

WORK SESSION AGENDA ITEM SUMMARY

City Council



STAFF

Drew Brooks, Deputy Director, Planning, Development, and Transportation
Eric Keselburg, Sr Parking Services Manager

SUBJECT FOR DISCUSSION

Parking Services Optimization Study Update

EXECUTIVE SUMMARY

The purpose of this item is to provide an update on operational and financial trends in Parking Services. Staff, in partnership with the Downtown Development Authority, have been working closely with Walker Consultants to identify immediate and future parking policy and models. Information from the preliminary draft of the 2025 Parking Study, specifically the implementation and action plan, will be shared.

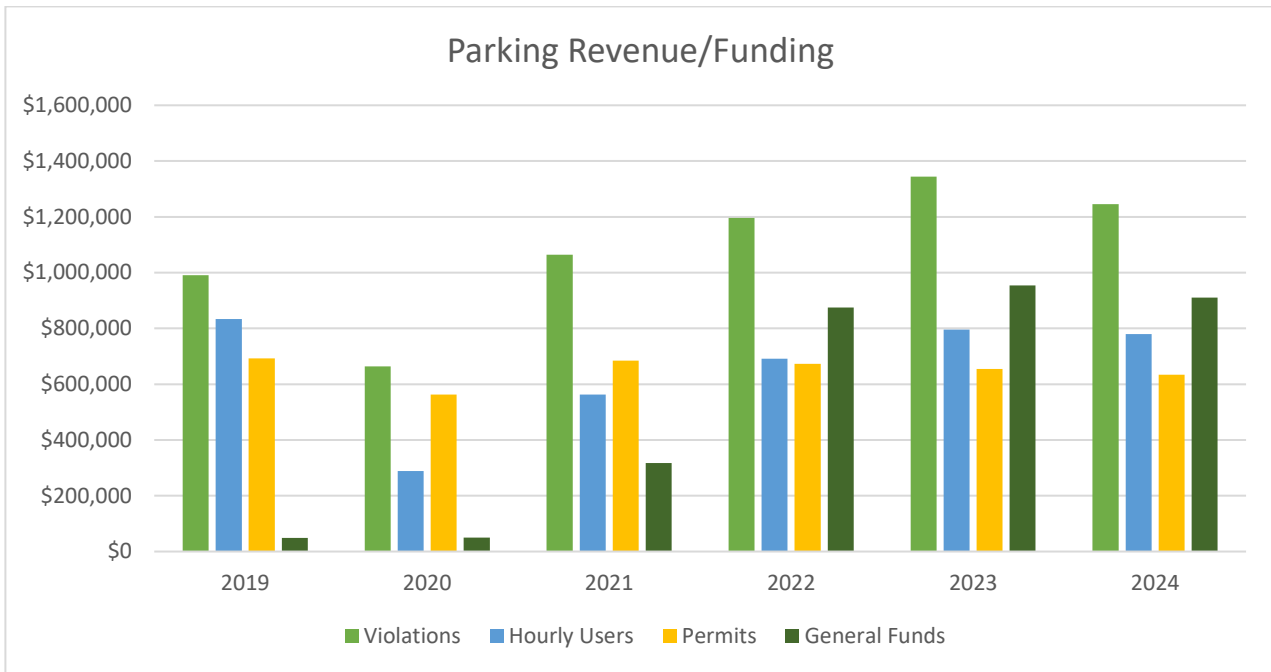
GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. What questions do Councilmembers have on the supply and demand and the financial analysis of our Downtown Parking System?
2. What feedback do Councilmembers have on next steps to implement paid on-street parking and other proposed changes to parking system?

BACKGROUND / DISCUSSION

Parking Services is tasked with the management and enforcement of a parking system consisting of 4,846 public parking spaces in the downtown area of 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. For the purpose of the downtown paid-parking discussion, this only includes a centralized area of 1,328 on-street parking spaces in the downtown area. Additionally, the department manages twelve (12) Residential Parking Permit Zones adjacent to Colorado State University (CSU) campus.

Parking Services has operated as a quasi-enterprise department for decades, with revenues generated by the department covering nearly all operating expenses, but reliant on the General Fund for major maintenance, as well as technology, equipment and vehicle upgrades. The primary revenue streams for the department are violation citations, hourly parking structure fees, and monthly permit fees from the parking structures and surface lots. The following graph shows the trend, including General Fund allocation, caused by the impact of the pandemic. Parking Services received General Funds between 2021 – 2024. Beginning in 2025, Parking Services is not receiving any offsetting General Fund contribution.



Parking Services was one of the most heavily impacted City departments during the pandemic, through recovery. The pandemic exposed the fragility of a system which is not self-sufficient, and reliant on General Fund contributions, versus developing a model of self-sufficiently, which is best practice across the parking industry.

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



Parking Services has not raised its rates for hourly parking structure users since 2009, and most violation fines have not changed since approximately 2003. This was highlighted when maintenance was deferred during the pandemic, identifying the need for a model which will ensure regular and ongoing maintenance and repairs to the parking structures/assets.

It has become evident that Parking Services, under the current revenue model, cannot meet general operation and maintenance requirements, without relying on General Fund contributions. Ideally, Parking Services would generate revenue to manage and maintain the parking system, including asset management, and technological advancements to better serve the customer.

Parking Services Study and Goals

Since 2023, Parking Services has contracted with Walker Consultants, a leading parking and transportation consultant firm, to fully analyze the current system and make recommendations for strategic improvements. This study has been conducted in strong partnership with the Downtown Development Authority (DDA), which has provided extensive support including funding, data resources, engagement networks, and strategic guidance.

Parking Services has identified outcome goals for the parking system, which have been informed by the changing conditions from the 2013 Parking Plan until today. The primary goals are:

1. To support a vibrant and active downtown economy,
2. Develop a customer-focused system that provides choice for all parkers and modes,
3. Establish a parking system that is financially sustainable and aligned with community goals.

