3,000 businesses in 1.9 square miles. There is no east-west freeway in the area, thus the main surface streets in West Hollywood have become transportation corridors and developable land is scarce because the City is almost fully built-out. The combination of these factors creates a significant impact on the community and the region as a whole. It is clearly a challenge to balance the regional growth and transportation needs with local needs and community values. To help address this critical issue, the City Council has created a Transportation and Public Works department, consolidating traffic, parking, public works, and other transportation functions.

Parking has been identified as a critical need by the business community as well as the City Council and the Transportation Commission. The Parking Manager heads one of three divisions in the Department of Transportation and Public Works. The City's parking program combines virtually all aspects of parking, including development of new parking, on-and-off street enforcement and permit parking. Revenues from citations, meters and parking permits comprise a significant portion of the City's budget. With the development of additional off-street structures, the parking division will represent a large and growing business enterprise.

Some years ago the City recognized the need to make sure that the parking problem didn't expand. The City has taken steps to assure that when new development occurs, care is taken not to create increased parking problems in the residential neighborhoods and commercial areas of West Hollywood. The City has pioneered new approaches and solutions in administering complex parking programs that have high demands and limited resources. Examples include providing zoning incentives and forming public/private partnerships.

The Parking Manager, who reports to the Transportation & Public Works Director, will provide leadership to a staff of five plus interns, manage major contractual services, and administer an operating budget of $3.5 million and a 5–year capital budget of $33 million in City funds. The new Manager will be responsible for the following functions

OFF–STREET PARKING

- ***Parking Facility Planning and Development:*** The City currently has one off-street parking structure. The development of additional parking resources and financial strategies for mixed-use parking structures and lots will be the highest priority of the Parking Manager. This will include pursuing public-private partnerships, several of which are underway. Additionally, as new sites and projects are identified, the Parking Manager will manage land acquisition negotiations, development planning and analysis, management of project planning including demand analysis, traffic studies, design team selection and management, as well as all community relations and approvals of policy-making bodies.
- ***City Managed Lots/Facilities:*** The City currently has surface lots at Plummer Park and West Hollywood Park, operates 2 County-owned lots, has a property that combines some covered space with a surface lot and has one mixed-use parking and retail facility in operation.
- ***Shared Parking:*** Given the scarcity of land, the Parking Division will continue to aggressively pursue all opportunities for shared parking. This ongoing program needs to be expanded. Incentive programs, such as valet and shuttle services, better lighting and programs to increase lot usage need to be pursued.
- ***Increased Parking:*** The Parking Manager serves as the City staff parking expert. In addition to collecting and analyzing data on parking needs and availability, issues such as parking development, bonuses for shared parking and other potential zoning incentives, use of small surface lots, and other devices to expand the availability of shared parking need to continue to be explored.

PERMIT PARKING

West Hollywood has created nine permit parking districts. Additional and expanded districts are anticipated to protect residential parking.

- ***New District Implementations:*** The Parking Manager and staff will continue to facilitate the formation of new parking permit districts in areas where districts have been proposed by neighborhood residents.
- ***Refinement of District Policy:*** With the establishment of districts and related policies, West Hollywood has experienced "expectations" and "special cases". Examples include situations where neighbors are very supportive of adjacent businesses and encourage the City to relax parking requirements for business expansion. The Parking Manager will have the challenge of reviewing these issues and making recommendations to the Transportation Commission and City Council.
- ***Administration:*** The Parking Manager directs the sale and renewal of approximately 25,000 permits to commercial businesses and the residential community.

ON–STREET PARKING

The Parking Manager will also be challenged with the responsibility for the management and expansion of on-street parking.

- ***Parking Operations:*** the Division is responsible for the parking meter program (2100 meters), including rate setting policy, meter maintenance, collections, placing of new meters, and other aspects of on-street parking controls.
- ***Parking Violations:*** Management of parking violations is a critical aspect of the effective management of on-street parking. The Parking Manager will manage the City's private parking enforcement contract, manage the administration and adjudication process and monitor citation writing and collection.

SHORT TERM OBJECTIVES

The Parking Manager will be expected to focus a significant amount of attention to accomplish the following in the first 18 months:

- Expeditious implementation of a mixed–use project that involves a public-private partnership on a piece of property currently owned by the city.
- Continued development and implementation of up to 3 off-street parking facilities, also as public-private partnerships.
- Development of other creative solutions for the off-street parking shortage.
- Continued careful management of ongoing parking operations.

"THE IDEAL PARKING MANAGER"

The new Parking Manager in West Hollywood needs to be knowledgeable and experienced in dealing with high density, urban parking issues in a setting where parking is a high profile activity. Additionally, this will be a person who:

- Can effectively bring all the elements together to develop a comprehensive parking strategy for the City.
- Has proven experience in developing off-street parking.
- Brings an entrepreneurial approach to the position.
- Is a high energy person, a proven parking professional and is ready to expand her/his expertise.
- Is familiar with the economics of parking as well as financing options and posesses the skills to develop new parking resources.
- Develops creative solutions to problems and is willing to consider a broad range of alternatives for any given situation - can think outside the "box" and is not limited to textbook solutions.
- Has excellent communication and listening skills and is comfortable making presentations to the City Council, Commissions, business and community groups, and outside agencies.
- Is comfortable providing leadership and guidance to advisory commissions and community groups and can gain their support.
- Has experience in the design, construction and management of urban parking facilities.
- Knows the difference between management and leadership and is skilled in both areas.
- Is a team player that enjoys being a part of the City's management team and has good human relations skills.
- Is a skilled manager who can effectively mange staff and contractors.
- Is politically aware and has a sense of humor.

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- Has experience in the design, construction and management of urban parking facilities.
- Knows the difference between management and leadership and is skilled in both areas.
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- Is a skilled manager who can effectively mange staff and contractors.
- Is politically aware and has a sense of humor.

10. APPENDIX D – ANNUAL REPORT TEMPLATE

City of Albuquerque
Annual Parking Report – Outline Template

Chapter

1. Documenting Parking Inventory
2. Previous Parking Inventory
3. Current Parking Inventory
4. Summary of Changes to Inventory
5. Documenting Parking Resource Allocation
6. Parking Allocation/Use Plan
    - i. On-Street Spaces
        1. By Time Limits
        2. By Specific Use
    - ii. Off-Street Spaces
        1. Transient Spaces
        2. Monthly Spaces
        3. Special Event Spaces
7. Documenting Parking Utilization
8. Current Utilization (Occupancy) By Facility
    - a. Overall System Utilization
        - i. Deck A
        - ii. Deck A
        - iii. Deck A
        - iv. Lot A
        - v. Lot B
        - vi. Lot C
        - vii. Etc.
        - viii. On-Street Spaces
9. Opportunities for Improving Parking Efficiency
10. Documenting Parking Management Initiatives
11. Documenting Customer Service Initiatives
12. Projecting Future Parking Demand
13. Planned Developments
    - i. Projected Parking System Impacts
14. Identifying Parking/Transportation Demand Management Opportunities

15. Documenting Parking Challenges
16. Establishing Parking Benchmarks
17. Annual Summary of Key Parking Management Benchmarks
18. Tracking Trends in Parking Management
19. New Technologies Considered
    i. Potential Benefits to the Department and the City
20. Documenting Parking Facility Maintenance Needs
21. Summary of Parking Facility Condition Appraisals
22. Prioritized List of Maintenance Projects
23. Projected Costs of Maintenance Projects
24. Documenting Parking Enforcement Issues
25. Documenting Parking Security Issues

Community

Innovation

Service

CALGARY PARKING AUTHORITY • ANNUAL REPORT 2000

Our Vision

To become and be better recognized by all stakeholders as The City of Calgary's authority on parking

