



City of Rockville
Mayor and Council
Agenda Item

9

For the meeting on:	October 20, 2008
Agenda Item Type:	Approval, Presentation
Department:	Recreation and Parks
Responsible staff:	Burt Hall, Director of Recreation and Parks phone: (240) 314 - 8602 email: bhall@rockvillemd.gov

Subject

Rockville Town Center Garages - Parking Fund - Update on Finances, Operational Issues and Policies

Recommendation

With the current policy of charging for parking in the Rockville Town Center garages and on-street meters on weekdays from 7:00 a.m. to 7:00 p.m. the Parking Fund must rely on large annual subsidies from the taxpayer-supported General Fund. To reduce this burden on Rockville taxpayers and generate more garage revenue support from Town Center visitors, many of whom are non-Rockville residents, staff recommends increasing the weekday hours in which paid parking is required, and adding paid parking on Saturdays. These changes will reduce the taxpayer subsidy of the Parking Fund and bring the Fund closer to compliance with the Mayor and Council's financial management policies, which require enterprise funds to be self-supporting. The specific recommendations are as follows:

Expand the Days and Hours for Paid Parking in the Town Center Garages and for the Town Center Parking Meters to Include Weekdays 7:00 a.m. to 10:00 p.m., and Saturdays 7:00 a.m. to 10:00 p.m.: Currently, parkers are charged \$1 per hour on weekdays between the hours of 7:00 a.m. and 7:00 p.m. With this current policy, projected annual revenue from hourly parkers in Town Center (garages and on-street meters) is approximately \$553,500. It is recommended to change the schedule to charge \$1 per hour from 7:00 a.m. to 10:00 p.m. on weekdays and to also charge for parking on Saturdays from 7:00 a.m. to 10:00 p.m. These changes would apply to the garages and to the on-street meters within the Town Center district (see Attachment A). For the garages, a maximum daily fee of \$10 is recommended. With these changes, additional annual revenues are projected to be \$531,314.

Adjust Monthly Garage Parking Pass Price to \$75 Per Month: Currently, monthly passes are sold for \$85 per month allowing the passholder to park any time. Over the past six months, passes have been purchased almost exclusively by Town Square workers; an average of just over 100 per month are sold. Given that the garages have underutilized capacity, particularly during weekday, daytime hours (see charts - pp. 5-6), staff recommends establishing a more competitive monthly pass rate of \$75 per month, which is more consistent with the private-sector market in downtown Rockville (see Attachment B). A robust marketing campaign targeted to commuters and the general employee population in Town Center will be coupled with this rate change, with the goal of generating an additional 200 monthly parking pass sales. With these changes, additional annual revenues are projected to be \$168,000. NOTE: It will take

some time to ramp up marketing to meet the annual sales goal.

Expand Limit on Number of Hours Garage Parkers May Purchase: Currently in the garages, hourly parkers may purchase four hours at a time with the exception of the top three levels of the 355 garage, where parkers may purchase all-day parking. The four-hour limit policy was established to ensure reasonable turnover which supports the retail businesses. Given that there is underutilized capacity, staff recommends adjusting this policy to allow parkers to purchase an unlimited number of hours for *most* garage spaces during paid parking times. It is recommended, however, to leave the four-hour restriction on all spaces in the P-1 level of the 355 garage and in the street-level sections of the North Washington Street garage. These two sections receive considerable short-term parking. This change to allow the purchase of unlimited hourly parking is not expected to have any measurable effect on annual revenues, but will provide enhanced convenience to customers.

No Changes to Town Center On-Street Meter Rates or Hourly Limits: Currently, all Town Center on-street meters charge \$1 per hour and have a two-hour limit to ensure reasonable turnover. The only exception is on the south side of East Montgomery Street ("Regal Row"), where there is currently a 30-minute time limit. No changes are recommended to these on-street meter rates or hourly limits.

Change Rates for On-Street Meters Outside the Town Center Zone from 25 Cents to 50 Cents per Hour: Currently, there are 239 on-street meters in the south end of the City near Twinbrook Metro that are set at 25 cents per hour. Staff recommends changing that charge to 50 cents per hour. No changes are recommended to the hours that parking charges are made for these meters, which is 7 a.m. to 7 p.m. on weekdays. With this change in the rate, additional annual revenues are projected to be \$119,573.

Effective Date - January 12, 2009: It is recommended that these changes go into effect on January 12, 2009. This will allow adequate time to publicize the hour and rate changes to the public, to Town Center businesses and to other potentially affected parties, and to change garage and street signage, meter settings, etc.

Total Projected Additional Revenues: With all of the changes to hours charged and fees, as recommended above, the total additional projected revenues, on an annualized basis, are \$818,887 (see Attachment C). On an annualized basis, all factors being equal, this would substantially reduce the projected transfer from the General Fund to the Parking Fund.

Discussion

BACKGROUND

The cost to build the Rockville Town Square (RTS) parking garages was \$56.5 million. The City sold 720 spaces to the developer for \$16.3 million, and the developer and the State contributed an additional \$4.2 million and \$1 million respectively. The City therefore invested \$35 million of its own funds to complete construction. To fund this investment, the City borrowed \$34.6 million over a term of thirty years. The annual debt service payment (principal and interest) for the Fund is \$2.1 million. The City owns 970 public parking spaces in the three garages.

The first of the RTS parking garages, the Maryland Avenue Garage, opened for business in November of 2006 to support the users of the newly opened Rockville Library. The North Washington Street garage opened in March of 2007 and the 355 garage in May of 2007. The City began charging for parking on March 10, 2008, consistent with the Mayor and Council's direction provided at the January 28, 2008 meeting. An hourly rate of \$1 was established and charged between the hours of 7:00 a.m. and 7:00 p.m. on weekdays. The Mayor and Council approved a monthly parking rate of \$85. On March 24, 2008, following a two-week grace period, the City Police began issuing parking tickets to violators in the garages, making all of the garage revenue sources fully operational.

Parking Garages - Financial Performance

The five basic sources of revenues from the operations of the Town Square garages are:

- **Hourly Parkers** – those who pay \$1 per hour to park.
- **Monthly Parkers** – those who pay \$85 for the right to park for one month.
- **Library Free Parking** – users of the Rockville Library who park for free, for whom Montgomery County reimburses the City based on the Rockville Library Parking Agreement (70 cents per hour up to 10,000 hours per month; 90 cents per hour for next 2,000 hours; \$1 per hour over 12,000 hours - guaranteed \$7,000 minimum reimbursement per month).
- **Library Building Employees** – County employees who work in the Library building, for whose use of the garages the County reimburses the City (at a negotiated rate of 45 cents per hour).
- **Parking Tickets** – revenue from parking tickets (\$40 a ticket).

Total garage revenues from all categories - March through August - are shown below:

The chart below reports revenues only for the parking garages.

25-Week Totals - March 10 - August 31, 2008

	Total Transactions	Total Time (Hours)	Revenues
Hourly Parkers	103,213	173,769	\$180,135
Library Free 15 Minutes	40,648	10,162	Incl. in Lib. Free Pking
Library Free Parking	34,103	62,505	\$52,878
Library Employees	10,399	74,321	\$33,541
Monthly Parkers	642	N/A	\$54,315
Violations	1,949	N/A	\$33,060
Totals	190,954	320,757	\$353,929

These revenues annualized would produce an estimated \$680,800 in garage revenues, given no changes to current hours charged or parking fees. Staff used the data above from the first six months of paid garage parking to generate an annualized revenue estimate. These projected revenues are generally consistent with revenues projected in the amended City budget, but are falling short of the revenues projected in the Walker Parking Consultants (WPC) Pro-forma (Attachment E.) See Attachment D for six-month trend analysis of garage expenses and revenues.

Overall Parking Fund - Garages and Parking Meters - Financial Performance

The Parking Fund includes all revenues and expenses for the RTS parking garages and for the City's on-street meters.

The WPC Pro-forma for the City's Parking Fund (Attachment E) projected average annual revenue shortfalls of approximately \$1.2 million *based on the current hours and rates* the City is charging. This shortfall in the Parking Fund requires an annual General Fund subsidy in the same amount to service the Parking Fund's debt. Over ten years the cumulative shortfall will be just over \$12 million.