A vibrant and active downtown would make it easier for people to reach their destination, improve the public's perception of parking ease and availability, balance parking demand and more evenly distribute it across the system, incentivize longer-term parkers to park into underutilized parking garages, enhance economic growth by establishing a market-based price mechanism to incentivize efficient use of parking to support parking space turnover, support and encourage different modes and transportation choices, and provide appropriate placement of parking garage(s) around the periphery of downtown which would provide parking capacity and allow the ability to reimagine the space use.

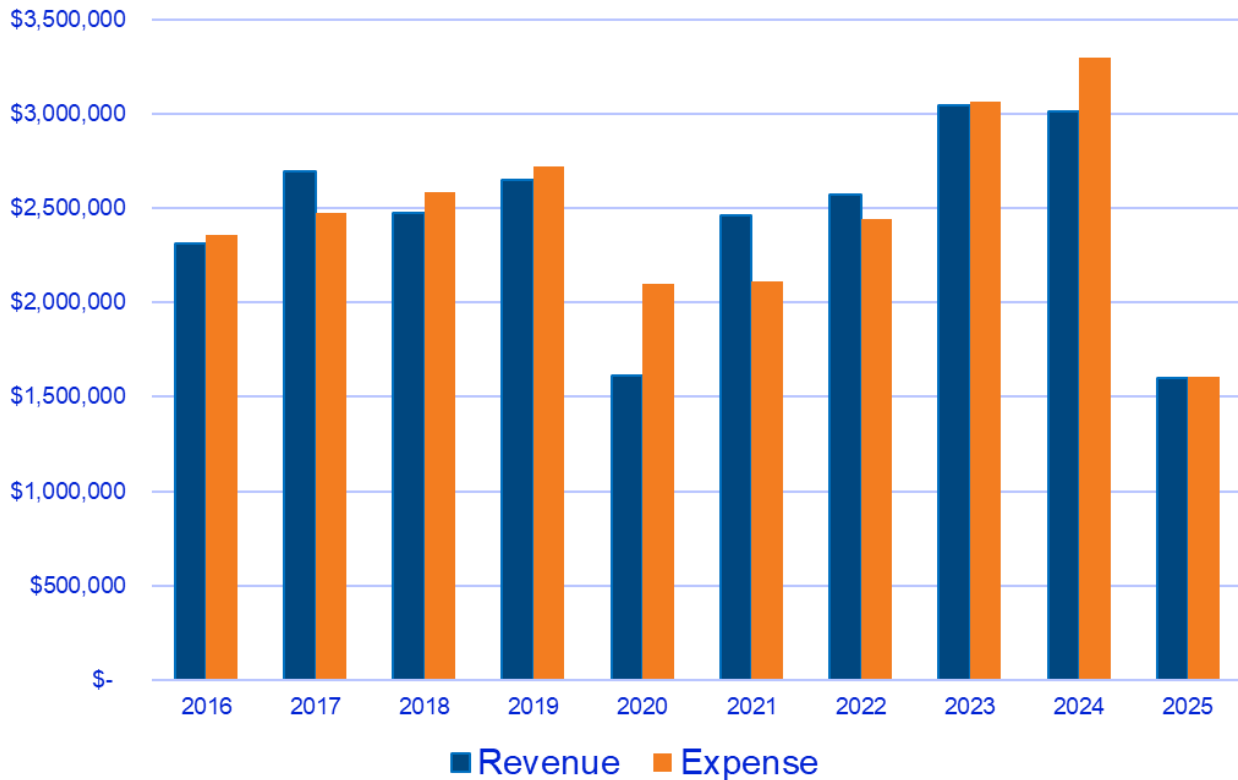
A customer-focused parking system that provides choice for all parkers and modes of transportation would support those people who value choice, and a paid parking model provides a market-based approach where a menu of different options is provided. It would ensure that the most convenient spaces are available to those who value them the most and make a distinction between the most valuable curb space along the busiest streets downtown and less valuable curb space along less busy streets a little further away from the center of activity. There is value in maximizing the efficiency of the parking system and ensuring that parking assets are being used and allocated adequately and as intended. Customer choice would leverage supportive, rather than punitive, enforcement and reduce ticket-writing and enforcement revenue over time.

Finally, a parking system that is financially sustainable and aligned with community goals would have a dedicated funding mechanism to fund additional new parking assets when or if they are needed. It would utilize parking revenues to offset management, maintenance, administration, and other costs associated with the parking system. An updated parking model would reduce "trolling" activity, which will decrease traffic circulation and on-street congestion and lower carbon emissions. It would allow for the ability to fund other improvements that may complement the parking system or reduce the need for parking, such as micromobility or bicycle/pedestrian infrastructure improvements and support and encourage different modes and transportation choices. If no one is paying for parking, then everyone is paying for parking, and this would ensure that the people who need parking are the ones paying for it and that people who do not own vehicles and/or do not park downtown are not subsidizing parking.

Fiscal Picture

Historically, operational revenue and expenses for Parking Services track closely; however, the imbalance in revenue versus expenses impacted by the 2020 pandemic, caused the observed shortfalls to be met through General Fund subsidy.

