

# WORK SESSION AGENDA ITEM SUMMARY

City Council



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## STAFF

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## SUBJECT FOR DISCUSSION

**Parking Services Update.**

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## EXECUTIVE SUMMARY

The purpose of this item is to provide an update on operational and financial trends in Parking Services. In addition, over the last six months, staff and Walker Consultants have been working closely with downtown stakeholders and the Downtown Development Authority (DDA) to perform visioning and strategy work sessions to inform this and future discussions around future parking policy and models.

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## GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Does Council support continuing efforts to develop a new financial and strategic model, and associated implementation plan, for Parking Services?

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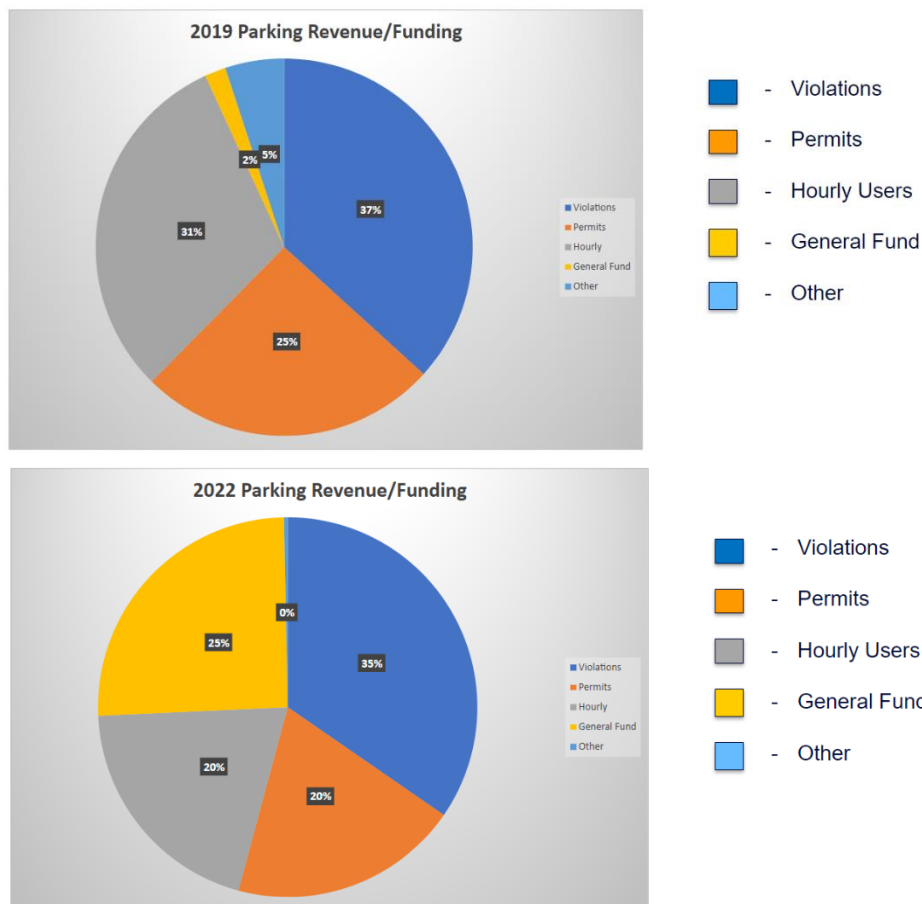
## BACKGROUND / DISCUSSION

Parking Services is tasked with the management of a parking system consisting of 4,846 public parking spaces in downtown Fort Collins. This inventory of spaces includes 3,149 on-street spaces and 1,697 off-street spaces in three (3) parking structures and six (6) surface lots. Additionally, the department manages twelve (12) Residential Parking Permit Zones adjacent to the Colorado State University (CSU) campus.

