



MEMORANDUM

To: Derek Muench, Director of Transit & Parking, Parking Utility
Chad Pelishek, Director of Planning & Development, City of Sheboygan

From: Nicole Chinea, CAPP

Date: April 17th, 2021

Re: Parking Assessment Review & Analysis

Background

The City of Sheboygan currently has five parking assessment districts. The downtown parking system is managed by the Parking Utility. Each district has its own policy and distinct ordinance on fees and collecting revenue. In 2018, parking rates increased for the first time in over a decade resulting in increased revenue to help offset expenses for Downtown district. This rate increase excludes the Riverfront and South Pier, where parking remains free. The Utility oversees the financial responsibilities of the system and administers and maintains the following services:

- Parking Meter Maintenance
- Signage and Wayfinding
- Customer Service for Downtown Business Owners and Patrons
- Maintenance and Weed Control in the Parking Lots
- Collection of Coins from Parking Meters
- Invoicing and Collection of Monthly Parking Fees
- Contracting for Lot Repair and Asphalt Maintenance
- Snow Removal

Any variance between total expenses and total income is made up by the property owners with an annual assessment in the four districts within the Utility. Per the 2017 Parking Study conducted by WGI, the annual assessments fluctuated between \$80,020 in 2014 and \$125,794 in 2013. In 2016 the total assessment was \$119,45, while the variance between revenues and expenses was \$207,068. The Parking Utility strives to keep the annual assessment minimal to property owners.

The goal of this study was to assess the current ordinances, specific to management of the districts, policies and financial management, and compare the city's policy to other cities who manage parking districts and assessments. WGI will provide findings and actionable recommendations to guide Parking Utility and the city on next steps for gained efficiencies.



Methodology

To better understand each district, WGI compared the organization structure and management of parking utilities for ten cities regarding assessments and finances to conduct a management analysis. There are currently four parking assessment districts that are managed by Parking Utility . The focus was on the organization of the parking utilities and management, directly related to parking and maintenance.

Operations and Finances

The goal of showing the revenues/expenses in the following pages is to explore the finances within each district and the feasibility for each district to be self-sustaining resulting in a minimal assessment to the community. Currently, the finances for these districts are managed independently, requiring the revenue assessed by the district to only be used for maintenance and operations within the originating district. This poses challenges due to the inconsistency in parking demand, local attractions, urban density, and parking revenues district by district. The current districts within the city are as follows:

- District 1 – Downtown
- District 2- Riverfront
- District 4- South 12th Street
- District 6- South Pier





Revenue and expenses in each district differ. Expenses are typically related to snow plowing, beautification, and maintenance. According to the 2020 Year End Review, expenses are directly impacted by weather and play a significant role in the fluctuation of expenses over the years. Historically, revenues have been less than expenses. Per the 2017 WGI parking study, this can be attributed to variations in cost of snow removal from year to year and administrative expenses.

The Downtown District's revenues accounted for 45% of the assessments for all four districts in 2019. The Downtown District is the largest district geographically and in volume of total parking supply. As a result, it was the highest revenue generating assessment district over the last 10 years. Per the 2017 parking study, peak parking occupancy was from 10AM until 2PM for on and off-street parking. While much smaller in size, Riverfront was the second highest revenue generating assessment district in 2019 with a peak occupancy at Noon in 2017.