AUTHORITY MEMBERS

S. E. Engel - *Chairman*

A. Andreasen

W. F. Elliott

Alderman D. Hodges

L. D. Humphrey

C. Hylton

F. Leong

R. Parker

H. A. Swanson - *Vice Chairman*

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Mayor Al Duerr

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Bob Hawkesworth

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Barry Erskine

Sue Higgins

Diane Colley-Urquhart

Linda Fox-Mellway

EXECUTIVE OFFICERS

Chief Executive Officer
Paul Dawson

Deputy Chief Executive Officer
Al Habstritt

Community Vitality & Protection
Sue Mallon

Corporate Services
Chris Good

Land Use & Mobility
Terry Montgomery

Strategic Services
Brian Loach

Utilities & Environmental Protection
Owen Tobert

(as of December 31, 2000)

***AUTHORITY MEMBERS:** F. Leong, C. Hylton, A. Andreasen, W.F. Elliott, H.A. Swanson, S.E. Engel, R. Parker, L.D. Humphrey*

***MANAGEMENT TEAM:** T. Michaluk, G. Wong, G. Natland, D. Fraser, A. Bazar*

The past


S.E. ENGEL, CHAIRMAN

Increased numbers of automobiles, high per capita ownership of vehicles, scarce parking - sound familiar? While this may describe Calgary today, these same vehicle and parking concerns in the 1950's brought about the formation of the Calgary Downtown Parking Corporation. This early beginning led to City Council's 1968 approval of Bylaw 7343 forming the Calgary Parking Authority (CPA). The mandate was to manage city-owned and controlled public parking and also to provide Council with advice and information on parking.

By 1983 the need to review the mandate and move beyond the original management role was evident. An in-depth corporate review recommended that the mandate and responsibilities of Bylaw 7343 be reaffirmed with greater emphasis on the planning, information and advice role. In addition, the member composition of the Board was revised to increase the dialogue between the Authority and City Departments.

The present

The role of the CPA has continued to expand and we are currently responsible for the following:

- Municipally owned, public parking facilities – including over 12,000 parking stalls both on-street and off-street. Although this number is significant, it represents only 17 percent of the available Downtown parking;
- Parking advisory services – working with government, customers, business and community with the goal of developing effective parking strategies. We are represented on projects as diverse as the East Village project, the Downtown parking policy and short and long-stay parking reviews;
- Residential parking permit services – administering the parking permit program including issuing over 25,000 residential and visitor permits yearly;
- Parking enforcement services – reinforcing public safety, improved traffic flow and community standards through the enforcement program. CPA also manages the Municipal Impound Lot.

The future

As we enter the final year of our current three-year business plan we are looking at challenges similar to those faced in the 1950's, rapid growth in Calgary, increased population, increased numbers of vehicles and increased demand for parking. We are revisiting our bylaws, our mandate and our role as a hybrid organization that functions both as a competitive provider of parking services as well as a purveyor of municipal government programs.

The Authority Members respect City Council's policies on public parking and we continue to take steps to implement the parking policies that fall within our mandate. At the same time the Authority Members would like Council to regard CPA as a mature and responsible business with the autonomy to make business decisions within Council approved budgets. We are developing a new vision and mission that incorporates our customer-focused business. Concurrently, we are in the process of reviewing and updating the bylaws that make it possible for us to fulfil our role in Council's vision for the City's urban planning and transportation goals.

Contributions to the City

We continue to provide support to the City through our financial contributions. In 2000 gross operating revenues were $34,500,000 an increase of 5.5 per cent over 1999. Operating Expenses of $20,257,000 were 10.9 percent over 1999 resulting in an operating profit of $14,243,000. Cash contributions to the City in 2000 amounted to $12,449,000 bringing our total to $71,985,000 since 1985.

We are pleased with the progress we have made in meeting the goals of our three-year business plan. In 2001 we remain committed to completing these goals ensuring optimal service to our customers through well-qualified and inspired employees, acquiring land for required facilities, maintaining strong relationships with our stakeholders and sound financial management.

Acknowledgements

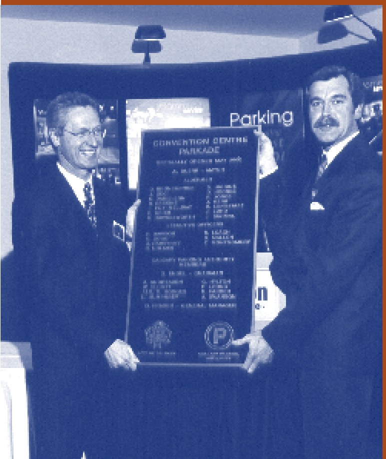
I want to acknowledge on behalf the Authority Members, the Mayor and the Aldermen for their strong support of the activities of the Calgary Parking Authority.

Thank you to the Authority Members who continue to serve the Calgary Parking Authority with enthusiasm and dedication. Thank you for your support throughout the year.

The Authority Members are very proud to work together with Calgary Parking Authority management and staff in the provision of parking services to Calgarians. We are confident we will continue to deliver a value-added service to our community.

Steve Engel, Chairman

It's about service, opening the Convention Centre Parkade to serve our customers



It's about community, serving the needs of all Calgarians for accessible parking.

www.calgaryparking.com It's about innovation, new methods of communicating with our customers.

Convention Centre Parkade


DALE FRASER, GENERAL MANAGER

The Calgary Parking Authority (CPA) can look back on year 2000 with pride as we review our many initiatives. Our accomplishments reflect a clear focus on our commitment to excellence in the parking industry.

Facility Initiatives

A highlight of the year was the completion of the 428 stall, Convention Centre Parkade opening in June. This parkade provided much needed, short-stay parking for Downtown Calgary particularly for convention participants. Modern lighting, brightly painted walls and ceilings, glazed stairwells and elevators, security cameras and an internal parking guidance system make this a user-friendly parkade.

An additional 348 parking stalls were added to our inventory when CPA reached an agreement with Parks Operations and the Calgary Science Centre for the operation of the parking lots to the north and south of Millennium Park. These will serve both the park and the Science Centre.

During Year 2000 we completed significant upgrades at our facilities including installation of the new parking control equipment at parkades. This customer service equipment provides future payment options including credit card use. The equipment is easier and faster to use and makes it possible to introduce a variety of parking fee structures to meet customer needs.

Gulf Canada Square Parkade, CPA's oldest parking structure, has undergone significant change including the introduction of the new name City Centre Parkade. This new identity, chosen with the help of customers and staff, reflects its public ownership and location more clearly. During 2000, as part of a phased program of rehabilitation to improve and modernize the facility, we completed the repairs to expansion joints and stairwells. Other improvements will be completed over the next few years. Operations Division also completed significant structural work at the James Short Parkade during the summer of 2000. This was needed as a result of ground movement and unbalanced earth pressures.

It's about service, providing enforcement services during Grey Cup 2000 activities

It's about innovation, a new name for a parkade

It's about innovation, a new format for Residential Parking Permits

Smart Pay a Success

A survey of the Smart Pay™ card customers, conducted in early 2000, showed high levels of satisfaction with the card, introduced in 1999. The smart card stores cash in an electronic format in a computer chip. The results of the survey led to the introduction of a $50 card along with an additional sales centre at the Municipal Building. 8,116 cards were sold in 2000.

New Residential Parking Permit software introduced in 2000 made it possible to store historical permit data and simplified the mail out process for permits. Customers enjoy the added convenience of the plastic mounted window holder for the permit. Over 16,500 Residential Parking Permits were issued in 2000 along with 8,722 visitor permits.

Parking Studies

CPA continued to work with a stakeholder group providing feedback to the City as it completed the Inner City Transportation Study. The plan for Calgary's Inner City area outlines roadway improvements that balance mobility, community and environmental quality, and costs.