Parking Services has operated for decades as a quasi-enterprise fund, with revenues generated by the department covering nearly all operating expenses. The primary revenue streams for the department are violation citations, monthly permit fees primarily for the parking structures and surface lots, and hourly parking structure fees. The following graph shows the trend for each of these fees from 2019 to present:



As evident from the above graph, Parking Services was one of the most heavily impacted City departments during the COVID 19 pandemic. Overall department revenues declined significantly in 2020, due to the public safety shutdown of most activity in the downtown core, and have not fully rebounded to date, with the exception of violation citation revenue which has exceeded the pre-pandemic number. These dramatic declines in revenue rapidly increased an already emerging trend of Parking Services requiring additional support from the General Fund. The following charts illustrate the significant change in General Fund contributions for operations between 2019 and 2022:



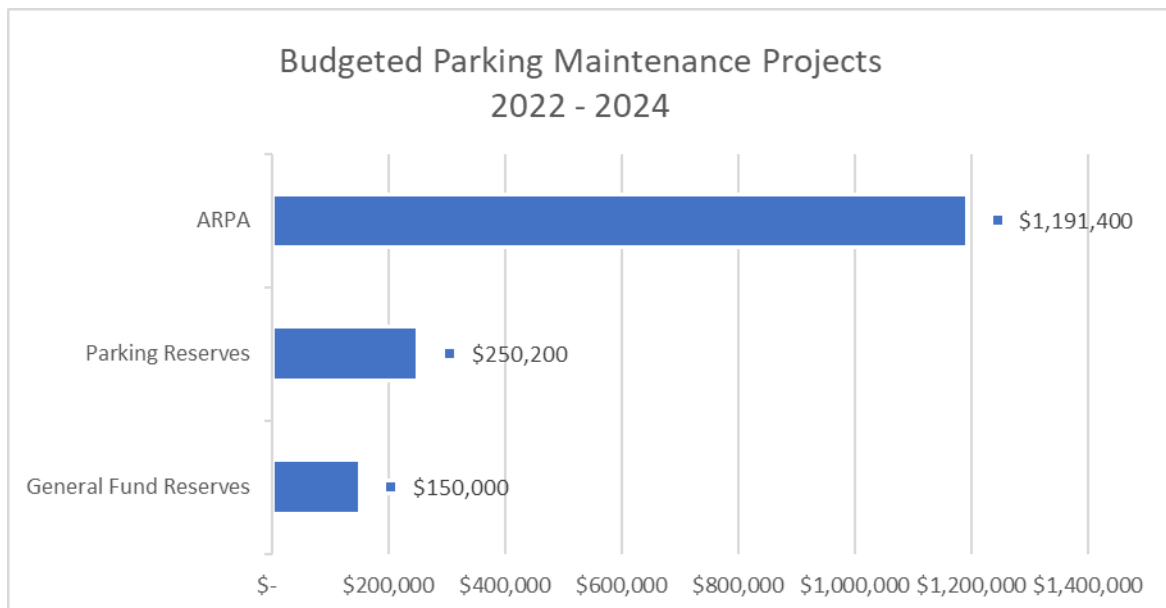
The current rates for permit holders, hourly users and citations are illustrated below:

PARKING RATES		PARKING PERMITS	
<b>\$0 per hour</b>	<b>\$1 per hour</b>	<b>\$50 - \$60</b>	Monthly range for cost of parking permit in garages
Rate per hour for on-street and most surface lots	Rate per hour for parking structures (after 1st hour)	<b>\$30 - \$43</b>	Monthly range for cost of parking permit in most surface lots

During the height of the pandemic, while most operations and revenues were suspended, staff also paused the recommended major maintenance projects within the parking structures. Coming out of the pandemic, staff resumed the work plan of major maintenance that was identified during condition assessments performed in 2019.

Condition assessments on the Parking Structures, typically conducted on a five-year cycle, are deep inspections of the infrastructure of the building. These assessments identify any major components that may need repair and replacement and suggest a maintenance schedule for completing these tasks. These assessments identify maintenance needs outside of routine annual maintenance that are common for ageing parking structures such as elevator replacements, major structural component replacements and repairs, and the like.

