



Department of Public Works

December 17, 2010

**Jeffrey J. Mantes**  
Commissioner of Public Works

**Preston D. Cole**  
Director of Operations

Finance and Personnel Committee  
Ald. Michael Murphy, Chair  
Ald. Robert Bauman, Vice Chair  
Ald. Joseph Dudzik  
Ald. Milele Coggs  
Ald. Nik Kovac

Dear Alderman Murphy and Committee Members:

At the 2011 budget hearing for the Parking Fund, the Finance and Personnel Committee requested information regarding the effects of two recent meter rate increases that occurred in 2009 and 2010. This report provides an historical overview of the rate increases, the conversion time, and the revenue generated.

Meter collections historically have been analyzed on a geographic route basis, not on a rate basis because the vast majority of geographic areas primarily consist of only one meter rate. The exceptions to that rule exist only where there are 1) 10-hour metered spaces located in the central business district (CBD) area (310 spaces), in the Historic Third Ward (162 spaces), and on N. Farwell at E. Kenilworth (8 spaces); and 2) twenty-four, 25-minute meters at \$1.80 per hour (maximum fee = \$0.75) that are scattered only in the CBD area. These special rates represent a total of 7.7% of all 6,543 metered spaces city-wide.

As a result of a budget amendment passed in November 2008 for calendar year 2009, the 3,552 non-10 hour and non-25 minute metered spaces in the CBD and the Historic Third Ward parking meter rates were increased from \$1.00 to \$1.50 per hour, representing a fifty percent increase over the rate in effect since 1992. In 2009, none of the other meter rates at UWM, Marquette or the outlying commercial districts were changed. The 2009 downtown rate increase conversion was completed by the end of January 2009.

The total revenue generated in the CBD and the Historic Third Ward in 2008 was \$3,105,042. In 2009, after the fifty-percent increase to \$1.50 per hour, revenues increased approximately 15%. Please note that all other things being equal, because it took up to one month to convert the rates throughout the downtown, the total annual revenue may increase slightly in 2010. In the non-downtown areas of the City where there were no rate increases, total revenue increased by 6.6%. It appears that the 2009 CBD 50% rate increase may have caused some downtown on-street parkers to find alternative parking. Because on-street parking access is critical to business access, this can be viewed as a positive outcome.

Locations	2008 (Pre-Rate Increase)	2009 Rate Increase only in CBD & Historic 3 <sup>rd</sup> Ward	Jan – Sept 2010 Rate Increase in all remaining areas	Projected 2010
Central Business District *	\$2,510,937	\$ 2,877,272	\$2,315,927	\$2,895,000
Historic Third Ward *	\$ 504,105	\$ 683,872	\$620,814	\$ 683,000
UWM #	\$ 150,696	\$ 178,543	\$166,563	\$ 191,000
Marquette/Mt Sinai #	\$ 168,603	\$ 189,337	\$ 176,573	\$ 203,000
All outlying commercial districts – on-street@	\$ 458,934	\$ 489,949	\$ 528,368	\$ 660,000
All outlying commercial districts – off-street @	\$ 90,746	\$ 69,080	\$ 73,924	\$ 82,000
Total	\$3,884,021	\$4,488,053	\$3,882,169	\$4,862,000

In November 2009, a 2010 budget amendment increased the remaining meter rates by 100%, with the UWM/Marquette areas increasing from \$0.50 to \$1.00 per hour and the outlying commercial areas and 10-hour meters increasing from \$0.25 to \$0.50 per hour. The 2010 rate increase conversion was completed in February 2010 for all non-downtown on- and off-street and 10-hour metered areas. The 2010 revenue data in the table below includes collections through the end of September 2010. Meter collections vary by season with summer revenues often being higher than the first and last quarters of the year. As with the previous rate increases in the CBD and Historic Third Ward, it is unlikely that the percentage revenue increase will equal the percentage rate increase. However, preliminary data suggest that the revenue increase is anticipated to exceed the 15% revenue increase realized in the Downtown/Third Ward areas. This suggests that these areas had significantly undervalued (\$0.25) on-street parking.

\* Rate increase in January 2009 from \$1.00 to \$1.50 per hour (50% increase)

# Rate increase in January 2010 from \$0.50 to \$1.00 per hour (100% increase)

@ Rate increase in January 2010 from \$0.25 to \$0.50 per hour (100% increase)

Unless a 10-hour area is very well used such as on N Market Street north of Juneau, the vast majority of this rate type consists of single-space meters scattered in various areas. As collections of single-space meters are undertaken geographically rather than on a per rate basis, the data regarding the 10-hour rate increase is limited, as all the 10-hour collections are aggregated into the collections of other single-space meters in the same geographic area.

To obtain a more accurate comparison of the effect of the meter rate increases in aggregate within a geographic area, it will be more useful to compare the total 2010 meter collection to the pre-rate increases in 2008 (CBD and Third Ward areas) and 2011 meter collections in the remaining areas to that of corresponding collections in 2009 . Doing so will provide a better comparison because it will eliminate the time it took to fully effectuate the rate conversion in each of the two years.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jeffrey J. Mantes". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jeffrey J. Mantes  
Commissioner of Public Works

JJM:PH:ejg

Enclosure

Cc: Shirley Krug  
Preston Cole  
File