Over the past years, CPA and the City's Land Use & Mobility Department have completed work on several parking studies including long-stay and short-stay parking and a review of cash-in-lieu parking policies. CPA has also fulfilled Council's strategy for building a major parkade in each quadrant of Downtown. CPA is represented on a team that is now doing a comprehensive review of the Downtown parking policy and will bring recommendations to the CPA Authority and Council in 2001.

Special Projects

Coordination continued with the City on a variety of projects including the Centre Street Bridge opening, the World Petroleum Congress, and Grey Cup 2000 with CPA providing planning expertise, parking facilities and enforcement services for these activities.

As the Eastern portion of Downtown redevelops over the next 10 – 15 year period, three CPA surface lots will disappear. Planning for parking in this area is critical as there is a high demand for visitor parking for areas such as the Municipal Building, the Library and Olympic Plaza. CPA serves on the planning committee for the redevelopment of the East Village area along with The City and the joint venture private sector development companies.

CPA is also represented on the Municipal Facilities Planning Committee responsible for coordinating land and building needs of departments and agencies.

Milestones

Enforcement Services captured the attention of the media across Canada as they took on a new look with the introduction of their updated hats and jackets. This new look reflects an improved and modern image for Corps of Commissionaires and enforcement officers and blends well with Calgary's Western heritage.

Another milestone was reached when a development permit was issued for renovation and construction of the new Manchester Administration Building (formerly the Municipal Impound Lot). Construction began on October 24, 2000 and occupancy of the newly renovated facilities is expected by the end of March 2001. The new facility will increase vehicle storage capacity by over 100 vehicles to approximately 1,100 stalls as well as adding increased security features. Customers will benefit from the improved customer reception area that provides barrier free accessibility, increased privacy and rapid service.

Enforcement Administration completed a comprehensive review of the "Parking Tag Appeals" process involving input from all major stakeholders including the Calgary Regional Health Authority, Southern Alberta Institute of Technology and the Office of the City Solicitor. The review formalized the guidelines and procedures that are used when conducting an "Administrative Review" of an issued parking tag or seized vehicle. Officers, administrators, the public and Alberta Justice are assured that the process is in keeping with existing legislation and is fair. CPA is assured of the integrity of the program.

It's about community, participation in the Santa Claus Parade

It's about service, accessible parking

It's about innovation and customer service

Keeping in touch

Communications continued to be a priority as CPA launched its new website. Citizens can search www.calgaryparking.com for parking locations, check the status of a parking tag, view vehicles up for auction at the Impound Lot and learn about residential parking permits. CPA will continue to use the website as an evolving medium to provide immediate access to information and services. Additional new communications initiatives included customer access to recorded information tips and fax-on-demand brochures through our new telephone system and distribution of over 8000 tourist maps that included parking information.

Community initiatives continued to have a high priority in 2000. Our Disabled Parking Awareness campaign received provincial acclaim and based on our success will be initiated province wide in 2001. We also provided community support to the Calgary Handi-Bus Association, the Forzani's Mother's Day Run and Walk in support of heart health, the Downtown Association Santa Claus Parade and the staff Adopt-a-Family project.

The future

As we look forward to 2001 our organization will continue to grow and flourish as we follow the blue print laid out in the final year of our three-year business plan. Our current and future focus will be:

- Parking excellence
- Customer service
- Innovative use of customer friendly technology
- Community responsibility

Our challenges continue as Calgary's rapid growth means more vehicles and increased parking demand. More vehicles bring a greater need for our enforcement services. It is essential that appropriate technology be used to enhance customer service. And of course there are always fiscal restraints.

Thank you to our staff who work s so diligently to make our success possible. It is this dedication and commitment that makes it possible to maintain our reputation as providers of parking excellence in Calgary. As General Manager of the Calgary Parking Authority, I am excited about the opportunities we have before us as we continue to provide for the parking needs of Calgarians in 2001.

Dale Fraser, General Manager

It's about community, a commitment to Chinatown

It's about innovative solutions to customer needs, bicycle parking

It's about community relationships, sponsoring the Mother's Day Run and Walk

It's about employee commitment, Adopt-a-Family gifts

Auditors' Report

December 31, 2000

To the Shareholders of Calgary Parking Authority:

We have audited the balance sheet of Calgary Parking Authority as at December 31, 2000 and the statements of revenue and expenditures, equity and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

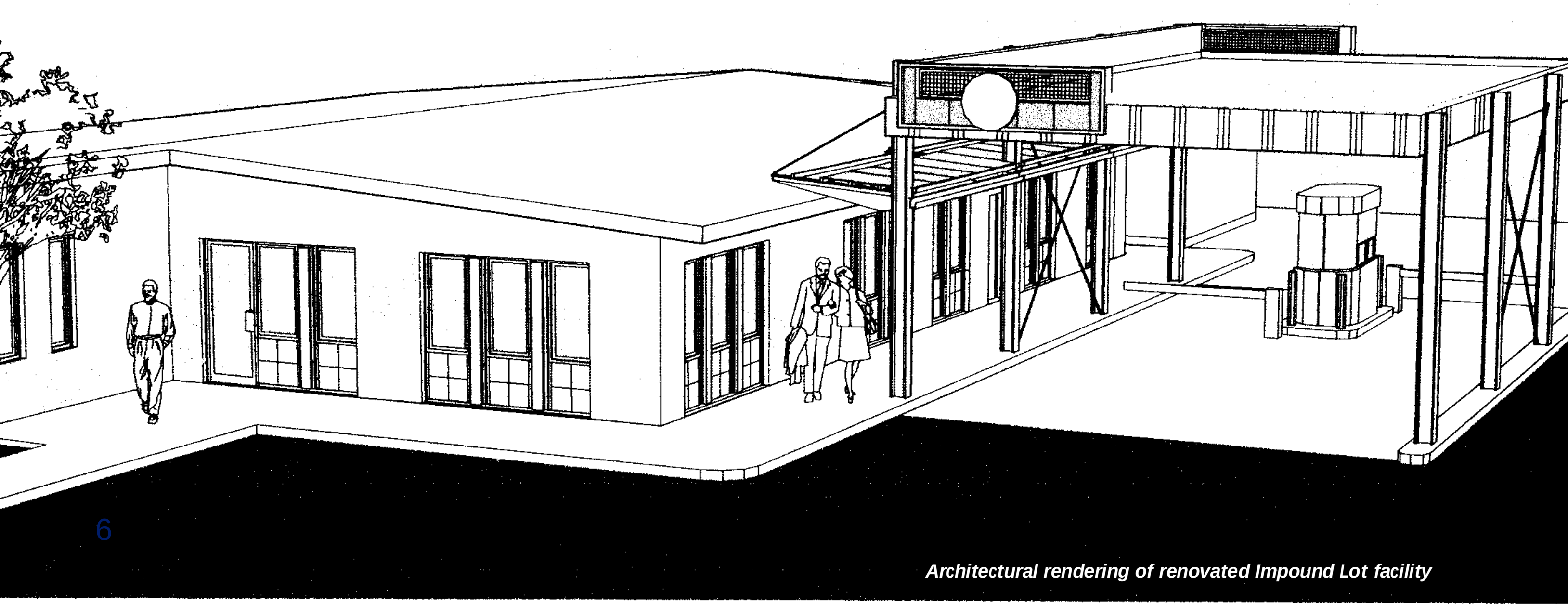
In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche

