

ATTACHMENT A

**A RESOLUTION RECEIVING THE UPDATE ON CHAPEL HILL TRANSIT BUDGET AND
ACTIVITIES FOR FY13-14**

Draft No. 84/2012-13

WHEREAS, the Town of Carrboro, Town of Chapel Hill, and University of North Carolina collaborate on policymaking for Chapel Hill Transit via the Transit Partners' Committee; and,

WHEREAS, Chapel Hill Transit staff have provided the Board of Aldermen with an update on the status of CHT's Long Term Financial Sustainability Plan, a proposal to charge for the use of Park and Ride lots, Transit Sales Tax and FY13-14 Budget Projections and Schedule;

NOW, THEREFORE, BE IT RESOLVED by the Carrboro Board of Aldermen that the Board receives the update.

BE IT FURTHER RESOLVED that the Board offers the following comments:

1. _____
2. _____
3. _____

This is the 29th day of January in the year 2013.

WORK SESSION ITEMS

December 18, 2012

1A. Pay for Park and Ride

- Future Action Items:**
1. Determine appropriate technology to accommodate daily parkers.
 2. Identify funding in current fiscal year for capital and other upfront costs associated with implementing the program.
 3. Determine pricing structure and rates.
 4. Provide feedback on projected revenues and expenses.
 5. Provide feedback on actions related to Carrboro Plaza services.

Staff Resource: Mila Vega, Service Planner
 Rick Shreve, Budget Manager
 Brian Litchfield, Interim Director

BACKGROUND:

As discussed at previous Partners meetings, UNC will begin charging for parking at park & ride lots on August 15, 2013, consistent with the Department of Public Safety Transportation and Parking Five-Year Plan. CHT staff has been analyzing implementation details towards charging similar fees in Town-operated park and ride lots; in part to mitigate the effects of maintaining free lots while parking on UNC lots comes at a fee.

This idea was first introduced during development of the UNC Five-Year Plan and it was discussed with the Partners on December 16, 2010 as part of the FY11-12 budget process as a potential source of revenue that could be utilized to offset increased operating costs or losses in state and federal funds. Five lots were originally included in the discussion: Southern Village, Jones Ferry, Eubanks, Carrboro Plaza and Pittsboro Lowes. The gross revenue from these lots was estimated at \$250,000 annually.¹ The estimate did not discuss operating or capital costs.

Currently, Chapel Hill operates 5 park & ride lots. These are:

Lot name	Capacity	Occupancy*	Ownership
Eubanks	395	350	CHT
Carrboro Plaza	145	132	Private
Jones Ferry	443	240	UNC
So. Village	400	400	CHT
Pittsboro-Lowes	50	25	Private

* Occupancy counts per 2011 (see attached map)

Two lots, Carrboro Plaza and Pittsboro-Lowes, are private lots where CHT leases parking spaces. It is not likely that the lot owners will allow CHT to install parking metering equipment to charge at the Park-and Ride portion of the lots. There is also an issue of enforcement, especially when commuters will try to park in free sections designated for shoppers/site customers.

Jones Ferry lot is owned by UNC and leased by CHT. The lease was signed in 1999 for a 20-year term. The lease will expire in 2019. There is no guarantee that UNC will re-lease the lot. There is a possibility UNC will decide to make the lot private to respond to additional need for space.

As a result of this preliminary review, only 3 out of 5 lots are feasible to have a fee: Eubanks (395 spaces), Southern Village (400 spaces) and Jones Ferry lot (443 spaces) are feasible - with an understanding that the current lease will expire in less than 7 years.

¹ The estimate assumed 1200 spaces at Eubanks, Southern Village and Jones Ferry.

DISCUSSION:

In order to implement a fee, various factors need to be considered.

Technology

1. Annual and Monthly Permits – Staff is still exploring methods of issuing and distributing annual and monthly passes.

2. Daily Parking – Pay-by-Phone and Pay-Stations

Several options were discussed such as pay stations and meters. The goal was to find a technological solution that would require minimal investment and maintenance. Town Parking Services helped to identify an option that meets these criteria – virtual parking management system – pay-by-phone. There is no cost for CHT to use the technology; a customer pays 35 cents per transaction (assuming using Parkmobile).