The chart below provides a snapshot of the budgeted and actual revenues, expenditures, debt service, and General Fund subsidy for the Parking Fund in FY 08, and the same information - Adopted Budget only - for FY 09.

Parking Fund

Revenues

	FY 2008 Amended Budget	FY 2008 Actual ⁽¹⁾	FY 2009 Adopted Budget
Revenue			
Meter & Garage Revenue	537,000	485,635	1,350,416
Violation Revenue	460,000	756,881	460,000
Total Revenue	997,000	1,242,516	1,810,416
Parking District Contribution	478,000	437,298	478,000
Interest Earnings/Other	300,000	253,992	300,000
TOTAL	1,775,000	1,933,806	2,588,416

(1) FY 08 revenues include \$204,724 in garage revenue and \$21,170 in garage violations for 3 months and 20 days of the fiscal year.

Expenses

	FY 2008 Amended Budget	FY 2008 Actual	FY 2009 Adopted Budget
Operating Exp.			
Personnel	(320,700)	(265,962)	(408,767)
Operating	(901,043)	(735,549)	(1,016,133)
Total Operating Exp.	(1,221,743)	(1,001,511)	(1,424,900)
Debt Svc, Transfers, Depreciation	(2,655,400)	(2,323,037)	(2,637,500)
TOTAL	(3,877,143)	(3,324,548)	(4,062,400)

NET INCOME (before transfer)	(2,102,143)	(1,390,742)	(1,473,984)
Transfer from General Fund	1,565,000	1,565,000	950,000
TOTAL NET OPERATING INCOME	(537,143)	174,258	(523,984)

To date the City has transferred \$ 2,768,724 of General Fund monies to the Parking Fund - see Table below.

General Fund Transfers to the Parking Fund

FY		Budgeted Transfer	Actual Transfer
2006		0	31,500
2007		1,119,224	1,172,224
2008		950,000	1,565,000
TOTAL	\$	2,069,224	2,768,724
2009	\$	950,000	N/A

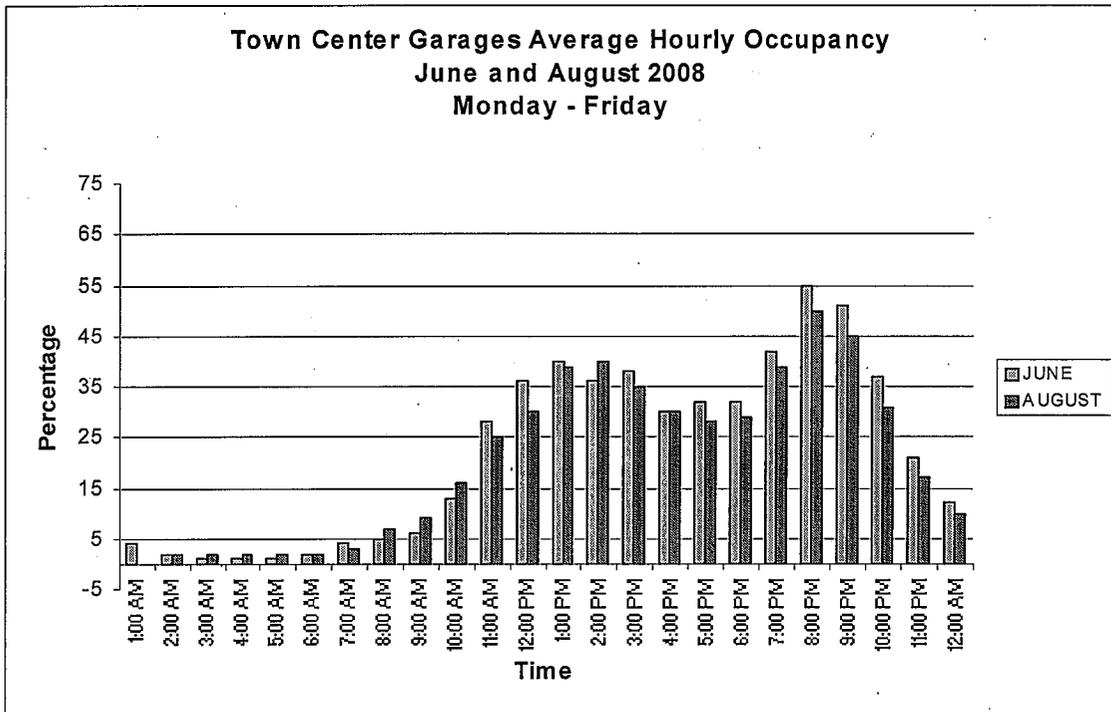
Parking Garage/Parking Meter Charges and Revenues - City Financial Policies

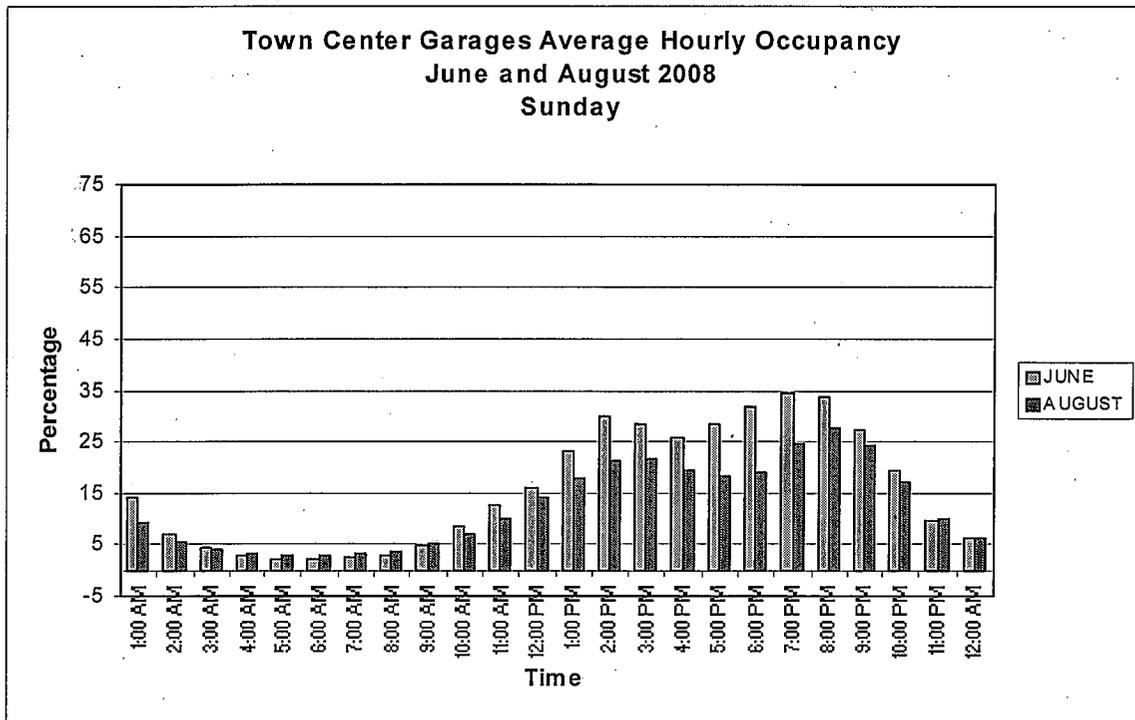
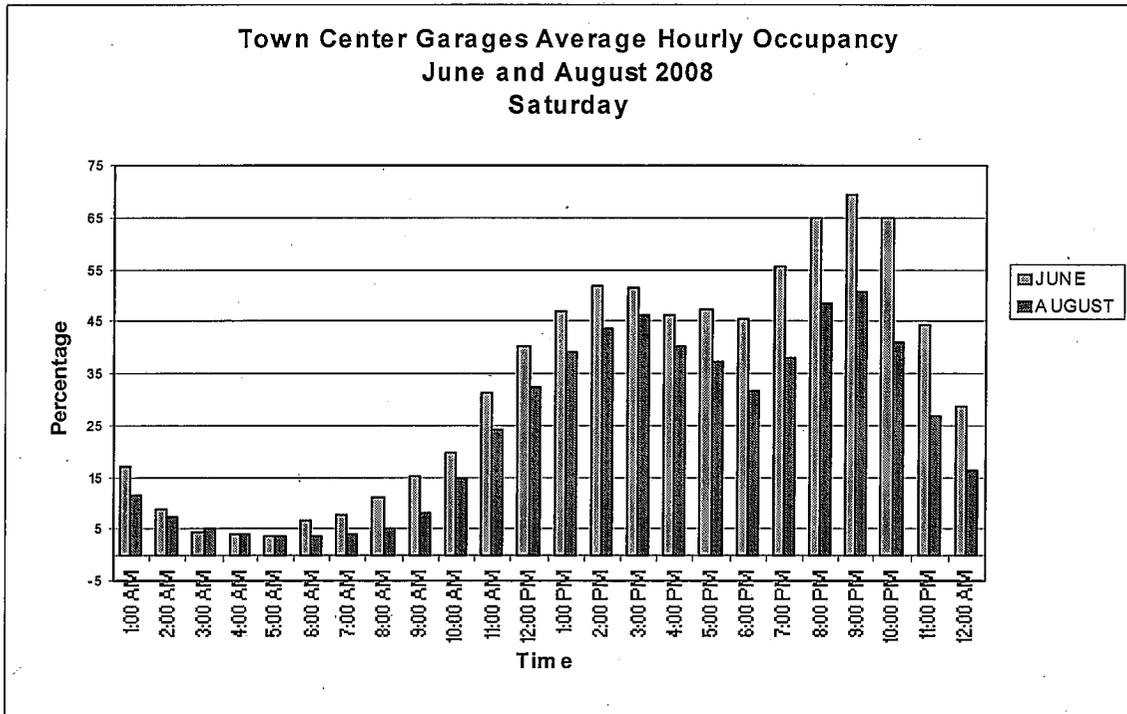
From the perspective of the rating agencies, as long as the City continues to subsidize parking operations, the Parking Fund is not considered to be truly independent and the Parking Fund debt is added together with the General Fund debt when analyzing City finances. It is important from a financial management perspective, therefore, to address this subsidy amount and to consider ways to reduce the annual subsidy amount.