Calgary, Alberta

March 1, 2001

Chartered Accountants



Architectural rendering of renovated Impound Lot facility

Balance Sheet

December 31, 2000 (Expressed in Thousands of Dollars)	2000	1999
ASSETS	$	$
CURRENT		
Cash	229	109
Due from The City of Calgary (Note 3)	6,541	2,795
Other receivables	408	238
Other current assets	151	138
	7,329	3,280
Capital assets (Note 4)	91,248	90,079
Investments held for designated purposes (Note 5)	11,228	8,464
Investments (Note 7)	3,148	8,000
Prepaid lease	1,325	1,343
	114,278	111,166
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	2,543	1,623
Contractors' holdbacks	34	311
Deferred revenue	403	274
Employee benefits payable (Note 8)	398	307
Current portion of long-term debt (Note 6)	922	825
	4,300	3,340
Long-term debt (Note 6)	3,467	4,388
Cash-in-lieu deposits (Note 9)	6,877	6,376
	14,644	14,104
EQUITY		
Capital donations (Note 9)	67,253	67,253
Parking structure replacement reserve (Note 13)	4,351	2,088
Retained earnings (Note 14)	28,030	27,721
	99,634	97,062
	114,278	111,166

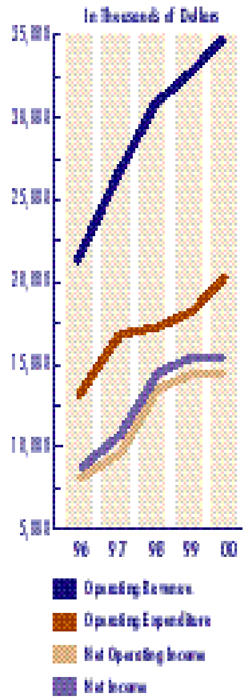
APPROVED BY THE BOARD

Director

Director

Statement of Revenue and Expenditures

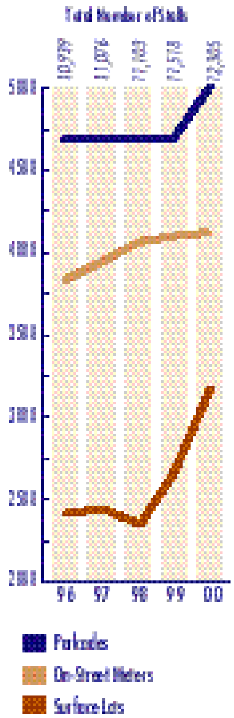
Comparative Operation Highlights



December 31, 2000 (Expressed in Thousands of Dollars)	2000	1999
OPERATING REVENUE	**$**	**$**
Parking Control	6,496	6,441
On street parking meters	6,060	6,119
Smart card and in vehicle parking meters	690	269
City Centre Parkade	4,424	4,252
Municipal Vehicle Impound Lot	3,352	3,205
James Short Parkade	2,836	2,819
Centennial Parkade	2,924	2,733
McDougall Parkade	1,861	1,795
Attendant operated lots	1,778	1,718
Civic Plaza Parkade	1,632	1,573
Off street lots	1,265	1,046
Calgary Centre for Performing Arts Parkade	489	447
Convention Centre Parkade	312	–
Meter violation tags	262	163
Interest subsidy - City Centre Parkade (Note 6)	119	136
	34,500	32,716
OPERATING EXPENDITURES		
Administration and general	1,344	1,326
Parking Control	3,751	3,588
On street parking meters	804	757
City Centre Parkade	1,327	1,121
Municipal Vehicle Impound Lot	3,271	3,203
James Short Parkade	1,126	1,019
Centennial Parkade	1,116	948
McDougall Parkade	712	608
Attendant operated lots	709	672
Civic Plaza Parkade	805	677
Convention Centre Parkade	438	–
Off street lots	478	387
Calgary Centre for Performing Arts Parkade	207	203
Residential permits	186	170
Debenture interest - Gulf Canada Parkade (Note 6)	557	637
Amortization of prepaid lease	18	18
Depreciation (Note 4)	3,408	2,934
	20,257	18,268
OPERATING PROFIT	14,243	14,448
NON-OPERATING REVENUE (EXPENDITURES)		
Investment income	1,467	1,231
Gain on sale of property	12	392
Interest transferred to cash-in-lieu deposits	(383)	(317)
Debenture subsidy - other (Note 6)	11	12
Debenture interest - other (Note 6)	(47)	(53)
Transfer to Calgary Centre for Performing Arts (Note 10)	(282)	(244)
	778	1,021
EXCESS OF REVENUE OVER EXPENDITURES	15,021	15,469

Statement of Cash Flows

Comparative
Parking Stall Inventory



Year Ended December 31, 2000 (Expressed in Thousands of Dollars)	2000	1999
CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenue over expenditures	15,021	15,469
Adjustments for: Depreciation (Note 4)	3,713	3,259
Amortization on prepaid lease	18	18
Gain on sale of property	(12)	(392)
	18,740	18,354
Changes in non-cash working capital (Note 11)	192	(72)
	18,932	18,282
FINANCING		
Long-term debt repaid	(824)	(739)
Contributions and cash-in-lieu deposits	118	73
Interest earned on cash-in-lieu deposits	383	317
Increase in investments held for designated purposes	(2,764)	(2,478)
Distribution to The City of Calgary (Note 12)	(12,449)	(11,633)
	(15,536)	(14,460)
INVESTING		
Capital assets acquired	(4,394)	(9,563)
Proceeds from disposal of capital assets	12	744
Decrease (increase) in investments	4,852	(5,000)
	470	(13,819)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	3,866	(9,997)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,904	12,901
CASH AND CASH EQUIVALENTS, END OF YEAR	6,770	2,904
Represented by: Cash	229	109
Due from The City of Calgary (Note 3)	6,541	2,795
	6,770	2,904

Statement of Equity

Year Ended December 31, 2000 (Expressed in Thousands of Dollars)	2000	1999
CAPITAL DONATIONS		
Balance, beginning and end of year (Note 9)	67,253	67,253
PARKING STRUCTURE REPLACEMENT RESERVE		
Balance, beginning of year	2,088	-
Transfer from retained earnings (Note 14)	2,263	2,088
Balance, end of year	4,351	2,088
RETAINED EARNINGS		
Balance, beginning of year	27,721	25,973
Excess of revenue over expenditure	15,021	15,469
Distribution to The City of Calgary (Note 12)	(12,449)	(11,633)
Transfer to parking structure replacement reserve (Note 13)	(2,263)	(2,088)
Balance, end of year	28,030	27,721

Notes to the Financial Statements

Year Ended December 31, 2000 (Expressed in Thousands of Dollars)

1. DESCRIPTION OF BUSINESS

Calgary Parking Authority (the "Authority") was established under Bylaw No. 7343 of The City of Calgary (the "City") to investigate requirements for the parking of motor vehicles within the City, to arrange for provision of publicly owned parking facilities, to encourage construction of privately owned parking facilities, to operate and manage the parking facilities owned by the City and to report to and advise City Council on all matters related to or concerned with parking of motor vehicles in the City. The Authority is responsible for parking enforcement. Any excess of revenues over expenditures is transferred to the City on a periodic basis (Note 12(c)). The Authority is also responsible for the management of the Municipal Vehicle Impound Lot; revenue and expenditures of this operation are included in the Authority's financial statements. The Authority is a municipal authority and as such is not subject to income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation These financial statements are prepared by management in accordance with Canadian generally accepted accounting principles established by the Canadian Institute of Chartered Accountants.

The Authority's significant accounting policies are as follows:

Capital assets Capital assets are recorded at cost and are depreciated using the straight-line basis over the estimated useful life of the asset. The rates of depreciation applied are as follows:

Parking structures	2%
Equipment and other	3% - 33%
Vehicles and furnishings	10% - 20%
Lot improvements	5% - 20%

Prepaid lease In 1977, the Authority commenced a 99 year lease on the land site of the City Centre (formerly Gulf Canada Square) Parkade. The prepaid lease is being amortized using the straight-line basis over the term of the lease.