These large projects were submitted through the Budgeting for Outcomes (BFO) process and nearly all were ultimately deemed eligible for American Rescue Plan Act (ARPA) funding. The following chart shows the total cost for current work at the Civic Center Parking Structure (CCPS) and Old Town Parking Structures (OTPS):



As work has commenced on these projects, additional maintenance needs have been uncovered or become necessary. For example, the south stairwell replacement for CCPS was not identified in the 2019 condition assessment. In addition, construction costs have seen inflationary increases well beyond increases seen in the consumer market. The Firehouse Alley Parking Structure, which came on-line in 2017 will soon begin routine major maintenance.

It is important to note that only the Civic Center Structure has an established reserve account for major maintenance repairs (which will likely be depleted by the current high cost of projects). Maintenance of the Old Town structure has typically been accomplished through existing budgets or budget offers. To keep current with the maintenance needs of all structures and lots, it will likely become necessary to create a new accounting model and reserve structure, assuming that increasing reliance on general fund dollars is not a sustainable trend.

Parking Services is currently researching a model to ensure that ongoing funding is available to maintain the existing parking structures on a systematic and ongoing basis. In partnership with the DDA, one possible model has been developed specifically for the Old Town Parking Structure, which is designed to develop an annualized preventative maintenance budget. This model does include a “catch up” investment of \$165,000 annually to fund the plan through five (5) years; then the annualized maintenance budget can be reduced to \$92,000. This model would dedicate funds on an annual basis, to address items identified in the preventative maintenance plan accordingly to address all condition assessment elements to preserve the condition of the structure through the end of useful life.

It has become clear that Parking Services, under the current revenue model, cannot meet general operation and maintenance requirements without relying on General Fund contributions.

### **A Parking System Fit for the Future**

This emerging financial reality, in conjunction with many post-pandemic changes to travel and curb management, required staff to take a fresh look at the system and reengage with our downtown partners to hear their needs and observations.

Earlier this year, Parking Services contracted with Walker Consultants, a professional parking and transportation planning firm, to conduct an assessment of the current system and help with engaging downtown stakeholders. This contract period is considered an initial phase of a longer-term project to evaluate and develop more sustainable working models for the parking system.

#### Analysis

The early analysis of the system included review of:

- Financial and operational data
- On-street and parking structure occupancy data
- Local and industry trends for parking and curb management
- Previous parking related plans including the 2013 Parking Plan and the 2017 Downtown Plan

It is likely no surprise that the City of Fort Collins current model is out of step with most parking system standards in the industry, as it has been an active topic of parking discussions for over a decade. A review of existing plans notes the following illustrative statement in the 2017 Downtown Plan:

*Because parking structures charge a fee and are typically less convenient, employees and visitors alike avoid them and will “troll” around for free on-street parking. The 2013 Parking Plan identified this phenomenon as “parking structure avoidance” due to “upside down pricing.”*

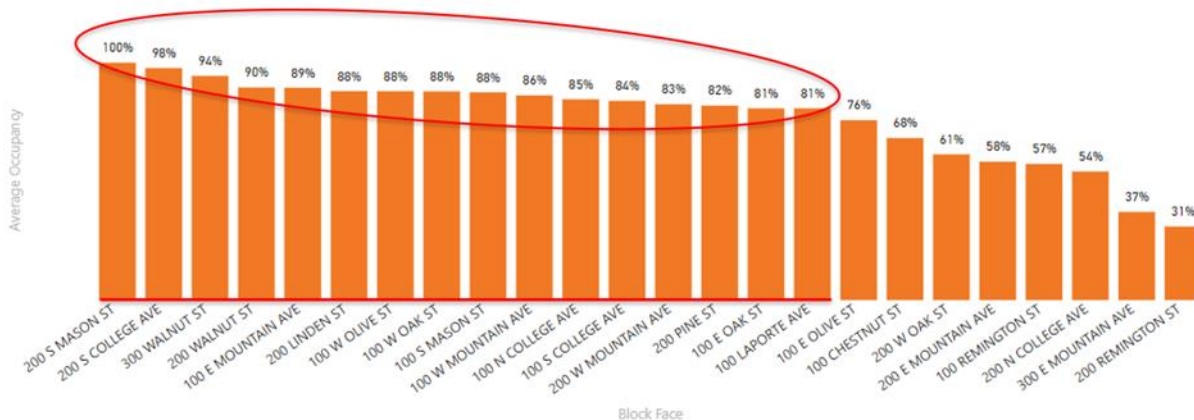
*This practice creates congestion, air pollution, a perception that there is no parking available and general frustration.*