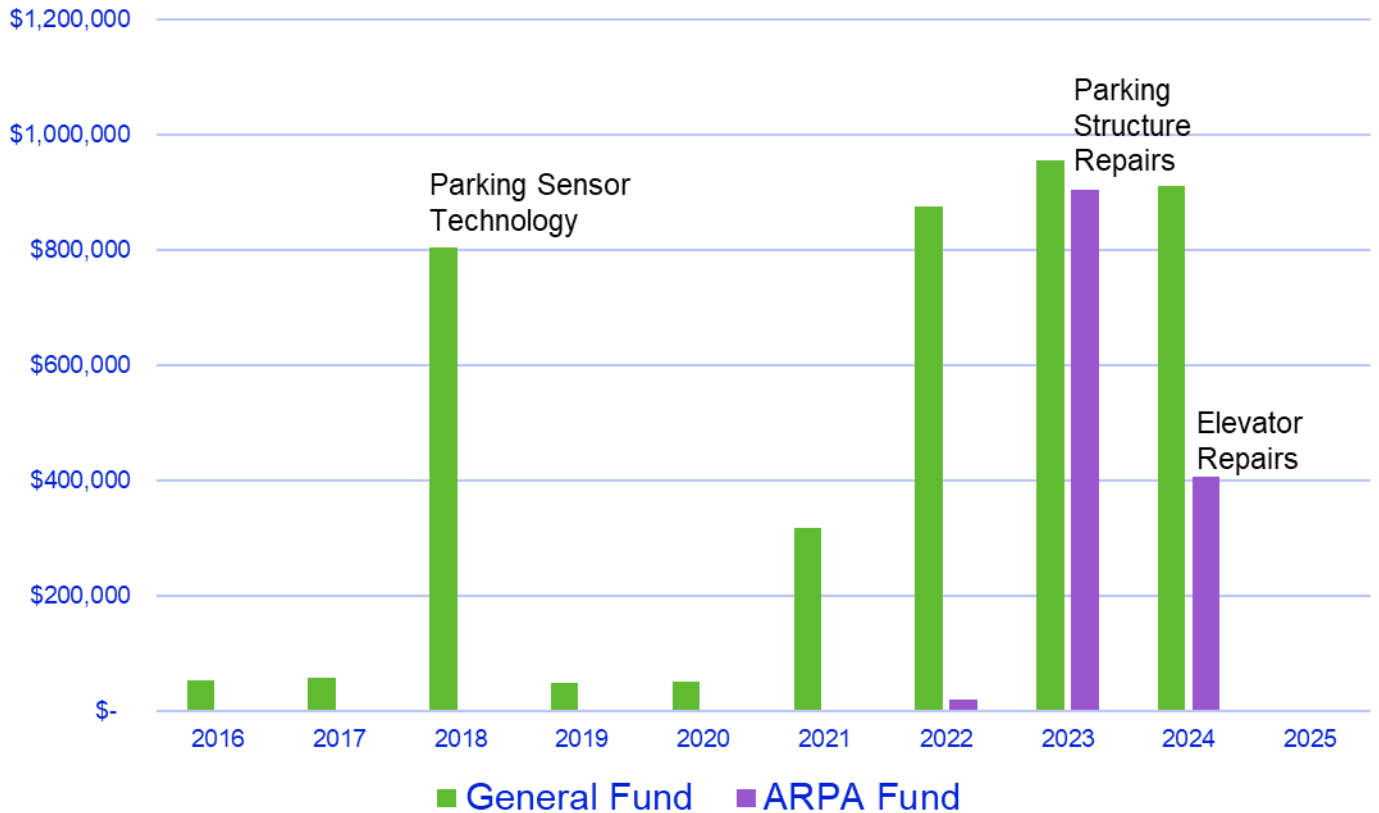
Parking: Operational Revenue vs. Expense



Past Maintenance and Capital

Historically, significant maintenance or other capital costs are met through non-Parking Services revenue sources. The General Fund subsidy amount was increased between 2021 – 2024, to offset the revenue impact caused by the 2020 pandemic. In addition, Parking Services relied on American Rescue Plan Act (ARPA) funding to complete deferred parking structure repairs and maintenance, and elevator retrofit/repairs.