Cash-in-lieu deposits Cash-in-lieu deposits include both refundable and non-refundable deposits retained by the Authority until required for construction of parking facilities.

Refundable deposits comprise developers' cash payments in lieu of providing required parking spaces and the accumulated interest on those deposits. The deposits, including interest, may be refundable subject to the conditions of the development agreement. Upon issuance of the development completion certificate, the deposit becomes non-refundable.

The use of non-refundable deposits, including accumulated interest, is restricted to the financing of additional parking structures. The attributable deposits are transferred to equity in capital assets when such additional structures are constructed. Interest earned attributed to non-refundable deposits is recorded as an increase in non-refundable deposits held.

Revenue Revenues, except for Parking Control and Municipal Vehicle Impound Lot, are recognized as service is provided. Impound lot revenue items are recorded on a cash basis due to the inherent difficulty of determining the related receivable and the relatively immaterial amount. Parking Control revenues are recorded on an accrual basis, using the historical collection rates to estimate the year end revenue receivable.

Deferred revenue Monthly parking and smart card revenues related to 2001 business, which were received prior to December 31, 2000, are recorded as deferred revenue.

Measurement uncertainty Preparation of the financial statements necessarily involves the use of estimates and approximations as the determination of financial data frequently depends on future events. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Reserves Reserve reflects appropriations of surplus that have been authorized by the Authority's Board of Directors. The use of the reserve has been restricted for the purpose of replacing parking structures.

3. DUE FROM THE CITY OF Calgary

The amounts due from The City of Calgary consists of cash balances held by the City on the Authority's behalf in the amount of $6,541 (1999 - $2,795). The Authority utilizes the cash in its day-to-day operations.

4. CAPITAL ASSETS

2000			
	Cost $	Accumulated Depreciation $	Net Book Value $
Parking structures	85,903	18,920	66,983
Equipment and other	9,465	5,804	3,661
Lot improvements	15,956	11,071	4,885
	111,324	35,795	75,529
Land	14,664	-	14,664
Capital projects-in-progress	1,055	-	1,055
	127,043	35,795	91,248

1999			
	Cost $	Accumulated Depreciation $	Net Book Value $
Parking structures	75,070	17,280	57,790
Equipment and other	13,264	9,615	3,649
Lot improvements	8,627	5,187	3,440
	96,961	32,082	64,879
Land	13,034	-	13,034
Capital projects-in-progress	12,166	-	12,166
	122,161	32,082	90,079

Title to the Authority's capital assets rests with the City.

Total depreciation expense for 2000 totalled $3,713 (1999 - $3,259) which includes depreciation expense of $305 (1999 - $325) related to Parking Control, Municipal Vehicle Impound Lot and Calgary Centre for Performing Arts. The individual depreciation amounts are included in their respective operating expenditures.

5. INVESTMENTS HELD FOR DESIGNATED PURPOSES

Investments held for designated purposes are comprised of the following amounts:

	2000 $	1999 $
Cash-in-lieu deposits	6,877	6,376
The Parking Structure Replacement Reserve	4,351	2,088
	11,228	8,464

These investments, consisting of short-term notes and coupon bonds, had a market value of $11,357 at December 31, 2000 (1999 - $8,312).

6. LONG-TERM DEBT

Long-term debt consists of debentures issued by the City which, except for $330 (1999 - $392), were incurred for the purpose of building the City Centre Parkade and allocated to the Authority. The debentures, which are in the name of the City, are repayable in annual instalments of principal and interest to 2004. Interest on the debentures is subsidized by the Province of Alberta. Debenture debt at year end has an average rate of interest of 11.52% (1999 - 11.61%) before provincial subsidy and 9.03% (1999 - 9.12%) after provincial subsidy. Debenture interest incurred totals $604 (1999 - $690) of which $557 (1999 - $637) related to the City Centre Parkade. Debenture interest subsidies received totals $130 (1999 - $148) of which $119 (1999 - $136) relates to City Centre Parkade.

Principal amounts repayable over the next four years are as follows:

	$
2001	922
2002	1,030
2003	1,151
2004	1,286
	4,389

7. FINANCIAL INSTRUMENTS

The Authority's financial instruments are cash, due from The City of Calgary, other receivables, investments, accounts payable and accrued liabilities, employee benefits payable and long-term debt. Except for investments and long-term debt, the carrying value of these items approximates their fair value.

To estimate the fair value of long-term debt, the Authority uses those interest rates that are currently available to it for issuance of financing with similar terms and remaining maturities. At December 31, 2000, the estimated fair value of long-term debt was $4,995, prior to interest rebate, compared to a carrying value of $4,389.

Investments, which consist of short-term and long-term bond pool funds, are recorded at cost. The market value of these investments fluctuates depending upon market interest rates. The market value was $3,190 as at December 31, 2000 (1999 - $7,776).

8. EMPLOYEE BENEFITS PAYABLE

Employee benefits payable represent future obligations of the Authority to its employees for benefits earned but not taken. These include current and banked vacation, overtime and in-lieu days totalling $398 (1999 - $307).

9. CASH-IN-LIEU DEPOSITS

	2000			1999
	Principal $	Interest $	Total $	Total $
Opening balance	2,292	4,084	6,376	5,986
Interest earned	–	383	383	317
New deposits received	118	–	118	73
	2,410	4,467	6,877	6,376

These deposits represent contributions for 540 (1999 - 507) stalls.

Cash-in-lieu deposits expended to acquire new parking stalls are removed from the cash-in-lieu deposits and are transferred to capital donations.

In addition to the above cash-in-lieu deposits, the Authority holds an irrevocable letter of credit in the amount of $4,228 (1999 - $4,228) representing cash-in-lieu payment towards 542 parking stalls.

10. TRANSFER TO CALGARY CENTRE FOR PERFORMING ARTS

Since October 1, 1995, the City Council requires that the annual excess of revenues over expenditure from the operation of the Centre for Performing Arts Parkade is transferred from the Authority to the Centre. Accordingly, $282 (1999 - $244) of net revenue is transferred to the Calgary Centre for Performing Arts.

11. STATEMENT OF CASH FLOWS

Changes in non-cash working capital

	2000 $	1999 $
Increase in other receivables	(170)	(71)
Increase in other current assets	(13)	(120)
Increase (decrease) in accounts payable and accrued liabilities	155	(23)
Increase in deferred revenue	129	114
Increase in employee benefits payable	91	28
	192	(72)

Cash paid for interest on long-term debt is $603 (1999 - $549).

12. RELATED PARTY TRANSACTIONS

Distribution to the City is comprised of the following:

	2000 $	1999 $
a) Transfer to City general fund	8,500	6,000
b) Transfer to City capital financing	1,000	1,000
c) Net surplus of Parking Control transferred	2,645	2,853
d) Other contributions	304	1,780
	12,449	11,633

a) In 1999, at the request of the City Administration, the Board of Directors of the Authority approved the transfer of $47 million to the City for the five year period ending December 31, 2003, which included $15 million specifically allocated to transportation project office funding. The transfers for the remaining years are as follows:

	$
2000	8,500
2001	10,500
2002	11,000
2003	11,000

b) In 1996, City Council approved an additional $1 million per year contribution to The City Capital Financing Envelope for the years 1996 through 2000.

c) Net surplus of Parking Control revenue of $6,496 (1999 - $6,441) after expenditure of $3,751 (1999 - $3,588) and $100 payment to corporate properties included in other contributions.

d) Other contributions include the transfer of net income in the amount of $304 (1999 - $199) related to two parking facilities as a result of special agreements.

In addition to the transfer, the Authority conducts a number of transactions with the City, such as grants-in-lieu of property taxes, garbage collection, electricity and water, all in the normal course of operations. The City manages and holds all of the Authority's investments.