Current occupancy data shows that the perception of low parking availability is a reality on-street during peak times and in peak areas of the downtown. It is important to note that industry standards observe that parking occupancy that meets or exceeds 80-85% is considered unhealthy. The following graphs show recent data collected this summer for on-street occupancy during various times of day for a variety of block faces. Many are near or exceeding the 80-85% threshold:



## Average Occupancy

16 of 24 block faces at 80% or above



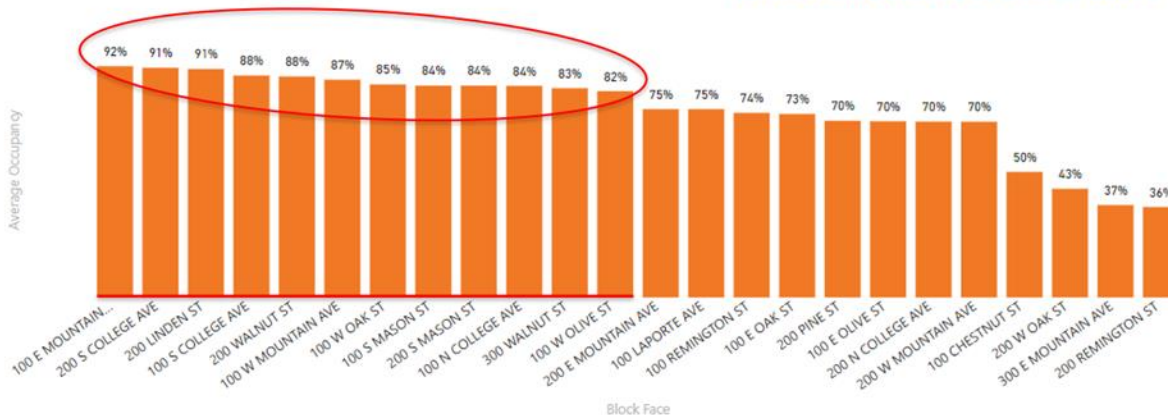
● Summer 2023 Study

**Midday- 11:30am-1:00pm**



## Average Occupancy

12 of 24 block faces at 80% or above



● Summer 2023 Study

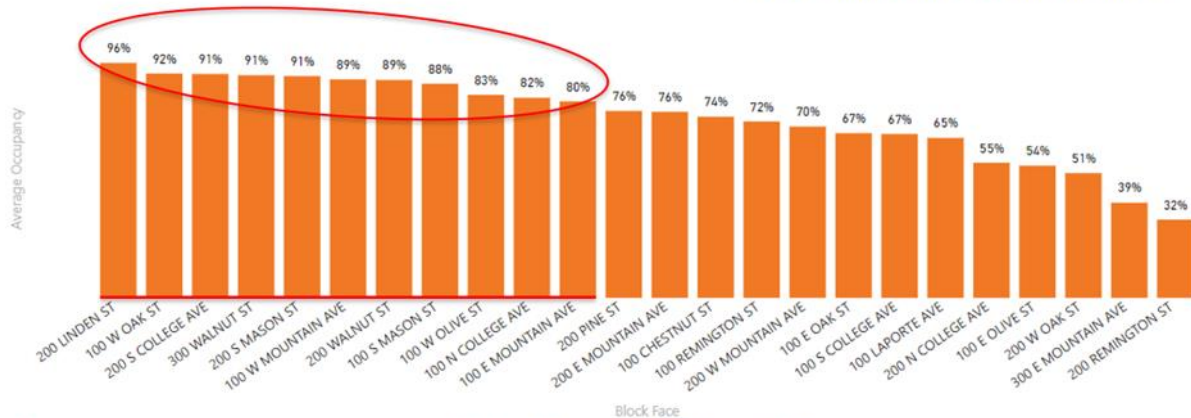
**Early afternoon-1:30pm-3:00pm**





# Average Occupancy

11 of 24 block faces at 80% or above



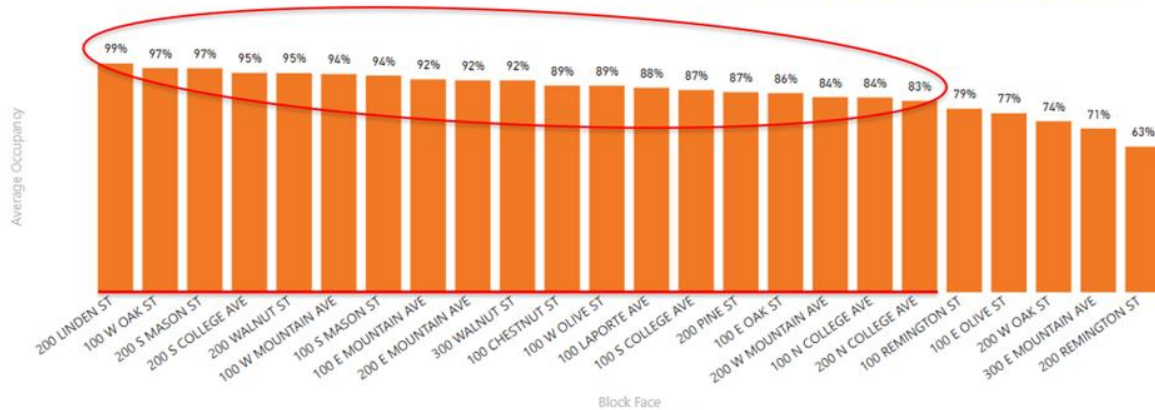
● Summer 2023 Study

Late afternoon- 3:30pm-5:00pm



# Average Occupancy

19 of 24 block faces at 80% or above



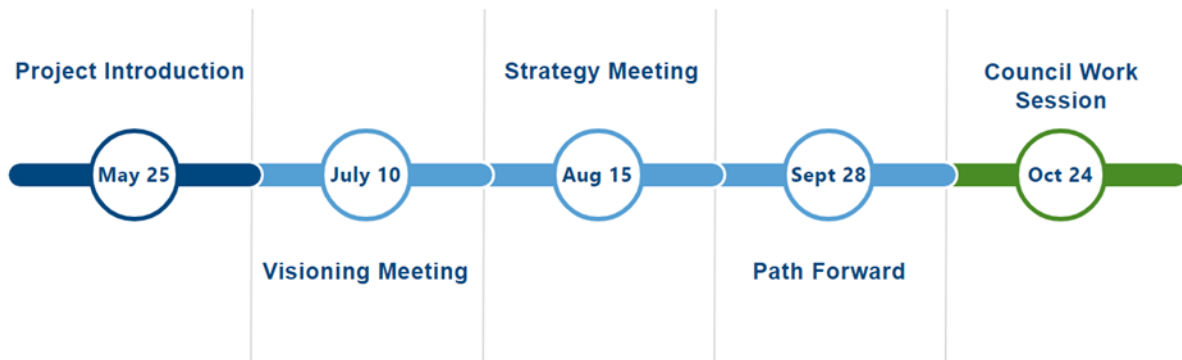
● Summer 2023 Study

Evening- 5:30pm-7:00pm

During all the times shown on the graphs above, occupancy at all three parking structures rarely exceeds 60-70%. The only exceptions are on Friday and Saturday nights, and during special events, when parking structure occupancy can be far higher.

## Engagement

A guidance committee was established for this engagement process, consisting of a series of workshops. Participants included downtown businesses, residents, and workers, as well as community members who frequent downtown and DDA staff. The six-month engagement timeline for the project is illustrated below:



This engagement process included a visioning workshop where participants were asked what a successful parking system in Fort Collins would look like. Their answers are described below:

- Supports a **vibrant, thriving economy and community** Downtown.
- Is **welcoming and easily understandable for anyone**—from a local to a first-time visitor.
- Offers **multiple options** that make sense for any user—very short-term (e.g., <30 minutes), short-term and long-term.
- **Leverages and maintains our key assets**, like the big (and expensive!) garages.
- Makes it **easier and more pleasant** to use other forms of travel (e.g., walking/biking).
- Achieves **cost neutrality and can fund key maintenance priorities** to keep our parking assets clean, safe and easy to use.
- Is transparent about what revenues pay for and **how they benefit the community**.
- Relies on **customer choice** rather than penalization.
- Follows **data and industry standards** for effective parking management.