In addition, with the current level of General Fund subsidy, Rockville taxpayers, rather than garage users, are supporting approximately 36.3% of the annual operating costs of the garages, rather than garage users. This subsidy is inconsistent with City Revenue and Expenditure Policies (#6) pertaining to Enterprise Fund financial management: "On an annual basis, the City will set fees and rates for the enterprise funds at levels which fully cover total direct and indirect operating costs, and all capital outlay and debt service."

A Look at Usage of the Garages

The charts below show percentage of occupancy of the RTS garages, hour-by-hour, during two months, June (highest use month) and August (moderate use month) since paid parking began. This data was collected by the parking guidance system (red-green lights) which tracks occupancy of each garage space. The charts indicate daily patterns of low and heavy use that are consistent in all months.





It is apparent from these charts that both on weekdays and on Saturdays the period of peak garage usage is in the 7:00 to 10:00 p.m. time period. This time period coincides with the dinner hour and also encompasses the time when the City and FRIT provided a series of free entertainment programs, concerts, movies, etc. To capture additional hourly parking revenue, staff recommends extending the pay parking

period until 10:00 p.m. on weekdays, as well as adding Saturdays from 7:00 a.m to 10:00 p.m.

In summary, now that the City has actual revenue/expense and usage data for a full six-month period, it should adjust the hours and rates to charge at the garages so that it can obtain the best economic result. This is the data used to formulate the recommendations. This data underlies and substantiates staff's recommendations.

Comparison of Parking Rates for Public and Private Garages in Rockville and Montgomery County

One dollar per hour is a middle-of-the road, competitive rate (see Attachment B). The County charges less (75 cents in Bethesda and Silver Spring; in Bethesda the County charges later in the evening and on Saturdays). All Rockville garages operated by the private sector charge more, particularly for the first hour. Staff recommends no change to the current \$1 per hour charge at RTS garages and Town Center on-street parking meters.

Parking Management, Inc. (PMI) - Contract Renewal Recommendation: On July 31, 2006 the Mayor and Council approved a multi-year contract for PMI to manage the garages. The contract award was for a partial year in FY 2007, the full year of 2008, and included three option years, FY 2009, FY 2010 and FY 2011. There was a note in the body of the agenda sheet that stated "If staff determines the PMI's performance has been strong in FY 2007 and FY 2008, staff will present a recommendation to Mayor and Council to continue with PMI under the contract option." PMI's overall performance through FY 2008 has been strong, providing professional and courteous customer service to garage patrons, assistance with payment and guidance, regular cleaning and maintenance, issuing monthly passes, and reporting of garage conditions/issues to the City. Staff recommends exercising the option to renew PMI's contract for FY 2009.

Mayor and Council History

Since the initial planning of Town Square, parking has been an integral part of Mayor and Council deliberations. On November 14, 2003, the Mayor and Council conducted a public hearing on the creation of a Public Parking District in Town Center. In May 2004, Mayor and Council created a Town Center Parking District, a special taxing district that encompassed the commercial properties in Town Square.

During that same time period, the Mayor and Council approved several contracts and amendments to contracts for the construction of the parking garages. The contracts were primarily with RD Garage LLC and Whiting-Turner. They included: design (March 2004); excavation (July 2004 and January 2005); and full construction (April 2005).

One important change that occurred as this project progressed was that the residential developer (RD Rockville, LLC) elected to build the proposed apartments as condominium units (a decision that has subsequently been reversed for three of the four residential buildings upon the sale of those three buildings to CIM). With the conversion to condominiums, the City sold 720 spaces to RD Rockville LLC for \$16,288,320 in March 2005. That sale allowed the City to reduce significantly the sale of bonds needed to finance the construction. Another benefit of the sale was that the City would not need to manage and maintain the privately owned spaces.

Mayor and Council also held several discussions on the topics of financing, revenue collection, and "smart parking." Those discussions occurred in February and December 2004, September 2005, March 2006, and April 2006. After the September 2005 meeting, the City retained Walker Parking to assist in selecting of the technology and equipment. On March 13, 2006, Mayor and Council gave direction to procure and install a pay-by-space multi-space meter system. On April 24, 2006, Mayor and Council directed staff to install a "smart parking" single-space monitoring Parking Guidance System, with exterior and remote signs to inform drivers before they enter the garages about space availability.

On March 13, 2006, the Mayor and Council voted to set charges at \$1 per hour, Monday-Friday, 7:00 am - 10:00 pm. This decision was made after a series of Mayor and Council meetings in 2005 and 2006, during

which various alternative scenarios for days and hours to charge were considered. On that same day, the Mayor and Council voted to provide a special free parking benefit to Rockville citizens.

On July 31, 2006, Mayor and Council approved a contract with Parking Management, Inc. (PMI) to manage the garages; and on March 26, 2007, Mayor and Council approved a contract with EAI Security Systems, Inc. to install security cameras in key locations in the garages.

On January 28, 2008, the Mayor and Council approved the activation of the paid parking system beginning March 10, 2008; implementation of a charge of \$1 per hour for garage and Town Center on-street meters, Monday through Friday, 7:00 a.m to 7:00 p.m.; adoption of the \$85 monthly parking rate; authorized the City Manager to adjust the monthly rate by \$10 per month in either direction; and authorized the City Manager to sign agreements with purchasers of 10,000 hours or more that would permit discounts of up to 10% on hourly parking charges.

Public Notification and Engagement

Notifications to the public have been made on a month-to-month basis in Rockville Reports, the City's website, via brochures, in the local media and in the City's Project Tracking system. City residents and businesses have had multiple opportunities to formally testify at public hearings, including budget hearings, and at numerous Mayor and Council meetings (listed above) in which the operations of the Town Center garages and the Town Center Parking District were discussed.