13. PARKING STRUCTURE REPLACEMENT RESERVE

In 1999, the Board of Directors of the Authority approved the creation of a parkade replacement reserve for the purpose of replacing the parking structures, with an annual contribution of approximately $2 million plus accumulated interest.

This reserve is funded through investments held for designated purposes (Note 5).

14. RETAINED EARNINGS

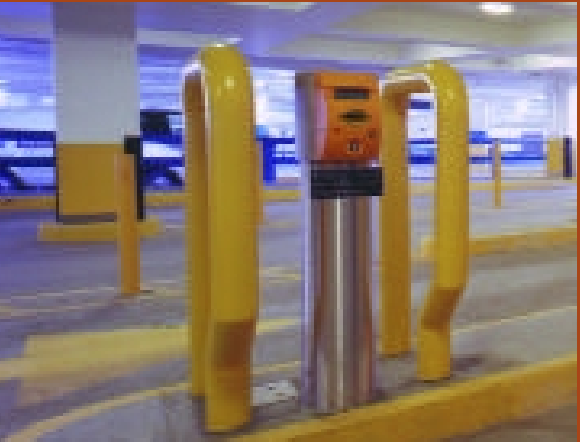
The retained earnings represent the excess of revenues over expenditures for the current and prior years, less distributions to the City and transfers to the parking structure replacement reserve. The retained earnings balance as at December 31, 2000 is invested in capital assets and investments.

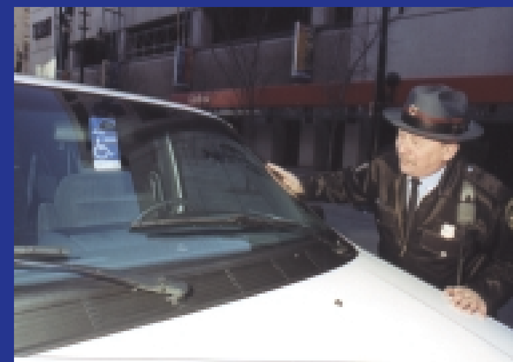
Carpark Inventory

TYPE/LOT #	LOCATION	# OF STALLS
PARKADES		
24	Centre for Performing Arts 829 Macleod Trail SE	136
25	City Centre Parkade 299 - 9 Ave SW (9 Ave ent.)	1545
28	McDougall 720 - 5 Ave SW (5 Ave ent.)	658
36	Civic Plaza Parkade 322 - 9 Ave SE	633
40	James Short Parkade 112 - 5 Ave SW (5 Ave ent.)	880
54	Centennial Parkade 608 - 9 Ave SW (9 Ave ent.)	836
60	Convention Centre Parkade 727 – 1 St SE	439
		TOTAL: 5127
ATTENDANT LOTS		
6	311 - 8 St SW	219
19	800 - 3 St SE	95
55	East Village 724 - 4 St SE	277
		TOTAL: 591
EVENT PARKING		
41	Victoria Square 1401 Macleod Trail SE (east ent.) 1400 - 1 St SE (west ent.)	700
		TOTAL: 700
MONTHLY NON-ATTENDED		
29	417 – 8 Ave SW	38
53	312 - 8 St SW	44
58	935 - 4 Ave SW	76
62	407 – 9 Ave SE	215
63A	330 – 10 Ave SE	27
63B	313 – 10 Ave SE	40
63C	312 – 11 Ave SE	42
		TOTAL: 482
BICYCLE PARKING		
54B	Rear, 620 – 9 Ave SW	10
		TOTAL: 10

TYPE/LOT #	LOCATION	# OF STALLS
MACHINE LOTS		
2	120 - 15 Ave NW	66
3	1517 - 16 Ave SW	42
5	109 Riverfront Ave SE (Chinatown)	29
7	208 - 9 Ave SW	72
9	711 - 4 St SE (4 St ent.) 406 - 8 Ave SE (8 Ave ent.)	182
43	880 - 11 St SE	30
44	1301 - 9 Ave SE	38
45	17 Ave & 5A St SW Western Canada High School	17
46	17 Ave & College Lane SW Western Canada High School	32
57	1210 Kensington Rd NW	24
59	200 Memorial Dr NW	185
61A/B/C/D	701 – 11 St SW	270
64	825 – 11 St SW	78
		TOTAL: 1065
METERED LOTS		
12	128 - 16 Ave NE	16
13	140 - 16 Ave NW	26
15	524 - 16 Ave NW	26
16	704 - 16 Ave NW	18
17	820 - 16 Ave NW	18
18	1740 - 9 St NW	25
20	203 - 14 St NW	34
21	344 - 14 St NW	22
37	1056 Memorial Dr NW	12
		TOTAL: 197
FREE LOTS		
10	820 Edmonton Tr. NE	26
23	1101 Memorial Dr NW	36
		TOTAL: 62

ON-STREET METERS	**4071**
TOTAL CARPARK STALLS	**8234**
GRAND TOTAL	**12,305**





Contact us at:

CALGARY PARKING AUTHORITY

620 - 9th Avenue SW Calgary, Alberta T2P 1L5

(403)537-7000 or (403)537-7100 www.calgaryparking.com

11. APPENDIX E – SAMPLE MANUAL OUTLINE

City of Albuquerque

Recommended Parking Department Operations Manual

ARTICLE I. FACILITIES MANAGEMENT

1.01 Contact Listing

1.02 Parking Facility Statistics

1.03 Hours of Operation and Staffing Plan

ARTICLE II. FACILITY EQUIPMENT

2.01 Parking Access & Revenue Control System Overview

2.02 Software Installation
- A. Installing in Windows NT
- B. Installing Program and Support Disks
- C. Card Access System-Card Reports
- D. Card Status Report
- E. Card Activity Report
- F. Last Activity Report
- G. Holiday Report
- H. Cardholder Report
- I. Alarms Report

2.03 Card Access System-Count Monitor Reports
- A. Count Totals Report
- B. Count Statistics Report
- C. Count Activity Report

2.04 Equipment Inventory

2.05 Fee Computers –Overview/Operation

2.06 Ticket Issuing Machines

2.07 Barrier Gate Overview

2.09 Reversible Lanes Overview

2.08 Anti-Passback Overview

2.09 Nesting Equipment

2.10 Facility Entrances
- A. Ticket Issuing Machine
- B. Monthly Parking Readers
- C. Lot Full Signs

2.11 Facility Exits
- A. Transient Parkers

ARTICLE X. SAMPLE REPORTS

10.01 Card Access System
- A. Count Totals Report Sample
- B. Entry/Exit Time Report Sample
- C. Last Activity Report Sample
- D. Card Status Report Sample
- E. Card Activity Report Sample
- F. Cardholder Report Sample
- G. Reader Performance Report Sample

10.02 Garage Accounting System
- A. Aged Receivables Listing Report Sample
- B. Deleted Card Register Report Sample
- C. Payment History Report Sample
- D. Account Listing Report Sample
- E. Account Contract Listing Report Sample
- F. Auto License Report Sample

10.03 Monthly Management Reports

- A. Actual vs. Budget Sample
- B. Revenue Summary Sample
- C. Cash Receipts Sample
- D. General Ledger Sample

10.04 Other Facility Reports
- A. Lost Ticket Report Sample
- B. Cahier Report Sample

12. APPENDIX F – DRAFT PRESENTATION COMMENTS

City of Albuquerque

Martin J. Chavez, Mayor

Interoffice Memorandum

September 20, 2002

To: L. Dennis Burns and Matthew Q. Inman of Carl Walker, Inc.

From: James Lewis, Chief Operating Officer

Subject: Comments on: PARKING OPERATIONS AND FINANCIAL REVIEW Draft Report for the City of Albuquerque by Carl Walker, Inc.