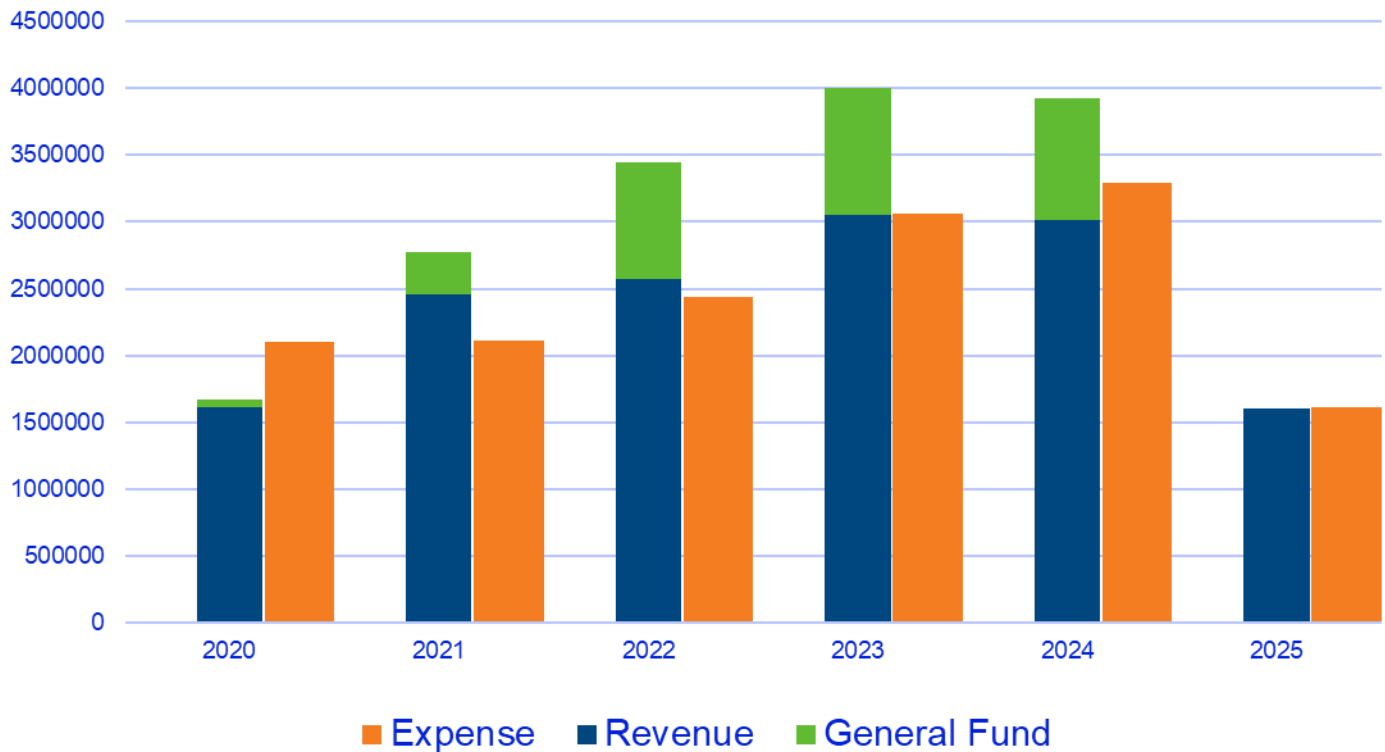
Parking: Other Fund Sources



Current Maintenance and Capital

Parking Services' revenue recovered, while still receiving a General Fund subsidy; the result was a growing balance of the Parking Services reserves. Parking Services is no longer receiving General Fund subsidy in 2025 and going forward. There are projects underway which will deplete a large portion of the reserve balance; the Civic Center Parking Structure is receiving a full stairway replacement, \$1.2M, and Parking Services contributed \$450k to the remodel of the new Parking Services office location, to support the Municipal Court expansion in the 215 N Mason building.

Parking: Pandemic Revenue vs. Expense with General Fund



Indicators of Demand

As Fort Collins continues to grow in population, regional visitors to the downtown, and ongoing infill and development, the existing parking methodology struggles to manage the strain on the existing system.

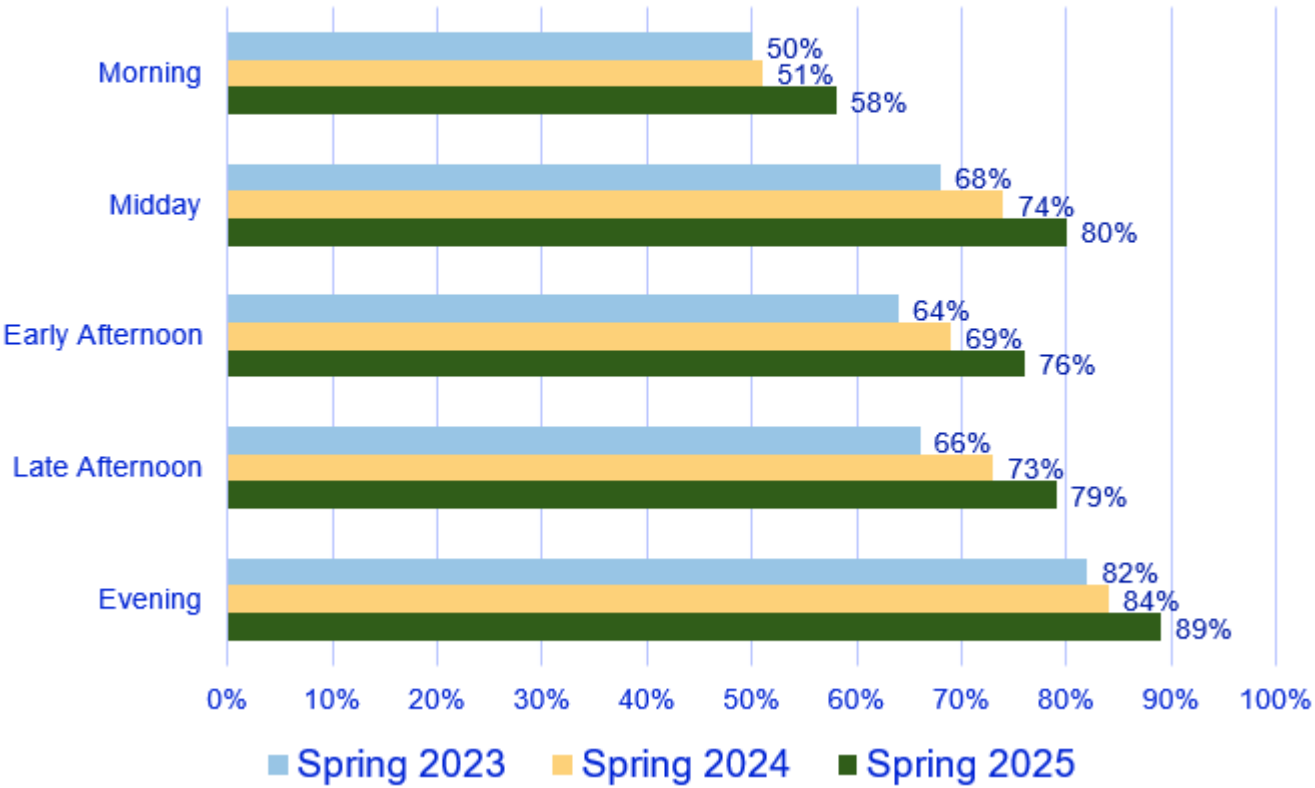
It has been identified in both the 2013 Parking Plan and in the 2017 Downtown Plan that Fort Collins is operating under an upside-down model, where the close and convenient parking availability is free, whereas the further away and less-convenient parking has an associated cost. This phenomenon was identified, and still holds true, that:

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 as “parking structure avoidance” due to the “upside-down pricing”.