In addition, as reported in detail in Attachment F, City staff has worked cooperatively with garage users, Town Square businesses, Federal Realty Investment Trust (FRIT) and others to address operational and maintenance concerns, using feedback, complaints, etc. as catalysts for initiating improvements. Examples include:

- Numerous improvements to garage signage to ensure visitors are aware of the requirement to pay for parking, locations of meters, how to obtain free library parking, etc.
- Improvements to the mechanical operation of the multi-space meters to reduce down time and improve customer service.
- Installation of two, free 10-minute parking spaces outside the dry cleaner to allow for quick drop-off and pickup at that business.
- Repairs and upgrades to the elevators to make them less susceptible to vandalism. Key elevator parts are being stocked by the City to reduce down time.
- Repairs to parking guidance system and replacement of sensors that read incorrectly.
- Close oversight and feedback to PMI on their performance to ensure consistent strong customer service.
- Working with FRIT and Town Center Condo Board to reduce odors from dumpsters stored in garage area outside CVS. FRIT and Condo Board have agreed to project to construct enclosure.
- Responding to need for CVS shoppers to make quick stops, plans in place to install five individual parking meters for the garage spaces nearest CVS that will allow parkers to purchase parking in fifteen-minute increments. NOTE: There are also two handicap spaces in this area that allow those with handicap tags to park free.
- A lighting improvement project will soon begin, focused on entrances to the 355 and Maryland Avenue garages, plus improvements to various areas within the 355 garage.

Prior to the October 20 Mayor and Council meeting, staff will contact Montgomery County (Library and Budget) to inform them of these recommended changes to parking charges in Town Center. The annual, projected additional cost to the County to supply free parking with the adjusted hours for charging is \$42,240. Staff will also notify FRIT of the recommended changes prior to October 20.

Fiscal Impact

Increasing the hours charged for parking in the Town Center from 60 hours per week to 90 hours per week, and increasing the rate charged at the on-street meters outside Town Center, will have a significant impact on the revenues received by the City for parking. Staff estimates conservatively that by changing the hours and some rates, the incremental revenue that will be received is projected to exceed \$800,000, which will significantly reduce the amount of annual General Fund Subsidy, and bring the Parking Fund a long way towards compliance with City Financial Policies.

What staff cannot estimate is whether the additional hours charged will turn people away. Generally, staff believes that the Town Square has become such a popular destination, the chilling effect on usage will be minimal. A factor that anticipated some reduction in use of the paid parking was included in each category of revenue projection - see Attachment C (2nd page), which describes the analysis and methodologies used to determine additional projected revenues. It should also be kept in mind that residential occupancy still has a way to go. Out of the 152 units in the Palladian, 81 have been sold as condos and 58 are in a "lease to own" agreement, leaving ten vacant. In the Fenestra, of the total 492 apartments, 315 (64%) have been leased and 304 (62%) are occupied. The grocery store remains vacant. Both these factors can significantly impact the revenues received from the garages.

The options as recommended have minimal cost impacts. Staff will need to update signs, and perform outreach and marketing, but these costs relative to the incremental revenues are negligible. Staff continues to be cognizant of the Parking Fund's financial predicament, and are striving to keep operating costs to a minimum while making sure that customer service is maintained at a high level. The changes as recommended will not result in any staffing changes. NOTE: If charging on Saturdays is put into effect, the Police Department will be able to provide eight (8) hours of Parking Enforcement Officer (PEO) coverage with *current staffing levels*. To provide full fifteen (15)-hour coverage, an additional PEO position would be required. To conserve costs, coverage for an eight-hour period is recommended.

Staff tried to be as conservative as possible with the adjusted revenue estimates, which was easier for the garages where actual data is available, but for the impact on on-street where no data exists, revenue estimates are extra conservative. Initially with the new hours and rates there may be a dip in usage, which should be expected.

The projected additional cost to the County to supply free parking with the adjusted hours for charging is \$42,240. As noted above, prior to October 20 staff will notify the County of these proposed changes and projected additional costs to supply free Library parking.

Next Steps

If the Mayor and Council approves adjustments to the garage hours in which parking is charged, adjustments to parking meter charges and hours, and/or other recommended changes, staff will begin immediately to implement the decisions. This will include notification to the public, to businesses, and all other affected parties, in the full range of print and electronic media, marketing of the garages to commuters, changes to signage and re-programming of the parking meters.

Attachments

Map Showing Locations of On-Street Meters in Town Center Zone



Attachment A - Parking Meter Locations.pdf

Two Charts - Comparison Prices - Rockville Town Center Public & Private Garages + Mont. Co. Garages



Attachment B - Town Center and WMATA Parking.pdf

Proposed Changes to Parking Charges - Summary of Projected Revenues - Methods and Assumptions



Attachment C - Proposed Changes to Parking Charges.pdf

Six-Month Trend Analysis of Garage and On-Street Meter Revenues and Expenses



Attachment D - Six Month Trend Analysis.pdf

Pro-forma Spreadsheet for Financial Performance of Garages from Walker Parking Consultants



Attachment E - Parking Pro Formas.pdf

Listing of CSR's, Complaints/Responses + Report on Garage Equipment Performance



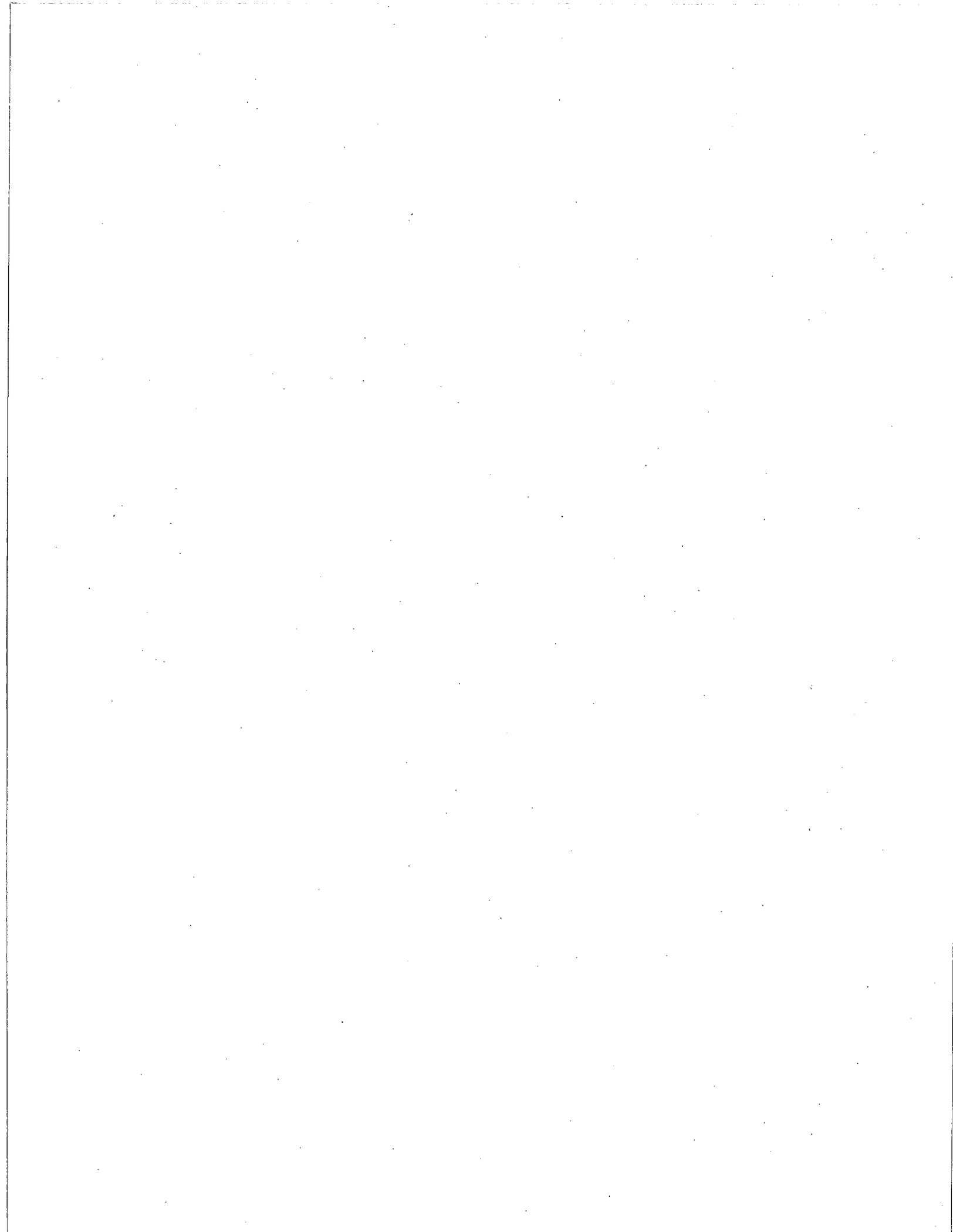
Attachment F - Parking - Town Center Complaints.pdf

