

MEMO



TO: Mayor and City Council
FROM: Parking Commission
DATE: April 5, 2021
RE: Interim Update

The Parking Commission has been meeting regularly and working, as directed, on overall parking-related issues within the city. The Commission has identified 7 categories of issues that we will be addressing in the months to come. They are:

- Finance
- Parking Enforcement
- Safety and Walkability
- Education and Marketing
- Patron and Business Growth
- Community Character
- Residential Cohesion

With this interim update, we are reporting back some of our early findings and recommendations as well as seeking your guidance as to the next steps. We ask you to consider the following:

1. The City needs to get out of the business of providing parking.

We believe that the City is best positioned if we get out of the business of providing off-street parking. The City is incurring significant financial losses from providing parking, as well as accumulating long-term liabilities without a commensurate source of revenue. There is no viable plan for closing that gap as, from a supply and demand perspective, there is an abundance of parking in the core downtown and/or not enough demand for that parking to raise rates.

Parking Lot Fund (236) - 5 Year History					
	2015	2016	2017	2018	2019
Revenues	22,735	23,510	26,555	25,719	34,408
Expenditures	17,345	19,791	26,934	39,193	49,552
Net Operating Income/(Deficit)	5,390	3,719	(380)	(13,474)	(15,144)
Annual Estimated Amount for Resurfacing & Maintenance Costs (Based on 2021 Costs)	4,447	4,447	4,447	4,447	4,447
Net Operating Income/(Deficit) w/ Capital Improvements	943	(728)	(4,827)	(17,921)	(19,591)
Actual Ending Fund Balance	10,614	14,333	13,953	479	(14,665)

2. The City should become more active in managing parking.

Most of the parking challenges within the core downtown do not relate to the supply of parking but to its overall use and management. For example:

- The City provides on-street parking, which is the most valuable parking for businesses, but does little to manage this asset.
- There are different needs for parking through the day and overnight, but these are not currently addressed in any kind of nuanced way.
- Within two blocks of the core downtown, there is excessive amounts of parking, but the walkability connecting that parking with businesses is lacking.

Having fewer parking spaces that are better managed will provide more opportunity for business enterprise and tax base growth while costing taxpayers – including those in the downtown – less money. This should be preferred to having an excess of parking that is inefficiently managed.

3. The City should establish measurements of success for parking in the core downtown.

To successfully implement a parking management strategy, the City should establish how success is measured. The Parking Committee has discussed the following:

- **Increasing Property Values.** A successful parking management strategy should increase the value of land and property within the core downtown at greater rates than we see commercial property increasing in other parts of the city and region. We can measure this through the County Assessor's records.
- **Increasing Sales Tax Receipts.** A successful parking management strategy should bring more patrons to the core downtown and result in more sales transactions. We can measure this through records with the Minnesota Department of Commerce.
- **Increasing Human Count / Overall Activity.** A successful parking management strategy will result in more people being in the core downtown during prime hours. We can start counting overall activity (sidewalk count of people) on a regular basis to discern trends.

The Parking Commission would benefit from knowing the City Council's reaction to these proposed measurements of success and any others that members would consider important.

4. As the Parking Commission continues to work, the City should take these short-term actions.

In an effort to move the City from a parking provider to a manager of parking while also moving in a more fiscally responsible direction, we recommend that the City Council direct the staff to undertake the following steps over the next 90 days:

(0-30 days) Identify options for supplementing leased parking within the downtown.

(30-60 days) Notify parking leaseholders in the Burlington Northern lot that the City is discontinuing providing leases on that property in 60 days. Share alternatives for leased parking as part of the notification.

(60-90 days) Notify Burlington-Northern that the City is ending the lease on property we are currently leasing for parking.

This is a first step toward better parking management, improving the character of our community, and increasing city's the overall economic vitality.

We welcome any feedback or guidance the Mayor and City Council may wish to provide.