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

Parking Services has been collecting point-in-time data collection specific to occupancy, duration of stay, and unique user; and demand indicators shows that the perception of low parking availability is a reality on-street during certain peak times and locations within the downtown parking system. It is important to note that industry standards observe that parking occupancy levels that meet, or exceed, 80-85% occupancy, are considered unhealthy. The following graphs show the trend of data collected over three (3) spring data collection periods, and the increase of on-street occupancy. As well, the recent Spring 2025 data collection does highlight midday and early evening occupancy, which are near or exceeding the 80-85% healthy threshold:

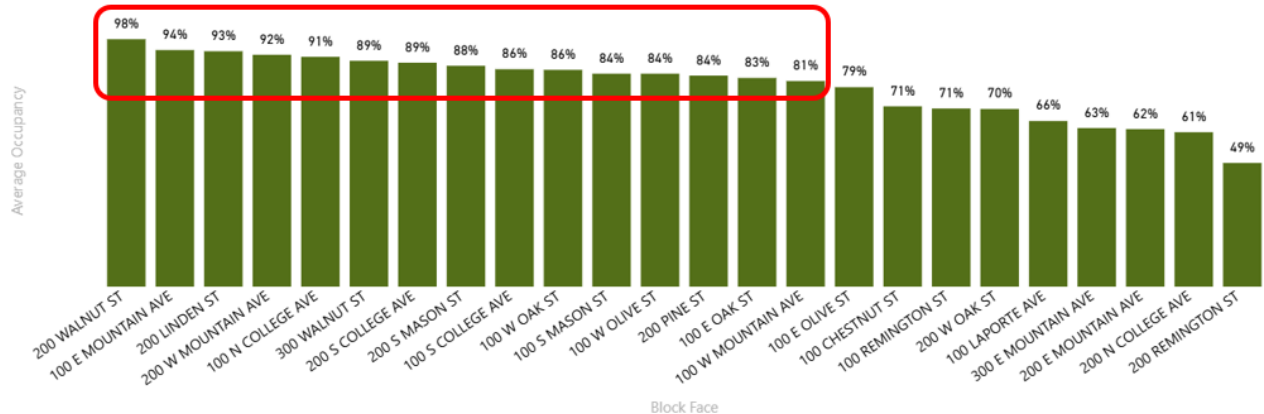
Indicators of Demand



Average Occupancy



Lunch - 15 of 24 block faces at 80% or above



● Spring 2025 Study

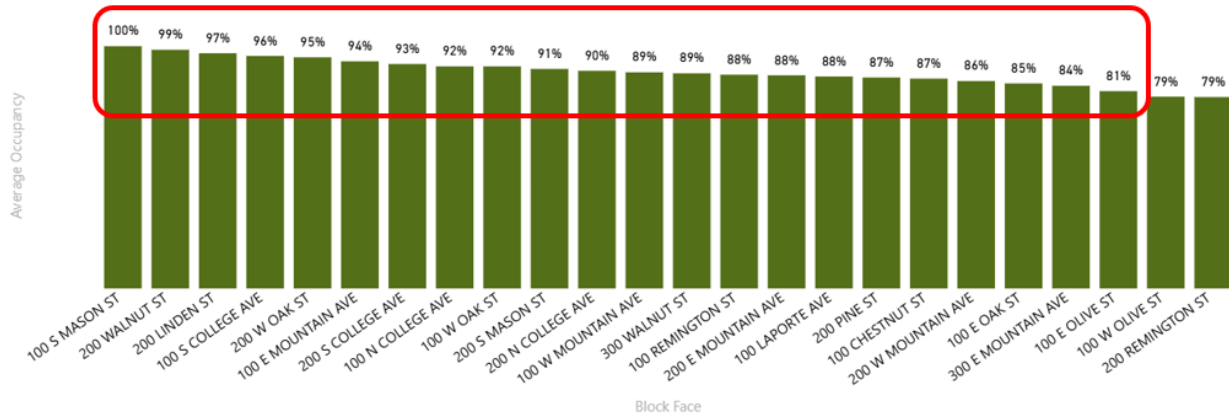
Midday- 11:30am-1:00pm

Average Occupancy

Evening

89%

Dinner - 22 of 24 block faces at 80% or above



● Spring 2025 Study

Evening- 5:30pm-7:00pm

Parking Structure occupancy at all three (3) garages rarely exceeds 60-70%. The exceptions may include Friday and Saturday nights and during special events, when parking structure occupancy may be higher.

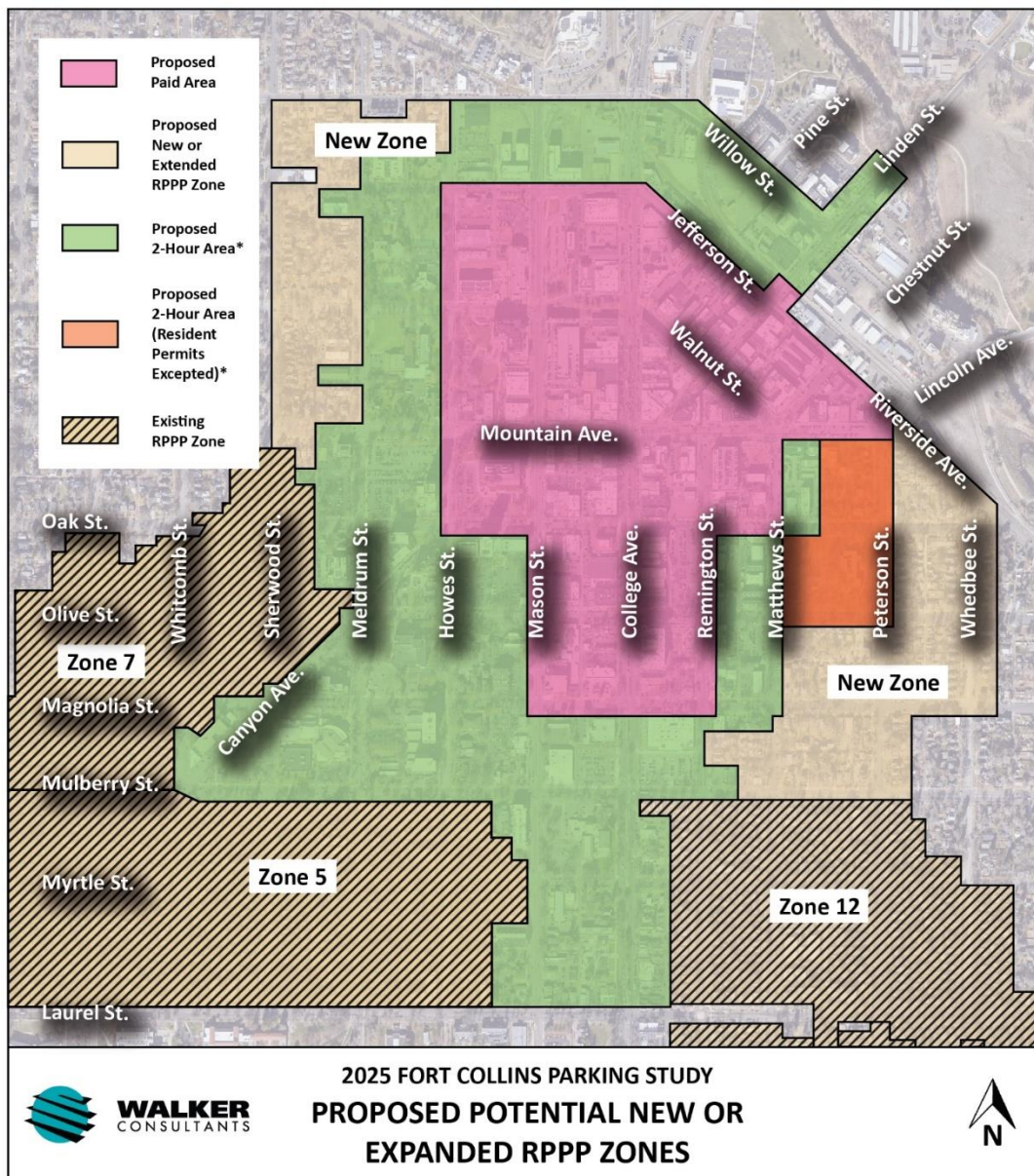
The DDA has also shared significant data which has informed this parking demand analysis from two sources: the 2023 Downtown Fort Collins Parking & Travel Habits Survey and reports from Placer.AI, both attached.