Department Head: Burt Hall, Director of Recreation and Parks
Approval Date: 10/07/2008

Deputy City Manager: Catherine Tuck Parrish, Deputy City Manager
Approval Date: 10/10/2008

City Manager:
Approval Date:

Scott Ullery, City Manager
10/14/2008

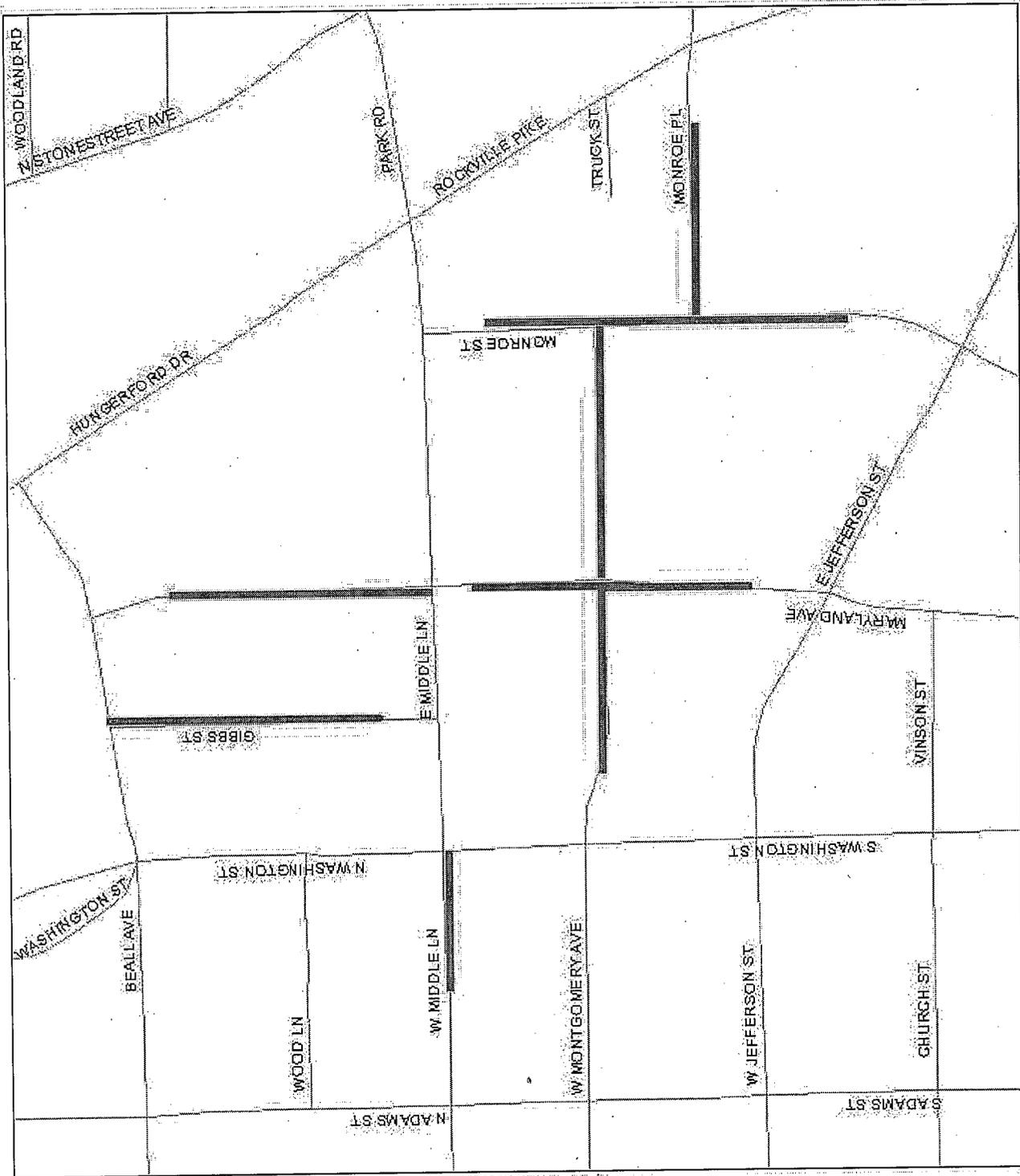




City of Rockville
Rockville Town Center
On Street
Parking Meter Locations

Total number - 156

Created by: RCPD CAU
09/18/08



Rockville Town Center
Rockville Downtown Parking Garages and Lots
Rates and Times as of September 19, 2008

Attachment B

Operator	Rockville Town Square (Existing) City/PMI	Rockville Town Square (Proposed) City/PMI	1 Church Street	21 Church Street	11 North Washington Street	The Victoria	51 Monroe Street	77 South Washington Street	111 Rockville Pike	199 East Middle Lane	255 Rockville Pike	R'Ville Metro Parking	Shady Grove Metro Parking
Hours	M-F 7am - 7pm	M-S 7am - 10pm	M-F 7am - 6pm	M-F 7am - 6pm Opening Jan 2008	M-F 7am - 6pm	M-F 7am - 6pm	M-F 8am - 8pm	Privately managed 24 hours Attendant 8am - 5pm	M-F 6am - 7pm	M-Th 7am - 9pm F 6.30am - 11pm S-S 11am - 11pm	M-F 7am-9pm S-S 11am - 11pm	M-F	M-F
Monthly Rate	\$85.00	\$75.00	\$65.00 (\$75 non-tenants)	\$65.00 (\$75 non-tenants)	\$65.00	\$70.00	\$60.00	\$75.00	\$85.00 10% discount for 10 or more	\$80.00	\$75.00	\$55	\$55
Monthly Availability 15 minutes	Available	Available	Spaces available	Spaces available	Full	Full	Free*	Limited		Waiting List		\$1.00	\$1.00
Up to 1 hr	Free for Lib. Use \$1	Free for Lib. Use \$1	Free	Free	-	-	-	-	-	-	-	\$1.00	\$1.00
Up to 2 hrs	\$2	\$2	\$4.00	\$4.00	\$2.00	\$3.00	\$3.00	\$2.00	\$3.00		\$2.50	\$1.00	\$1.00
Up to 3 hrs	\$3	\$3	\$6.00	\$6.00	\$3.75	\$4.00	\$6.00	\$3.00	\$5.00		\$3.50	\$1.00	\$1.00
Up to 4 hrs	\$4	\$4	\$9.00	\$9.00	\$5.50	\$6.00	\$9.00	\$4.00	\$7.00		\$5.50	\$1.00	\$1.00
Up to 5 hrs	\$5	\$5	\$9.00	\$9.00	\$7.25	\$8.00	\$9.00	\$5.00	\$8.00		\$9.00	\$1.00	\$1.00
Up to 6 hrs	\$6	\$6	\$9.00	\$9.00	\$9.00	\$10.00	\$9.00	\$6.00	\$8.00		\$9.00	\$4.75	\$4.25
Maximum	\$12	\$10	\$9.00	\$9.00	\$9.00	\$10.00	\$9.00	\$7.00	\$8.00		\$9.00	\$4.75	\$4.25
Early Bird (in by 9am)									\$500				
4pm - close									\$2.00 in advance				

* Information in italics cannot be verified at this time. Blank spaces indicate that no information is available.