PAD Assessments by Year (2009-2019) - MUNIS

| PAD | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020* | 2021** | 2009-2019 AVERAGE |
|---------------------------------|-----------|----------|----------|-----------|-----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------------------|
| 1 – DOWNTOWN | | | | | | | | | | | | | | |
| BUDGETED | \$113,888 | \$72,179 | \$94,359 | \$123,163 | \$123,139 | \$123,139 | \$75,758 | \$74,458 | \$76,558 | \$73,625 | \$55,400 | \$48,575 | \$82,175 | |
| ACTUAL | \$61,197 | \$83,279 | \$85,076 | \$62,727 | \$60,052 | \$33,761 | \$31,694 | \$47,663 | \$55,120 | \$8,291 | \$88,749 | \$59,700 | ----- | \$56,146 |
| 2 – RIVERFRONT | | | | | | | | | | | | | | |
| BUDGETED | \$47,118 | \$46,112 | \$40,947 | \$43,758 | \$43,758 | \$43,758 | \$42,358 | \$40,082 | \$40,325 | \$41,825 | \$41,942 | \$42,362 | \$46,692 | |
| ACTUAL | \$30,671 | \$30,959 | \$28,967 | \$22,686 | \$37,840 | \$27,166 | \$38,274 | \$43,641 | \$44,515 | \$44,501 | \$68,642 | \$38,062 | ----- | \$37,987 |
| 4 – S 12TH ST | | | | | | | | | | | | | | |
| BUDGETED | \$8,665 | \$8,160 | \$6,023 | \$7,662 | \$7,662 | \$7,662 | \$11,709 | \$12,373 | \$12,289 | \$12,881 | \$10,821 | \$12,046 | \$12,046 | |
| ACTUAL | \$3,218 | \$4,256 | \$5,108 | \$5,257 | \$11,065 | \$4,767 | \$5,647 | \$8,458 | \$8,539 | \$6,107 | \$12,553 | \$9,096 | ----- | \$6,816 |
| 6 – SOUTH PIER | | | | | | | | | | | | | | |
| BUDGETED | \$25,305 | \$23,374 | \$15,745 | \$15,176 | \$15,176 | \$15,176 | \$17,862 | \$18,260 | \$18,044 | \$16,309 | \$18,746 | \$17,325 | \$17,325 | |
| ACTUAL | \$12,285 | \$12,796 | \$11,294 | \$9,239 | \$16,838 | \$14,326 | \$13,555 | \$19,689 | \$17,494 | \$19,698 | \$29,419 | \$15,125 | ----- | \$16,058 |

Highly utilized parking areas, like the Downtown and Riverfront districts, will require more enforcement and higher maintenance costs due to higher parking demand in these areas. With parking currently free in the Riverfront district, maintenance expenses are funded through assessments to district property owners versus parking revenues.

In determining the efficacy of independently maintaining the districts financially, the expenses of the districts were analyzed in comparison to the assessments for the same period. The S 12th St District consistently had the lowest expenses over the last 10 years, averaging just over \$8,000 annually. The Downtown District had the highest expenses, averaging just under \$145,000 annually.

The South Pier District averaged \$16,000 in revenues from 2009 to 2019. However, the district's net annual expenses average \$19,000, which exceeds the amount needed to cover maintenance. Based on the 2017 parking study, the occupancy for the South Pier District was not high, but it is expected that there will be an increase in demand as the area develops. This will result in an increase in utilization and additional allocation of expenses for enforcement and maintenance.



PAD Expenses by Year (2013-2020) - MUNIS

| PAD | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020* | 2021** | 2013-2019 AVERAGE |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------|
| 1 – DOWNTOWN | | | | | | | | | | |
| BUDGETED | \$229,290 | \$233,464 | \$172,208 | \$177,708 | \$175,308 | \$172,375 | \$172,950 | \$176,400 | \$181,275 | \$190,472 |
| ACTUAL | \$173,475 | \$146,728 | \$124,259 | \$125,008 | \$135,548 | \$126,539 | \$182,058 | \$158,050 | ----- | \$144,802 |
| 2 – RIVERFRONT | | | | | | | | | | |
| BUDGETED | \$39,080 | \$47,258 | \$49,358 | \$50,082 | \$50,325 | \$48,825 | \$46,942 | \$46,362 | \$48,692 | \$47,410 |
| ACTUAL | \$44,417 | \$32,667 | \$43,742 | \$47,834 | \$48,045 | \$56,691 | \$69,118 | \$41,062 | ----- | \$48,931 |
| 4 – S 12TH ST | | | | | | | | | | |
| BUDGETED | \$7,148 | \$7,662 | \$11,709 | \$12,374 | \$12,289 | \$12,881 | \$10,821 | \$12,046 | \$12,046 | \$10,698 |
| ACTUAL | \$10,710 | \$4,709 | \$5,645 | \$8,214 | \$8,539 | \$6,153 | \$12,206 | \$9,096 | ----- | \$8,025 |
| 6 – SOUTH PIER | | | | | | | | | | |
| BUDGETED | \$15,013 | \$15,176 | \$17,862 | \$18,260 | \$18,044 | \$19,309 | \$19,309 | \$20,325 | \$20,325 | \$17,568 |
| ACTUAL | \$16,586 | \$14,254 | \$13,550 | \$19,169 | \$20,122 | \$20,121 | \$31,457 | \$18,125 | ----- | \$19,323 |

*2020 Budgeted and 2020 year-end estimated expenses.