Placer.AI is a data analytics platform which uses robust datasets of cell phone locations to analyze travel patterns. Any cell phone which has location services turned on in apps supplies this data anonymously and allows for deep analysis of trips and patterns. This data is invaluable in demonstrating who is visiting the study area and where they are coming from. An additional report included in this work was a similar analysis of visitors to the Oak Remington surface lot.

In summary, all of these data sources show a strong and increasing demand for parking supply in our Downtown core, as well as identifying post-pandemic changes to when and where that demand is trending.

Recommended Implementation Strategies

The study recommends a paid parking downtown area, with an identified 1,328 parking spaces. Additionally, an expanded time-regulated area would come into effect in conjunction with the introduction of the paid on-street parking area, to help minimize the spillover parking demand and to help prevent parking demand “crowding out” from the managed areas into the less managed ones, and/or from paid parking areas into free locations. Recommendations were based on the following criteria: must be a contiguous area, include mid- to high-density block faces, include block faces where peak occupancy reaches or exceeds 75%, include both sides of the street, and the full length of block face.



Implementation plan recommendation:

- Establish a flat-rate framework for on-street paid parking with an hourly rate in place of between \$1.50 and \$2 per hour.
- Establish a flat-rate framework for existing off-street surface parking with an hourly rate in place of between \$1 and \$2 per hour.
- Time limits either be eliminated or extended to 4 hours for on-street parking within the paid area.
- Surface lots where public parking is currently provided as time-limited and free are treated the same as paid on-street parking from an operational perspective, including not having a grace period in place.
- Hours and days for which paid parking is in effect in the garages to be the same as for the on-street system and the off-street surface lots; from 10 AM to at least 8 PM from Monday to Saturday.

Revenue metric

The parking methodology strategies which may be implemented immediately would result in revenue generation. The recommendations include paid on-street in a designated area of the downtown with parameters around occupancy thresholds, and a few options of rates and hours allowed, adjusting the rates for parking garage permits and Residential Parking Permit Program (RP3) permits, and updating citation fine amounts.

Summary of potential increased revenues:

Revenue Metric	Low End of Potential Range	High End of Potential Range
Total Adjusted Annual Parking Revenue in 2024	\$2.8M	\$2.8M
Additional Estimated Potential Gross Revenue from Expansion of Paid Parking (On-Street and Off-Street Surface)	\$2.4M	\$4.2M
Additional Estimated Potential Gross Revenue from Adjusted Parking Structure Permit Rates	\$100k	\$800k
Additional Estimated Potential Gross Revenue from Adjusted Residential Parking Permit Rates	\$0	\$60k
Additional Estimated Potential Gross Revenue from Adjusted Citation Fines	\$310k	\$420k
Total Estimated Increased Gross Annual Potential Revenue Impact	\$2.8M	\$5.5M
Total Estimated Gross Annual Parking Revenue (Existing + Potential)	\$5.6M	\$8.3M

Revenue- Paid Parking

Walker Consultants calculated the number of parking spaces, 1,328, within the identified paid-parking boundary area, based on the concept of "revenue per occupied space per hour." For every hour paid parking is in effect, the number of spaces proposed for the paid on-street system and multiplied the number of spaces occupied at that hour systemwide by the proposed hourly rate. Systemwide percent occupancy was used to project/estimate the number of occupied spaces per hour based on the limited summer and spring on-street occupancy data, which is limited across the system and does not cover the entirety of the proposed paid area, as shown. Also, it is assumed that the systemwide percent occupancy would be unchanged for the purposes of the model.

To further explain the process, spring systemwide on-street percent occupancy, according to recent data, is 54% on weekdays. Multiply the number of identified parking spaces, 1,328 by 54% to get 717 occupied spaces. Then multiply that by the proposed rates of either \$1.50 or \$2; and replicate for each hour, i.e. 10 AM, 11 AM, etc. Since occupancy data was only able to be collected every 2 hours, Walker Consultants averaged between hours to get percent occupancy values for the hours missing.