Montgomery County Parking Districts
Hours and Rates in Garages and at Street Meters

Montgomery County Parking District	Number of Garages	Garage Spaces	Garages Days/Hours Charged	On-Street Meters Days/Hours Charged	Hourly Rates – Garages, Lots and On-street	Monthly Rates (Convenience Sticker)
Bethesda	8	5,079	Monday - Friday 7am – 10pm	Monday – Saturday 9am – 10pm	75 cents/hour for 2 hours or less. 50 cents/hour for more than 2 hours. \$8.25 for Daily Permit	\$95/month Carpooling rates: \$70 for 2 people \$40 for 3-4 people \$10 for 5 or more people
Silver Spring (Rate increases made July 1, 2008)	9	10,613	Monday - Friday Hours vary 7am – 7pm at all except 2 garages, which charge until 6pm.	Monday - Friday 9am – 6pm	75 cents/hour for 3 hours or less. 50 cents/hour for more than 3 hours \$6 for Daily Permit	\$95/month. Carpooling rates: \$65 for 2 people \$35 for 3-4 people \$5 for 5 or more people
Wheaton (Rate increases made July 1, 2008)	1	638	Monday - Friday 9am – 6pm	Monday - Saturday	50 cents/hour at all times.	\$95/month
Rockville Town Center (Existing)	3	970	Monday - Friday 7am – 7pm	Monday – Friday 7am – 7pm	\$1/hour at all times.	\$85/month
Rockville Town Center (Proposed)	3	970	Monday - Saturday 7am – 10pm	Monday – Saturday 7am – 10pm	\$1/hour at all times. \$10 Daily Max	\$75/month
Rockville, near Twinbrook Metro (Existing)	0	0	N/A	Monday – Friday 2-hr mtrs: 8am – 5pm 12-hr mtrs: 6am – 6pm	25 cents/hour at all times	N/A
Rockville, near Twinbrook Metro (Proposed)	0	0	N/A	Monday – Friday 2-hr mtrs: 8am – 5pm 12-hr mtrs: 6am – 6pm	50 cents/hour at all times	N/A

**Projected Financial Impact of
Proposed Changes to Parking Charges**

Adding Charging for Parking on Saturdays, 7am - 10pm				
	Saturday		7am - 10pm	
Garages	Hourly	\$	96,000	
	Library Patrons	\$	27,840	
	Library Employees	\$	2,000	
	Violations	\$	12,584	\$ 138,424
On-Street	Meters	\$	89,500	
	Violations	\$	40,000	\$ 129,500
Total Annual Increase from adding 51 Saturdays				\$ 267,924

Adding Charging for Parking Monday-Friday, 7pm - 10pm				
	Weekdays		Add 7pm - 10pm	
Garages	Hourly	\$	135,000	
	Library Patrons	\$	10,800	
	Library Employees	\$	1,600	
	Violations	\$	14,740	\$ 162,140
On-Street	Meters	\$	70,250	
	Violations	\$	31,000	\$ 101,250
Total Annual Increase from Adding 7p-10p, M-F				\$ 263,390

Total Annual Increase from Adding Sat. and 7pm-10pm, M-F \$ 531,314

Monthly Parking				
	# of Passes		\$/Month	Revenue
Current	100	\$	85	\$ 8,500
Proposed	300	\$	75	\$ 22,500
Increment	200		N/A	\$ 14,000
				x12
Total Projected Annual Increment on Monthly Parking				\$ 168,000

Change in Rates at other than TCenter Meters from 25c an Hour to 50c an Hour

Projection made using actual revenue from existing meters \$ 119,573

Non Town Center Meters generate approx. 53% of total revenue. Projection discounted by 40%.

Total Projected Increment on Meters Other than TC \$ 119,573

Total Annual Projection from Proposed Changes \$ 818,887

Parking Fund Revenue Projections with Adjusted Hours and Rates

Described below is the data used and the assumptions made in developing annual revenue projections for the various categories including the recommendations for changes to hours charged and fees for the Parking Fund.

Adding Paid Hourly Parking on Saturdays - 7 a.m. - 10 p.m.: Friday revenue data was used to generate projections for Saturday, as Friday and Saturday garage usage is similar. Average Friday revenues from hourly parkers was determined from actual collections (March to August '08). It was then multiplied by 51 to determine projected annual Saturday revenues (assuming one holiday falls on a Saturday). The result was discounted by a factor of 25% due to potential decline in usage with payment required, and to generally ensure a conservative projection.

Library Patrons and Library Employee Parking - Saturdays - 7 a.m. - 10 p.m.

Additional revenues for this category were estimated utilizing the relationship between Library patron revenue and hourly revenue. A factor of 29% was utilized.

Garage Parking Violations - Saturdays

Based on the Walker Parking Consultants pro-forma, violations revenues were based on 10% of total revenues from all other sources.

On-Street Meters in Town Center Zone - Add Saturdays 7 a.m. - 10 p.m.

It is estimated that 47% of all parking meter revenues are generated in the Town Center zone (see Attachment A), and that these spaces (conservatively) have a 75% utilization rate on Saturdays. Therefore, estimated revenues for 51 Saturdays are based on these 156 meters being occupied 75% of the time.

Garages - Adding Paid Hourly Parking - Monday through Friday - for an Additional Three Hours - 7 p.m. - 10 p.m.

Similar to above, average Friday collections for a 3-hour period (4 p.m. to 7 p.m.) were determined from actual data over the six month period, March to August. Saturday collections during the peak usage period, 7 p.m. to 10 p.m., were projected to be 50% higher than the comparison Friday period, as garage usage is much higher. The projection for collections during the new Saturday charging period was discounted by a factor of 25% due to potential decline in usage with payment required, and to generally ensure a conservative projection.

Library Patrons and Library Employee Parking - Monday through Friday - for an Additional Three Hours - 7 p.m. - 10 p.m. Library Patrons and Library employees were estimated utilizing the relationship between Library revenue and hourly revenue. A factor of 29% was utilized.

On-Street Meter Violations - Saturdays

Based on the Walker Parking Consultants pro-forma, violations revenues were based on 10% of total revenues from all other sources.

On-street Meters Outside the Town Center Zone - Increased Rate of 50 Cents per Hour

Revenues from all on-street meters for six months of FY 08 totalled \$188,009; times two to annualize equals \$376,018. Staff estimates that 53% of this total revenue is generated from the meters outside Town Center. $\$376,018 \times .53 = \$199,289$. The projection for first-year collections was discounted by 40% due to potential decline in usage with the higher hourly rate, and to generally ensure a conservative projection.