The following are summary comments on the written draft report prepared by Carl Walker Inc. If you would like additional detail, please contact Anna Lamberson at 768-3005.

1. The City administration concurs with the introductory comments regarding the assumption made when the Series 2300 A bonds to finance parking structures were issued. "The adoption of the Downtown 2010 Plan and the impacts of $25.6 million dollar bond issue, have positioned the Parking Division to function as a 'loss leader' in support of downtown revitalization efforts."

2. The Administration does not find the organizational restructuring alternative proposed by the contractor to reassign the Parking Division to Economic Development to be useful because:
    a. Economic Development has a staff of four and is not able to absorb additional responsibilities associated with running parking garages.
    b. It is unlikely that the City will be considering new parking garage construction in the next several years so Parking will largely be concerned with day-to-day operations. The skills of the Economic Development staff are not likely to be beneficial.
    c. Parking is attached to the Transit Department where it shares financial staff to account for collections, purchase supplies, pay bills etc. That support will not be available from the Economic Development Program

    If an alternative placement is proposed for the Parking Division, it must be able to support the financial operations of the division.

3. In the Parking Rate Survey and Analysis presentation (p.55) the recommendation is made to "Increase parking meter rates from $.50 per hour to $1.00 per hour." Additinally, on p.84 the document states that "The parking Division has presented the possibility of increasing parking meter rates from $.50 per hour to $.75 per hour. This anticipated increase in meter rates could increase division revenues by approximately $250,000. The consultant should be informed that parking rates were changed in the FY/02 mid-year budget adjustment passed in February of 2002. The language in F/S R-19/a on page 19, lines1-5 is:

Effective March 1, 2002, charges for the use of City parking facilities are increased by $5 per month and equivalent hourly rate increase is authorized. Additionally, the Parking Services division is directed to add additional customers in selected parking facilities and market new facilities. Additionally charges for street parking meters shall be increased by $.25 per hour.

The implication of recognizing the higher meter rates that are currently in effect will be to significantly reduce the revenue gain proposed by the consultant on p.55. (See attached Parking Division Facility Rates Effective April 1, 2002).

The recommendation that garage rates be increased should be weighed against the fact that they were increased on April 1, 2002. Despite the fact that rates increased on April 1, 2002, and more parking was available in the City system, parking revenues fell by 8.6% It should be noted that Tables 6, 8 and 10 (p. 90, 92 and 94) reflect only a $0.25 parking meter rate increase. It is not clear is this increase is the $.25 cent increase effective April 1, 2002 or if this is an additional increase.

4. The Administration is aware that the McGann system upgrade has been acquired by the Parking Division and that the division is requesting approximately $64,425 in additional funds to purchase new readers for the garages (see attachment: Parking Division Card Access Equipment Cost). Additionally, the old modems may need replacing. ISD staff is investigating the feasibility of utilizing line-of- sight transmission between the parking garages and the server to eliminate costly data line usage.

   AutoCite implementation is still awaiting the upgrade of New World. With the allocation of $5K by APD for New World to review/update the hundreds of customizations APD has requested over the years, the upgrade (which is provided at no extra cost) may actually occur soon. Once the customizations have been reviewed by New World, APD will determine which customizations can be eliminated and which must be retained. After this decision has been made, New World will ensure that the customizations retained function properly on the newer version of New World (5.2). The City parking module of New World has not been upgraded for many years. New World has given the City software (at no charge) to migrate parking data from our very old parking module to a more current module. After testing the customizations and migrating the data, ISD will be ready to upgrade New World to version 5.2. Following the upgrade, the City will need to contract services to finish the AutoCite interfaces with New World and Metro Court. The estimated cost of this activity is $10K - $15K.

5. The consultant recommends increasing parking staff by:
   a. Two additional part-time cashiers
   b. One additional part-time parking supervisor
   c. Two full-time or three part-time maintenance workers
   d. Two full-time administrative assistants

   The City of Albuquerque is financially challenged. At mid-year FY/02, 140 full-time positions were eliminated and in the FY/03 approved budget 206 full-time positions were eliminated. In order to cut costs, three Parking Division positions were eliminated at mid-year. Parking Division financial functions are now performed by the Transit Department

Finance Division. Adding the equivalent of 5.5 full time positions at an average fully loaded salary of $35,000 per year would cost approximately $192,500. The study would be more useful to the City if the consultant can project the revenue implications or savings to the City associated with adding these additional positions.

6. The Consultant recommends that the City use bond funds currently available to pay down debt. The consultant believes that $4.6 million of the initial bond funds are not yet spent. The City CIP Division reports that $1.1 million may be remaining from the Old Albuquerque High project since the second garage structure planned for Martin Luther King is currently on hold. However, there may be development agreements regarding the City's obligation. Additionally, the Downtown Family Housing project may have $900,000 not yet committed, but this will need to be confirmed with the project manager. A table of Parking Structure GRT Projects is attached.

7. The financial analysis presented in Section 6, sub section 6.01, Current Parking Revenues and Expenses is not clear and some of the revenue and expenditure data has been updated.

   The comparison of operating revenues to operating expenses, not including debt service, results in the following net income and no losses in each of the respective years. The **net income** in years 1998 through 2002 is $266 thousand, $688 thousand, $714 thousand, $862 thousand, and $281thousand, respectively. This is significantly different from the **net losses** of $1.4 million in 1998, $439 thousand in 1999, and $234 thousand in 2000 that are illustrated in the analysis presented in Table 6 on p. 75. It is obvious that the losses calculated are the result of including debt service transfers as a part of operating expenses, but not including general fund transfers as part of operating revenues. If debt service is included in expenses then the operating subsidy should be included in revenues. This gives a more realistic picture of the financial status of the Parking System and exemplifies the need to continue subsidizing parking operations. An amended table is attached.

   The consultant reports "…parking revenues have increased almost $617,000 (or 21%)". An update of the actual FY 2002 will show that this statement changes drastically due to the decrease in FY 2002 revenues of 8.6% as opposed to the estimated decline of 2.9% cited in Table 6. The actual average increase from 1998 to 2002 is approximately $368 thousand or 12%. Operating expenses, not including debt service, have actually increased from 1999 to 2002. The decreases as shown in Table 6 and as indicated in the narrative are due to the debt service reduction. However, the Table 6 does not realistically reflect the financial status without the inclusion of operating subsidy. As an example, in 1999 the table shows a net loss of $1,431,240, but does not reflect the operating subsidy of $1,486,000. In reality, financial records show a net loss in FY 1999 of $1,000, not $1.4 million as reflected the financial analysis presented in the draft report.

   A table of actual revenues and expenditures with ending working capital balances is attached.

Martin Chavez, Mayor

Transit Department
Peter Behrman, Director
100 First Street SW, Albuquerque, NM 87102
505-724-3100 505-724-3186 (fax)

INTER-OFFICE MEMORANDUM

DATE: November 14, 2002

TO: Dennis Burns and Matthew Inman, Carl Walker, Inc.

FROM: Patrick A. Geissler, Parking Division Manager

SUBJECT: Comments on Parking Operations and Financial Review Draft

As national parking consultants, I recognize and appreciate the expertise and experience demonstrated in identifying and addressing the operating constraints, challenges, and recommendations addressed in the operational phase of the report. Your comparison of our operation with industry standards and other operating entities, both public and private, provides relevant and meaningful information and alternatives. The following comments represent Transit Department - Parking Division views and opinions on several selected study areas that were addressed in the draft report.

1. **Organizational Analysis**
As mentioned in the report, Parking and Transit have conflicting missions and goals. We are in agreement that a better fit for the Parking Division needs to be explored in more detail. Your recommendation placing Parking with the Economic Development Department is creative and understandable in light of several development projects that have been completed or are near completion. However, I feel that further examination and discussion needs to be conducted to provide a better support system within the present City structure. Additionally, option 3 (public/private organization) could provide an attractive alternative in that it supports the establishment or introduction of "Regional Parking Authority"concepts.