** 2021 Budgeted expenses only.

Comparable Cities

To gain further insight on how parking assessments are being administered and managed in peer cities, WGI assessed eleven cities in comparison to Sheboygan. The initial goal was to assess peer cities near Sheboygan.

| City | Population | Utility or Assessment | Contact | Department |
|-------------|------------|---|----------------------------|---------------------------------|
| Sheboygan | 48,000 | Utility in place | | |
| Beloit | 36,966 | Ordinance allows for assessment fees. | Jason Dupuis | Assistant City Engineer |
| Fond Du Lac | 43,021 | Ordinance allows for assessment fees. | Diane | Community Development |
| La Crosse | 51,320 | Utility in place | Greg Elsen | Parking Utility Coordinator |
| Janesville | 63,575 | Only one garage, no ordinance speaking to utility. | Mike Payne | City Engineer |
| Oshkosh | 66,083 | Parking utility downtown only | Jennifer Messerschmidt | Parking Utility |
| Waukesha | 70,718 | Doesn't seem like there are active utilities, but the ordinance allows for assessment fees. | Fred Abadi, PE | Director of Public Works |
| Appleton | 72,623 | Utility in place | Department of Public Works | Department of Public Works |
| Racine | 78,860 | Parking utility under traffic department (within engineering) | Traffic Department | Traffic Department |
| Kenosha | 99,218 | Parking utility under transit department (no paid street parking, only 8 managed lots) | Jerrad Jones | Department of Transit |
| Green Bay | 104,057 | Utility in place | Chris Pirlot (ext. 3736) | Public Works - Parking Division |

WGI reached out to Janesville, Beloit, Waukesha, and Racine. However, after emails and/or phone calls we did not receive a response from these cities. Below are the contacts and some key points from successful interviews conducted and ordinances review.

Fond Du Lac, WI

- Previously had a parking utility in place, but it was eliminated due to inadequate revenues to support the operation, and frequent subsidization from the general fund.
- When it was in existence, it was only for our downtown area where we had meters and City owned lots where we issued permits.
- The city does not currently charge for snow plowing.



La Crosse, WI

- Parking Utility in place.
- Downtown parking assessment tax on all properties in the one designated area, the downtown district.
- Bonds and TIF utilized for capital projects.

Kenosha, WI

- No paid street parking.
- City manages 8 parking lots.
- 3 other lots are paid by permit.
- Other 4 lots are free with 2-hour limit and no overnight parking.
- 100% of parking revenue goes back into maintenance for the lots.

Oshkosh, WI

- BID District for downtown only.
- Businesses are taxed annually.
- Current efforts to eliminate BID assessment.
- Very little off-street parking dedicated for businesses.
- No meters.

Appleton, WI

- Parking is a division of Public Works
- Revenue recorded by ramp and on street.
- Plowing expenses for parking areas covered by parking revenues.
- Streets and sidewalks plowing maintenance expenses are managed separately.

Green Bay, WI

- City owns three metered ramps.
- Rates vary depending on proximity from downtown.
- City runs approximately 720 parking meters, can also be paid for mobile payment.
- Parking was run via parking utility until 1998, now a parking system division of public works.
- All parking money (citations, ramps, meters) goes back into the parking program. Funds are reserved exclusively for program.

The City of Sheboygan was the only city managing assessments by individual districts. While not all the cities interviewed currently charge for parking, their management of the assessment districts was uniformly consolidated into one parking district. The City of Appleton manages revenues by parking facility to fund expenses related to each parking ramp and/or lot. The City of Oshkosh was the only city interviewed that had no parking revenues being generated. The City of Green Bay is managed similarly to the other cities but transitioned from a parking utility to a division of public works in 1998.



Findings and Recommendations

Unfortunately, the comparative city ordinances explored did not provide information regarding the financial management of the districts. The financial focus was on day-to-day operations, not capital projects. In Sheboygan, District 4 is the only district that allows for assessed capital improvements. With aging parking facilities throughout all districts, this is a challenge to address larger improvement projects across all districts. Like La Crosse, WI bonds are typical for public capital municipal projects and maintenance is typically an operating expense.