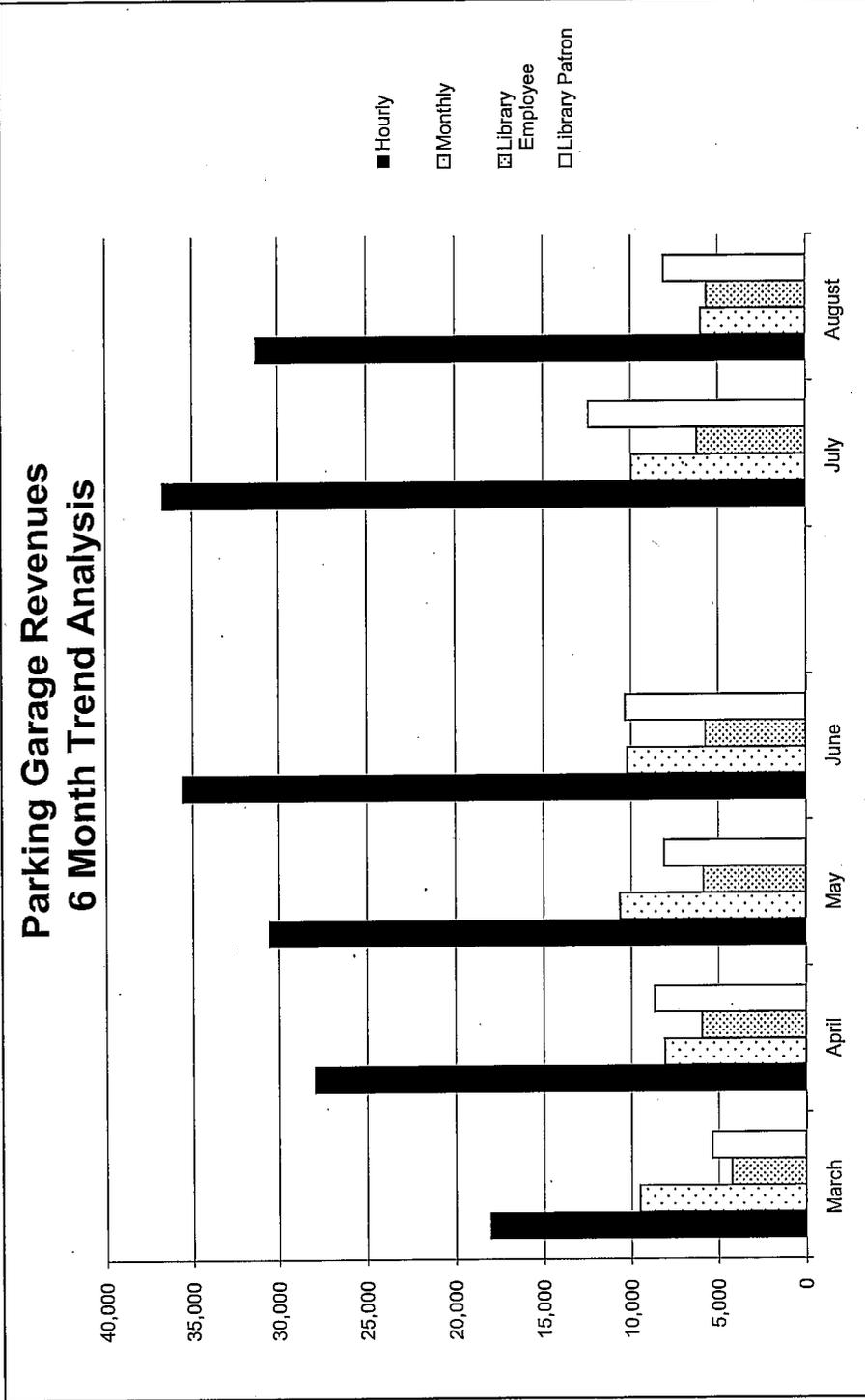
Sales of Monthly Parking Passes with \$75 Rate vs Current \$85 Rate

Staff estimated that by lowering the rate and marketing the long term parking, approximately 200 additional monthly parking passes would be sold to commuters and to Town Center workers. It will take six months to a year to ramp up to this level of sales.

Six Month Trend Analysis - Parking Fund Operating
 March 2008 - August 2008

OPERATING REVENUES	March 2008	April 2008	May 2008	June 2008	July 2008	August 2008	Total
Garage Parking							
Hourly	18,073	27,959	30,543	35,559	36,701	31,300	180,135
Monthly	9,520	8,075	10,625	10,200	9,945	5,950	54,315
Library Employee	4,239	5,935	5,846	5,724	6,172	5,625	33,541
Library Patron	5,352	8,669	8,084	10,322	12,381	8,070	52,878
Total Garage Operating Revenues:	37,184	50,637	55,099	61,805	65,199	50,945	320,869
Meter and Garage Parking:							
On Street Meter Revenue	30,497	23,596	38,034	29,323	35,658	30,901	188,009
Garage Violation Revenue	-	5,600	8,430	7,140	5,790	6,100	33,060
Meter Violation Revenue	25,697	41,761	43,272	114,063 ¹	47,810	23,988	296,591
Other Violation Revenue	20,606	7,891	16,666	99,628 ¹	21,635	16,388	182,813
Sub-Total	76,800	78,848	106,402	250,153	110,893	77,377	700,472
Other Revenue:							
Parking District Contribution	-	-	-	16,240	-	-	16,240
Interest Earnings	22,886	8,401	18,265	30,391	5,758	5,386	91,088
Total Gross Parking Revenues	136,889	137,886	179,766	358,839	181,850	133,708	1,128,669
OPERATING EXPENSES							
Personnel							
Salaries	(13,963)	(15,137)	(15,847)	(26,256) ²	(13,861)	(6,053)	(91,117)
Fringes	(13,061)	(2,793)	(3,044)	(3,043)	(6,826)	(3,588)	(32,355)
Contractual Services							
Professional Services	(122)	(252)	(325)	(350)	(337)	(326)	(1,711)
Office Expenses	(1,050)	(1,050)	(1,066)	(2,833)	-	-	(5,999)
Maintenance & repair	-	-	-	-	-	-	-
Service provision	(134,760)	(29,102)	(51,492)	(106,964)	(2,128)	(2,371)	(326,817)
Insurance	-	-	-	-	(913)	-	(913)
Commodities							
Utility costs	(4,767)	(6,236)	(6,782)	(14,770)	(152)	(7,292)	(39,999)
Supplies	(1,835)	(447)	(2,458)	(17,227)	(69)	(1,253)	(23,288)
Total Operating Expenses	(169,559)	(55,017)	(81,014)	(171,443)	(24,284)	(20,883)	(522,195)
Net Operating Income	(32,670)	(17,131)	(98,752)	(187,146)	(157,566)	(112,825)	(606,469)
NON-OPERATING							
Debt Service, transfers, depreciation	(125,901)	-	-	(1,367,817)	-	-	(1,493,719)
Transfer from general fund	698,750	-	-	391,250	-	-	1,090,000
Total Non Operating	572,849	-	-	(976,567)	-	-	(403,719)
Net Operating Income	540,159	82,869	98,752	(789,421)	157,566	112,825	202,751

1. The revenues include unpaid violations as of 6/30/08 that are deemed collectible.
 2. Salaries for June include three (3) pay periods.



Option ii. 7am-7pm, 4 Months

Rockville Town Center Parking Pro Forma
Projection from 2006 Revised to Assume Four Months of Charging in FY 2008, M-F, 7:00a-7:00p
Updated to include Actual Costs, where known