2. **Current Parking Supply and Demand**
We agree that the current parking supply is sufficient to meet present parking needs and projected parking demand. The methodology utilized to determine parking supply inventory and demand for available space supports the "Park-Once – Pedestrian First" philosophy in that an adequate supply of parking spaces exists. Although space location may not be convenient to the Downtown visitor, this constraint may be minimized with an efficient "shuttle system".

3. **Parking Rate Survey and Analysis**
Meter rates were increased from $.50 to $.75 per hour effective March 1, 2002. This increase is projected to generate an additional $250,000 annually in meter revenues. A $5 per month increase in monthly parking rates was implemented April 1, 2002. Approximately 1,400 of the division's 2,500 monthly customers were assessed this increase representing an $85,000 increase in monthly parking revenues. Approximately 1,100 of the division's monthly parking customers representing 44% of the total monthly customer base, are tied to parking agreements that have determined long-term fixed monthly rates. In addition, special event parking fees were increased from $4 to $5 effective April 1, 2002. We are in agreement that certain fees can be increased and other items restructured such as increases to maximum daily charges with minimal resistance from hourly customers. In addition, it must be remembered that prime location facilities that

offer lower parking rates of $45 per month such as the 3rd and Marquette and 5th and Roma surface lots are either totally booked or overbooked and have extremely long customer waiting lists while our higher priced facilities such as the Civic Center ($80 month) and 5th and Copper ($65 month) have available space and no waiting list. These conditions have remained constant since August of 2001 due to the loss of agencies that relocated their base of operations. This explains the $300,000 decrease in FY02 revenues.

Major Changes in Customer Base

Our goal is to overbook, where possible, customers as compared to available spaces. Due to sick leave, vacations, and other business condition leave such as business trips, employee errands, etc., experience has shown that facilities may be comfortably overbooked by as much as 20% depending on the customer type at a particular facility. Our objective or strategy is to determine a proper balance in facility utilization by balancing parking options to service increased worker demand for monthly parking without negatively impacting the space needed to service the demand for hourly parking.

As compared to our peak customer base in FY01, major changes in this base are projected to substantially impact our overall revenues during FY02, resulting in a reduction of $250,000 - $300,000, depending on our success at attracting new parking customers in our highest priced facilities that have space (Civic Center and 5th and Copper). The following will detail what occurred to reduce the number of paying monthly customers at our facilities.

<u>4th and Lead Structure – 541 space facility</u>
Utilizing overbooking principles, during FY01 we reached a peak of 640 customers, which included over 400 PNM employees at $40 per month. Due to the Social Security Administration's move to the Downtown area, and the City's commitment to utilize this facility for SSA parking needs, many parking customers found parking options with other companies or moved into the new PNM parking structure. Social Security Administration is leasing 483 spaces at $35 per space. With the remaining 58 spaces, 43 are leased at $40 per month with the remaining 15 spaces housing division equipment and vehicles as normally done.

Negative Impact resulting in a loss of 114 customers at $40 plus 483 leased spaces to SSA at $35 instead of $40. Lost the ability to overbook this facility due to the loss of 483 reserved spaces to SSA.

<u>5th and Copper Structure – 587 space facility</u>
During FY01, the US Forrest Service, a long time customer, leased 70 spaces at $60 per month. They moved into their new office building located on Broadway and no longer needed the space. In addition, over 40 other cancellations (majority of US West/Quest employees) have occurred during FY02. Utilizing the waiting list, we have added over 30 new customers and are continuing waiting list contacts.

Negative Impact to date has resulted in a loss of 80 customers at $60 per space.

<u>Civic Center Structure – 934 space facility</u>
During FY02, 60 monthly customers at $75 per month cancelled when the new District Courthouse and District Attorney's office building were completed and parking for court employees was no longer needed. In addition, due to the new location of the District Courthouse, approximately $130,000 in validated parking for jury pools and jury duty was lost to the private parking structure located across the street from the new Courthouse (Fruit Ave and 4th Street). Our waiting list for this facility has 68 individuals. All 68 have been contacted resulting in a total of 11 new customers.

Gap Inc. – Parking Agreement
Effective June 1, 2001, 250 parking spaces were committed as a part of the Gap Inc. agreement to attract the location of this company to Downtown. Of the 250 spaces, 80 are located in the 1st and Central surface lot ($35 rate) at no cost and 170 were placed in the Convention Center Structure at $10 per space per month ($50 rate). In order to accomplish this commitment, over 50 monthly parking customers at $35 per month received notices from the Parking Division terminating their parking leases at a loss of $21,000 in annual parking revenues.

Convention Center Structure – 717 space facility
During the first six (6) months of FY02, we have experienced a substantial decline in parking fees associated with conventions and special event bookings at the Convention Center. In order to sustain continued cash flows at this facility to offset the decline in convention center business and bookings, we have added more monthly parking customers. In addition to the 170 Gap Inc. employees at $10 per month, we actively recruited the customers that were displaced from the 1st and Central surface lot due to the Gap Inc. agreement, adding over 40 new customers at $50 per month. With a waiting list of 20 individuals, we are currently seeking more monthly customers.

Old Town and 19th Street Surface Lot
Effective September 2001, the Albuquerque Museum took over ownership and operation of the lot for a future expansion and construction of their facility resulting in an annual loss of $20,000 of parking revenues.

4. **Operations and Management Strategies**

Parking Control Equipment Upgrades: The Parking Division has submitted the necessary equipment and funding request ($64,425) to implement and support the McGann system upgrade to our "Monthly Card Access System). In addition, the Autocite Parking Enforcement System is awaiting a New World update and version upgrade. ISD has estimated a project cost of approximately $20,000 for the update and contracted interface. We strongly support these equipment upgrades. These upgrades will improve efficiency and output levels in both activity areas resulting in increased revenues of productive resources.

Staffing: For several years, our parking attendant and maintenance operations have been severely understaffed creating difficult and numerous challenges in our ability to provide efficient special event attendant coverage and meet customer expectations in the cleanliness of our parking facilities. As mentioned in the report, we utilize temporary service workers to support parking attendant efforts for evening and weekend cash collections for special events and service gap coverage at hourly parking facilities.

By increasing parking attendant staffing levels, business hours at selective facilities can be expanded capturing lost business opportunities and providing enhanced flexibility in the scheduling of attendants increasing collection efforts and associated revenues. Of particular importance is the reinstatement of two (2) of the three (3) administrative positions that were deleted at mid-year FY/02. These positions were extremely critical in the Division's success of implementing new business techniques that increased annual revenues by over $1 million (FY/97 $2.675 million – FY01 $3.698 million). Refer to page 73 of the report outlining the critical nature of these positions. Without these positions, the division will eventually return to pre-FY98 facility maximization and revenue performance levels.

5. **Bond Fund Pay Down**
We are in agreement that any uncommitted bond funds be utilized to pay down the debt. Upon reviewing the GRT table, it appears that approximately $4,470,600 has been appropriated to fund projects that are not "parking related" as follows:

$3,900,000	Improvements to historic structures (gyms, classrooms, etc.)
70,600	Public Facilities (What was this expended for?)
500,000	Funds committed to HDIC based on executive agreement

If alternative sources of funds exist, could these costs be transferred to a more “appropriate development related project’? If so, this could substantially reduce debt service to the Parking Fund.

In addition, how feasible would it be for the City to sell the Acropolis Parking Structure (El Prado)? What would be the legal impact of the lease with Parking Company of America? Proceeds from the sale of this facility could be utilized to pay down the debt. Is this a feasible option?