The key benefit with this methodology is that it does not rely at all on length of stay data, either current or projected. Meaning, from a revenue perspective with a flat hourly rate in place, it is irrelevant if there are 4 vehicles in a space for 1 hour each or 1 vehicle in a space for 4 hours each. In both cases, gross revenue would be \$4, assuming \$1 an hour. This is important as our length of stay data is very limited, and there is difficulty to model or predict how lengths of stay might change with paid parking introduction. Also, it does not change based on whether time limits would remain in place or not with paid parking; it is solely looking at hourly occupancy.

Assumptions were made about potential demand adjustment due to on-street implementation (10% adjustment down) and assumed 85% payment compliance. Also factored were credit card transaction fees, and assumed an average length of stay of 1.2 hours, based on the limited length of stay data provided, as such fees would only be charged once per transaction, not once per hour.

Revenue- Permit Rates

Walker Consultants recommends increasing monthly permit rates according to benchmarked peer communities. For these projections, it was assumed that current active permits would carry through unchanged, and therefore the overall permit demand and oversell rates would also be unaffected by rate changes. The below reflects a 79% revenue increase.

Structured Parking Facility	Number of Active Permits (February / May 2025)	Current		At Walker-Recommended Increased Rates		
		Monthly Rate (With Advance Monthly Discount Applied)	Annual Revenue	Monthly Rate (With Advance Monthly Discount Applied)	Annual Projected Revenue	Percent Increase
Civic Center (Covered)	1,074	\$40	\$515,520	\$65	\$837,720	63%
Civic Center (Roof)	568	\$20	\$136,320	\$40	\$272,640	100%
Firehouse Alley	208	\$50	\$124,800	\$80	\$199,680	60%
Old Town (Covered)	274	\$40	\$131,520	\$65	\$213,720	63%
Old Town (Roof)	141	\$20	\$33,840	\$40	\$67,680	100%
Jefferson Lot	40	\$21	\$10,080	\$90	\$43,200	329%
Mason Lot	39	\$33	\$15,444	\$65	\$30,420	97%
Oak/Remington Lot	127	\$27	\$41,148	\$90	\$137,160	233%
Olive Lot	41	\$18	\$8,856	\$40	\$19,680	122%
Total (All)	2,512		\$1,017,528		\$1,821,900	79%

Revenue- RP3 Permits

Walker Consultants assumed that the current active number of permits (2,593 across all zones, as of February 2025) would carry through unchanged, and that the RP3 zones would remain unchanged, since overall permit demand should remain unaffected by potential rate increases. The below reflects both a low-end and high-end rate increase scenario and reflects a 102% revenue increase and 252% revenue increase respectively.

Number of Permits per Household	Number of Active Permits (February 2025)	At Walker-Recommended Increased Rates (Low End)			At Walker-Recommended Increased Rates (High End)		
		Cost per Year	Projected Annual Revenue	Percent Increase	Cost per Year	Projected Annual Revenue	Percent Increase
1	1,577	\$15	\$23,655		\$30	\$47,310	
2	753	\$15	\$11,295	0%	\$30	\$22,590	100%
3	205	\$40	\$8,200	0%	\$40	\$8,200	0%
4	28	\$100	\$2,800	0%	\$100	\$2,800	0%
5	5	\$200	\$1,000	0%	\$200	\$1,000	0%
Total	2,593		\$46,950	102%		\$81,900	252%

Revenue- Citation Fines

Walker Consultants projected potential future increased citation revenue generated from parking fines issued based on two different fine increase scenarios, with the following assumptions:

- The total overall number of overtime + “failure to pay” violations would remain constant after paid parking on-street were introduced.
- Existing overtime violations associated with 2-hour spaces would become “failure to pay” violations if/when those spaces were converted to hourly paid parking spaces.

- The total overall number of citations would remain more or less unchanged, for purposes of these projections.
- The number of “failure to pay” violations as currently reported was sorted into violation sub-types based on the presumed number of occurrences for the two potential future revenue scenarios by assuming the same percent distribution of violations by number of occurrences for overtime violations as exists currently, as reported by the City (67% of existing overtime violations are 1st occurrences, 15% are 2nd occurrences, 7% are 3rd occurrences, and 11% are 4th or more occurrences).

Scenario 1: 1st violations per calendar year for all overtime violations and existing/future “failure to pay” violations remain a warning with \$0 associated fine. All other violations increase to Walker-recommended rates. Walker projects that base fine revenue could increase from about \$1.4 million today to \$1.7 million, or about a 21% increase.

Scenario 2: 1st violations per calendar year for all overtime violations and existing/future “failure to pay” violations increase from \$0 currently to \$10. All other violations increase to Walker-recommended rates. Walker projects that base revenue could increase to about \$1.8 million, or about a 30% increase.

Violation	Violation Sub-Type	Number of Citations in 2024 (All Departments)	Current		Walker Recommended (No Fine for 1st Overtime & Failure to Pay Violation)		Walker Recommended (\$10 Fine for 1st Overtime & Failure to Pay Violation)	
			Existing Base Fine	Projected Revenue	Existing Base Fine	Projected Revenue	Existing Base Fine	Projected Revenue
Overtime	1st	7,153	\$0	\$0	\$0	\$0	\$10	\$71,530
Parking / Future	2nd	1,543	\$10	\$15,430	\$25	\$38,575	\$25	\$38,575
Failure to Pay	3rd	780	\$25	\$19,500	\$50	\$39,000	\$50	\$39,000
Parking Fee (On-Street)	4th +	1,148	\$50	\$57,400	\$75	\$86,100	\$75	\$86,100
Failure to Pay Parking Fee*	1st	5,783	\$25	\$144,575	\$0	\$0	\$10	\$38,936.18
	2nd				\$25	\$20,997.67	\$25	\$20,997.67
	3rd				\$50	\$21,229.01	\$50	\$21,229.01
	4th +				\$75	\$46,867.12	\$75	\$46,867.12
Permit / Restricted Parking		7,787	\$25	\$194,675	\$35	\$272,545	\$35	\$272,545
All Other Non-Serious Violations		3,639	\$25	\$90,975	\$35	\$127,365	\$35	\$127,365
Expired Plates & License Plates	60 Days	4,607	\$35	\$161,245	\$35	\$161,245	\$35	\$161,245
	90 Days	2,059	\$50	\$102,950	\$50	\$102,950	\$50	\$102,950
	120 Days	6,726	\$75	\$504,450	\$75	\$504,450	\$75	\$504,450
Handicap		151	\$100	\$15,100	\$250	\$37,750	\$250	\$37,750
All Other "Serious" Violations		1,043	\$100	\$104,300	\$250	\$260,750	\$250	\$260,750
Total		42,419		\$1,410,600		\$1,719,824		\$1,830,290