Participants were also asked to share their fears and concerns, which are listed below:

- **Nothing changes** at all.
- We don't address the **perception that there is no parking Downtown**, which leads to frustration and anger.
- The **parking system's financial condition will worsen**, leading to an inability to maintain assets, create a user-friendly environment, etc.
- Parking becomes **too focused on revenue generation** instead of its role as a supportive system for Downtown vitality and vibrancy.
- There will be **no room for short-term pick-up/drop-off and deliveries**.
- Solutions will **not be sufficiently data- and survey-driven**.
- We'll **increase vehicle congestion OR rely too much on other travel choices** instead of driving and parking

From the strategy session, the committee identified several overall guidance objectives for further exploration:

- Employ paid parking strategically and thoughtfully to incentivize and leverage off-street assets and address demand distribution issues, **particularly during peak periods**. Leverage supportive rather than punitive enforcement and **reduce ticket-writing and enforcement revenues over time**.
- With paid parking employed on-street, off-street options need to be heavily incentivized and leveraged as a lower-cost or no-cost option. Off-street assets also need to be attractive, welcoming, and properly enforced.
- Offer low-cost, available, flexible parking options for our workforce to support our continued success.
- Acknowledge that more payment must equal better maintenance and user experience across the board—improvements should be tangible and obvious.
- Interest in studying different governance models that derive direction and input from downtown stakeholders. This model should allow for more dynamic parking pricing which can more rapidly respond to block-face changes in storefronts.

Staff have also shared project information with the Natural Resources Advisory Board, Economic Advisory Board, and Chamber of Commerce LLAC. A presentation to the Transportation Board is scheduled for November.

Additional information that informs this process includes the DDA's "2023 Downtown Fort Collins Parking and Travel Habit Survey" which was conducted in January and February of this year. The survey had 3,140 respondents which were sourced from the DDA's mailing list. Of those respondents, some important characteristics include:

- 85% identified as visitors/patrons of downtown.
- 26% were not Fort Collins residents.

Many of the questions in the 2023 survey mirror questions that were conducted as part of the 2013 Parking Plan. There were several key changes in behavior noted between the two surveys which will inform the parking discussion:

- Notable shifts in respondents' preferred transportation modes were revealed in comparing the 2013 and 2023 survey data:
  - Respondents that drive alone when going downtown increased from 38% in 2013 to 53% in 2023.
  - Respondents that drive or ride in a vehicle with others decreased from 38% in 2013 to 33% in 2023.
  - In total, the overall vehicle use(s) to get downtown increased from 76% in 2013 to 86% in 2023.
- In 2013, 51% of respondents indicated they spent 2 hours or less downtown, and in 2023 only 19% indicated they spent 2 hours or less. In contrast, 27% of respondents indicated they spent 2-4 hours downtown in 2013, and 63% indicated they spent 2-4 hours per stay in 2023.
- Respondents that circle the block looking for their ideal parking space remained consistent between 2013 and 2023 and suggest that management techniques that influence the availability of on-street parking spaces would reduce this pollution-inducing act by downtown users.



## **NEXT STEPS**

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Staff are encouraged by the participation and feedback gained from the short engagement process and believe more extensive outreach, collaboration, and strategic planning is needed. With Council guidance and support, staff would conduct an RFP to hire a consultant to further engage with downtown constituents and develop a strategic implementation plan for downtown parking with various alternative models.

## **ATTACHMENTS**

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1. 2013 Parking Plan
2. 2017 Downtown Plan
3. 2023 Downtown Fort Collins Parking & Travel Habits Survey (DDA)
4. Presentation