The City of Sheboygan's current ordinance (Article II Parking Districts) could be more effective with revisions and updates. For example, District 3 is mentioned in the ordinance but is no longer an active district and has been absorbed into current districts, per Metro Shoreline. Below are recommendations to be considered by Metro Shoreline to address the assessments going forward:

Update of 2017 Parking Study

With the recent pandemic, parking utilization has been impacted drastically. To gain a more accurate perspective of projected revenues and expenses, an update to the 2017 parking study should be considered to include an updated occupancy study, strategic operational and master plan. This is especially important to developing areas that warrant paid parking. This study should also include efficiencies from technological advances and modulating customer expectations.

Expand Paid Parking

Due to historical occupancy data and anticipated growth in development, consideration should be given to implementing paid parking in the highly utilized areas of the Riverfront and South Pier Districts. This paid parking should be at the regional market rate for implementing paid parking and intended to support the current and future enforcement and maintenance related to parking and expected service levels.

Ordinance Revision

The City of Sheboygan was the only city managing assessments separately by individual districts. Updates should be made to the current city ordinance to reflect the current state of the districts in place and eliminate the reference to District 3. In doing so, condense the definitions for consistency and include in the introduction of the ordinance.

To align with other comparable cities, it is recommended to combine the four districts into one district for consistency in management. In addition, the alignment of the districts should include capitol expenses and allow assessments to be applied to capital improvements, as needed. Pooling revenues and expenses would allow the city to react to those needs regardless of the district that the revenues were generated from and pose lower assessment to the community.



Sample Ordinances

The City of Fond Du Lac ordinance describes the utility as a parking system that includes on and off-street parking within the downtown area. This ordinance is all encompassing of parking management for one specified district as clearly stated.

CITY OF FOND DU LAC

<https://ecode360.com/15662508?highlight=park,parked,parking,parking%20system,parking%20system%20utility,parking%20utility,utility&searchId=3108471047580822#15662508>

B. Parking system utility

(1) The City municipal parking system consists of off-street parking facilities situated throughout the downtown area, as well as on-street parking facilities with meters situated throughout the downtown area, except those no parking zones outlined in Schedule E and limited time parking in Schedule F.[2]

(2) The parking system includes separate on-street nonmetered parking zones on Main Street, both sides, between Second Street and Division Street; on Main Street from Division Street to Merrill Avenue; and Main Street from Second Street to Western Avenue, with a two-hour time limit as provided in Schedule J,[3] except those no parking zones outlined in Schedule E. The purpose of these nonmetered parking facilities is specifically to service downtown customers and clients, not downtown employees and business owners.

(3) The municipal parking system of the City consisting of the parking facilities described in this Subsection B and together with all property, real and personal, appurtenant thereto and including all other parking facilities hereafter acquired or constructed shall constitute a public utility within the purview of § 66.0805, Wis. Stats.

(4) The parking utility shall be under the management of the City Manager.

(5) While any bonds payable from the revenues of such parking utility are outstanding, the collection, security and disbursement of parking revenues shall be subject to the provisions and covenants of the ordinance or ordinances authorizing such parking revenue bonds.

Like Fond Du Lac, the City of Beloit describes the parking system as being inclusive of on and off-street parking. The city does impose assessments for operating and maintenance expenses within one clearly defined area. This is an example of defining one parking system applicable to the city.

CITY OF BELOIT

https://library.municode.com/wi/beloit/codes/code_of_ordinances?nodeId=CH13TRCO_13.07PAS

13.07 - PARKING SYSTEM

(1) CREATED. (Am. #1519) There is hereby created a downtown municipal parking system to include the off-street parking lots and on-street parking spaces now owned



or leased or hereafter acquired by the City in the downtown area for motor vehicle parking.

(2) SPECIAL ASSESSMENT OF COSTS. **The cost of operating and maintaining the downtown parking system shall be assessed annually against all property in the benefited area, such area and such assessments to be determined in the manner prescribed by §66.60, Wis. Stats. Such costs may include a payment in lieu of taxes, operating, maintenance and replacement costs and interest on an unpaid capital cost.**

(3) DESIGNATION OF PARKING SPACES. (Am. #3608) The City Manager shall cause the marking off of individual parking spaces in each of the parking zones as may hereafter be established, such parking spaces to be designated by lines painted or durably marked on the curbing or surface of the street. At each space so marked off, no person shall park any vehicle in such a way that such vehicle is not entirely within the limits of the space so designated. This section shall not apply to oversized police department vehicles parked in the southeast bay of the City Hall Parking Lot.

(4) PARKING TIME LIMITS. The duration of parking in the off street parking lots and at the on street parking facilities shall be the limits set forth in [§13.02](#) of this chapter.