	Fiscal Year												
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016			
	Calendar Year												
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16			
OPERATING REVENUES													
Demand Generator: (Garages)													
Block 5 (122 Public Spaces)	0	34,880	108,480	115,200	118,640	122,160	125,840	129,600	133,520	137,520			
Monthly	0	4,827	14,480	14,960	15,360	15,840	16,320	16,800	17,280	17,760			
Sub-Total 80%	0	39,707	122,960	130,160	134,000	138,000	142,160	146,400	150,800	155,280			
Block 1-2 Garage (225 Public Spaces)	0	67,520	200,640	212,160	218,560	225,120	231,840	238,800	246,000	253,360			
Monthly	0	8,880	26,800	27,600	28,400	29,280	30,160	31,040	32,000	32,960			
Sub-Total 80%	0	76,400	227,440	239,760	246,960	254,400	262,000	269,840	278,000	286,320			
Block 4 Garage (630 Public Spaces)	0	187,200	593,280	624,000	642,720	662,000	681,840	702,320	723,360	745,040			
Monthly	0	24,960	74,880	77,120	79,440	81,840	84,320	86,880	89,520	92,240			
Sub-Total 80%	0	212,160	668,160	701,120	722,160	743,840	766,160	789,200	812,880	837,280			
Total Operating Revenues:	0	328,267	1,018,560	1,071,040	1,103,120	1,136,240	1,170,320	1,205,440	1,241,680	1,278,880			
Parking System:													
On-Street Meter Revenue	211,565	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000		230,000	
On-Street Meter Violation Revenue (all)	480,555	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000		460,000	
Garage Meter Violation Revenue (all)	0	32,827	101,856	107,104	110,312	113,624	117,032	120,544	124,168	127,888		127,888	
Sub-Total 100%	692,120	722,827	791,856	797,104	800,312	803,624	807,032	810,544	814,168	817,888		817,888	
Other Revenue:													
Parking District Contribution	400,000	453,000	453,000	453,000	453,000	453,000	453,000	453,000	453,000	453,000		453,000	
Interest Earnings	0	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000		300,000	
Total Gross Parking Revenues	1,092,120	1,804,093	2,563,416	2,621,144	2,656,432	2,692,864	2,743,052	2,768,984	2,808,848	2,849,768		2,849,768	
OPERATING EXPENSES													
Total Garage Operating Expenses	(60,000)	(928,680)	(1,031,800)	(1,063,786)	(1,096,763)	(1,130,763)	(1,165,816)	(1,201,957)	(1,239,217)	(1,277,633)		(1,277,633)	
Total On-Street Meter System Expenses	(263,826)	(319,860)	(329,776)	(339,999)	(350,539)	(361,405)	(372,609)	(384,160)	(396,069)	(408,347)		(408,347)	
Total PGS Expenses (Garage)	0	(30,558)	(46,797)	(63,036)	(79,275)	(87,494)	(87,694)	(87,894)	(88,094)	(88,294)		(88,294)	
Net Operating Expenses	(323,826)	(1,279,098)	(1,408,373)	(1,466,821)	(1,526,577)	(1,579,662)	(1,626,119)	(1,674,011)	(1,723,380)	(1,774,274)		(1,774,274)	
Parking Cards for Rockville Residents (Garage)													
Net Operating Income	768,294	524,995	1,155,043	1,154,323	1,129,855	1,113,202	804,233	794,973	783,468	775,494		775,494	
DEBT SERVICE													
2004 G.O. Bonds - Actual Parking DS	(345,803)	(345,603)	(340,203)	(339,803)	(339,203)	(338,403)	(342,403)	(341,003)	(339,403)	(342,390)		(342,390)	
2005 G.O. Bonds - Actual Parking DS	(1,777,684)	(1,773,284)	(1,780,259)	(1,783,309)	(1,783,309)	(1,782,659)	(1,776,309)	(1,781,309)	(1,780,109)	(1,781,309)		(1,781,309)	
Total Debt Service	(2,123,486)	(2,118,886)	(2,120,461)	(2,123,061)	(2,122,511)	(2,121,061)	(2,118,711)	(2,122,311)	(2,119,511)	(2,123,699)		(2,123,699)	
Net Total Profit/Shortfall	(1,355,192)	(1,593,891)	(965,418)	(968,738)	(992,656)	(1,007,859)	(1,314,479)	(1,327,338)	(1,334,043)	(1,348,205)		(1,348,205)	
Debt Coverage Ratio	(0.36)	(0.25)	(0.54)	(0.54)	(0.53)	(0.52)	(0.38)	(0.37)	(0.37)	(0.37)		(0.37)	
Projected Revenue Gap	(1,355,192)	(1,593,891)	(965,418)	(968,738)	(992,656)	(1,007,859)	(1,314,479)	(1,327,338)	(1,334,043)	(1,348,205)		(1,348,205)	
Cumulative Gap (Surplus)	(1,355,192)	(2,949,083)	(3,914,501)	(4,883,239)	(5,875,895)	(6,883,754)	(8,198,233)	(9,525,571)	(10,859,614)	(12,207,819)		(12,207,819)	

Complaints In Town Square Garages

Cleaning

The City has received 2 complaints from the Condo Association about the cleanliness of the garages. A meeting was held with PMI and City staff has given them a new cleaning schedule for them to follow. A power washer was purchased for them to better clean the floors and areas of the parking lot. There will also be scheduled (and random) cleaning inspections to make sure that they are following the new cleaning schedule.

Elevators

The city has received four complaints about the elevator buttons that have been vandalized. City staff requested and received a proposal to replace the elevator buttons. Due to the cost involved, staff needs to obtain more proposals before acting on this issue.

The city has received three complaints about the elevators not being operational. Through working with the manufacturer, necessary parts to make the repairs were procured, installed, and all elevators are currently running.

Guidance system

The City has received two complaints have been received about the guidance system. The complaints were that some spaces were showing available when they were actually filled. A log is being kept of individual sensors that have been reported to have problems. When a sensor is logged more than three times staff will replace the sensor. Staff has spoken to the manufacturer and learned that the sensors are sensitive to wind. If the wind were flowing in a direction aimed at a sensor, it may temporarily give a false reading.

Pay Stations

The City has received complaints that pay stations give out incorrect change from time to time. New coin acceptors that will correct the problem are being replaced to correct this problem. The North Washington garage is complete the next scheduled garage is the 355 garage.

PMI

The City received one complaint about the customer service of PMI. A meeting was held with the District Manager of PMI where City staff expressed their concerns about this issue. Since the meeting, staff has noticed a positive change. In fact, staff received compliments about the PMI staff from customers.

Town Square Parking Citizen Service Requests Received From March 10, 2008 to Present

Over the course of the period that the parking system and charges have been in effect there have been thirteen citizen service requests. Given there are 973 parking spaces in the three public parking garages, and additional metered spaces on Maryland Avenue and Gibbs Street, this is a low number of complaints. Additionally, there were no complaints regarding the contract services provided by PMI, which is an indication that these services are working well.

Concern Types:

The following information conveys the types of concerns received:

(Responses are in italics)

- Parking system informational brochure is not effective.
 - *Provided information on how to operate pay stations.*
- Patrons should not have to pay for parking in Town Square. (3 concerns)
 - *Explained the rationale for why City must charge for parking in Town Square, in that the City invested large sums of money into the infrastructure and made the policy decision that the users of the services would pay as opposed to taxpayers.*
- Patrons should be allowed to park in one half our increments while using CVS. Resident did not want to have to pay a dollar to go into CVS for fifteen minutes.
 - *City instituted shorter increments at metered spaces near CVS and added some handicapped parking spaces at the lot closest to the store.*
- Concern about receiving a forty-dollar parking ticket. The fee is too high. One customer asked that the ticket fee be eliminated or reduced. (3 concerns)
 - *The only instance where a ticket can be eliminated is if the customer can prove to the Police that the meter was broken.*
- Concern about forty-dollar ticket (fee is too high), no signs posted warning about fine, and will not return to Town Square.
 - *Expressed empathy with parking charge and regretted any inconvenience caused. Gaithersburg charges \$50.00 and the County charges \$35.00. Rockville is in the middle.*

- Received ticket, no sign stating that no parking is allowed in front of First Watch.
 - *City stated it is collecting feedback on concerns about a lack of signs regarding the parking fine and on concerns about no signs that indicate spaces have expiration times. If necessary, the City will consider the possibility of adding such signs.*
- Customer disputed a ticket and is concerned because does not think that the City should contract out parking ticket processing services to a firm in New York.
 - *Copies of the contractual agreement with the parking payment processing firm in New York were provided. Information was also provided which showed the customer that the City receives a lower rate than other jurisdictions, and there are other municipalities in Maryland that use the company, including Frederick, Gaithersburg, Takoma Park, and Hyattsville.*
- City should validate parking customers who eat in the restaurants, and parking enforcement staff are "hovering."
 - *Suggested that restaurant owners are free to validate parking for customers.*

Town Square Parking Equipment Review

EMS

The EMS system is what the pay stations use to communicate with each other and with the City. We have had very few problems with the system. There was one server outage (country-wide) in the month of August that caused the pay stations not to be able to communicate. This has only happened once and is very unlikely to happen again.

Pay Stations

The pay stations are the actual machines where patrons pay when they park. We have had only two major issues with the pay stations: coin jams and giving incorrect change.

The pay stations had the components installed from the factory that turned out to be incorrect for our application. The contractor has received replacement components and is currently changing them out. At this point the North Washington garage is complete and no further complaints have been received concerning those pay stations. The next garage to be complete is the 355 Garage.

Guidance System

The guidance system counts the cars both on arrival and departure, calculates and displays amount of vacant spaces available and where they are located. There were early compatibility problems with other City systems that caused outages, but that has since been corrected. Lately there have been very few problems with this system: a

local wiring connection fault and two damaged sensors that have since been replaced. Other than that the system seems to be in very good working condition. Recent counts of the cars have been verified by doing hand counts and the system showed to be accurate.

Elevators

The elevators have been a source of complaints due to the elevator buttons being vandalized. All of the elevators are currently operating properly and a proposal has been received to replace the hall stations.