Revenue expenditure

Walker recommends that a network of multi-space meters be deployed across the proposed paid on-street area and in surface lots. Walker calculated that 118 multi-space meters would be needed to service the entire new paid area as proposed, and to replace the existing Mason Lot multi-space meter.

In order to promote a positive customer experience and to minimize instances of persons waiting in line to pay, which might particularly be an issue during peak parking periods, even if pay-by-phone is the preferred payment method, it is recommended that multi-space meters be installed according to the following criteria:

- Parkers should not be more than 300 feet away from a multi-space meter.
- Parkers should have access to a multi-space meter on the same block face on which they parked (parkers should not have to cross the street to pay).
 - Multi-space meters may not be feasibly installed in street medians, but median parkers are required to cross to one side of the street or the other in any case and can therefore make use of multi-space meters installed on either side of the street along with block-face parkers.
- A minimum of 1 multi-space meter should be available per block face.

- 2 multi-space meters should be available, regardless of distance or spacing, for block faces with more than 20 spaces, including median spaces.
- 3 multi-space meters should be available, regardless of distance or spacing, for block faces with more than 40 spaces, including median spaces.

As of 2022, the average up-front “all-in” cost of a multi-space parking meter, including installation and other up-front costs such as hardware, software, and configuration, ranges from \$5,000 to \$8,000, depending on the vendor and services provided would fall at the \$590,000 (low-end) to \$944,000 (high-end).

These costs do not include ongoing capital costs such as maintenance and software/platform subscriptions.

Calculated Number of Meters Needed	Cost per Multi-Space Meter		Projected Total Cost of Multi-Space Meters, Including Installation	
	Low-End	High-End	Low-End	High-End
118	\$5,000	\$8,000	\$590,000	\$944,000

There would be additional expenditures related to paid-parking implementation, such as wayfinding signage, downtown sign updates, and parking access and revenue control systems for the parking structures. Although sign replacement costs may be considered as part of ongoing maintenance expenditures due to the need to replace and update signage as they become weathered or unreadable.

Updated Downtown and Improved Wayfinding Signage	\$150,000	
Parking Structure – Improved Access Control	Low-End	High-End
	\$195,000	\$500,000

Peer City Comparison

A review of peer communities reveals that Fort Collins is one of the few cities that currently does not charge for on-street parking. Of the nineteen (19) comparable City’s, sixteen (16), or 85%, operate with a paid on-street parking model. This benchmarking shows that Fort Collins is an outlier in not charging for on-street parking.

Pre- and post-paid parking in two (2) peer communities showcased success achieved via an increase in downtown sales tax revenue.

Idaho Springs, Colorado, observed a 41% downtown sales tax revenue increase between 2019, implementation, to 2022.

Pre- and Post-Paid Parking Downtown Sales Tax Revenue				
2018	2019	2020	2021	2022
\$1,355,740	\$1,503,905	\$1,479,348	\$1,831,997	\$2,2125,476

Manitou Springs, Colorado, observed a 232% downtown sales tax revenue increase between 2014, implementation, to 2019. The trend in Manitou Springs continues to increase, however, based on significant changes to both the parking system and to a sales tax increase, 2020 and 2021 data was not included, however, shown to have increased as well.

Pre- and Post-Paid Parking Downtown Sales Tax Revenue						
2013	2014	2015	2016	2017	2018	2019
\$1,899,611	\$2,365,574	\$3,997,951	\$5,412,284	\$5,822,915	\$5,765,695	\$6,325,070

Customer Choice

An important distinction between free time-regulated parking versus a paid parking model relates to customer choice. When a customer has the opportunity to decide how long they park, or where in the system they park, it allows them to make decisions based on their individual needs. Whereas a time-regulated parking system is punitive in nature and penalizes parkers who may desire to extend their stay beyond the allowable free period.

A paid-parking model ensures that the most convenient spaces are available to those who value them the most while incentivizing long-term parkers to park in facilities intended for those users.

With the current free parking, albeit time-regulated, effectively if nobody is paying for parking, then everyone is paying for parking, as the funds to cover expenses related to parking management, operation, maintenance, repair, administration, and construction of parking must come from general funds and/or other pools of revenue. In this specific case, those who do not drive and/or do not need parking downtown are subsidizing those who own vehicles and/or need parking downtown.

Engagement

Parking Services has been working closely with Walker Consultants and the Downtown Development Authority to gather, provide, and review data related to parking downtown.

Boards & Committees



Further community outreach and engagement will consist of an open house and direct business outreach events.

NEXT STEPS

Staff are encouraged by the discussions regarding a paid on-street parking model, and the participation and feedback from the Downtown Development Authority. Parking Services will conduct broader outreach, collaboration, and community engagement to ensure that the impacts of the implementation of paid on-street parking are minimized and that the business, and the community, are aware and engaged through the transition.

ATTACHMENTS

1. 2013 Parking Plan
2. 2017 Downtown Plan
3. 2023 Downtown Fort Collins Parking and Travel Habits Study (DDA)
4. Copy of Council Work Session Presentation, October 24, 2023
5. Placer.ai Data for Downtown Parking Study Area (DDA)
6. Placer.ai Data for Oak/Remington Parking Lot (DDA)
7. Presentation