There are costs associated with lot signage. It is estimated that each lot would need about 85 signs to make sure that the necessary messages are clear and visible to every user.

In order to address the needs of a population not comfortable with pay-by-phone technology, we will need to provide one pay station per lot. Staff assumes that one pay station will be sufficient because the majority of Park-and-Ride users will have either an annual or a monthly permit. Occasional (daily) users will be encouraged to use pay-by-phone. The remaining group of occasional users will have the option of using a pay station.

The idea of installing a limited number of parking meters was discussed; however, it didn't seem effective at addressing the needs of occasional users without making these spaces designated for daily users only. In order to treat all customers equally, we cannot offer designated spaces for some and first come, first served for others.

As mentioned, in addition to the pay-by-phone option, we will provide one pay station per lot. A pay and display option (whereby the pay station would generate a receipt, that the driver would then need to return to their dashboard) would not be convenient for the customer. Alternatively, there are two different options:

- Paint space numbers (the customer remembers a space number; goes to the pay station and pays for that space).
- Pay by license plate (the customer notes their license plate; goes to the pay station; enters license plate and purchases time; keeps receipt). ² Pay by license plate is more economical (no cost associated with space numbering) and easier to enforce (pay-by-phone and pay-by-license both use license plate information).

Expense Item	Cost
Signs	\$14,025
Sign Installation	\$6,600
Pay stations (3)	\$46,200
Pay station installation	\$1,100
<i>Paint lines & numbers (not required for pay by license plate)</i>	\$11,000
Customer education (flyers, etc.)	\$3,300
Total	\$ 82,225

² <http://www.digitalpaytech.com/products/operational-modes/pay-by-plate.aspx>

Costs and Revenues

While there will be revenues generated from this new structure, there are several new costs associated with implementing fees at these lots, so we must look at the net perspective, and not focus too much on the gross revenues. There will be both initial start-up costs, as well as ongoing annual costs.

Annual Expenses

Staff Requirement: The bulk of the ongoing expenses will come in the form of policing the lots, and the residential parking districts (discussed in the next section). This will require new staff through parking services, and the capacity they will need will be largely contingent on the size of the not-yet-defined residential parking districts. For estimating purposes, this assumes that CHT would need to pay for the capacity of two part time parking attendants. Part-time (30 hours/week) annual salary and benefits will cost about \$23,000; \$46,000 for two positions.

Annual maintenance and support of the necessary pay stations would be about \$1,500, assuming one station at each of the lots.

Credit Card Fees: The other major ongoing expense will be bank processing fees for credit cards. That number is the most difficult to estimate, as those fees are negotiable with the banks, and there are a number of factors to determine how much of the revenues would be paid by credit card.

Customer Service: This is another expense that needs consideration. CHT does not have a customer service call center. Triangle Transit operates a central call center. Customer inquiries related to parking questions will need to be directed to either the Triangle Transit call center or to the Chapel Hill parking Services. In both cases CHT will need to compensate involved parties for their resources used addressing customer inquiries.

Parking Pricing:

Staff proposes three parking price options:

- \$250 – annual permit (there is a concern some customers might find the price high as a one-time payment; UNC will allow pre-tax, pay check deductions)
- \$30 – monthly pass
- \$5 – daily rate

Gross Annual Revenues

The implementation of this fee system allows for a range of theoretical options on revenue possibilities, with some built in assumptions. To illustrate the range, we assume about 1,238 spaces at approximately full daily capacity, for 250 days a year.

While we could examine numbers if all users paid in full, we have focused on the more realistic circumstance of not generating any additional revenues for customers with a UNC pass. We are conservatively assuming that 75% of the lot users will have such a pass, but other information herein indicates that figure may be much higher. We're also assuming that of the roughly 300 spots still available for contributing to the CHT revenue stream, 250 of those will be filled with annual pass purchasers. Another 25 will be filled, theoretically, with monthly pass holders. This leaves 25 to 35 spots available for daily paid parking. With all of the preceding assumptions in place, the gross revenues at full capacity would be about \$102,750.

Total Spaces (Eubanks, Southern Village, and Jones Ferry)	1,238
Approximation of spaces consumed by UNC pass-holders (75%)	929
Viable spaces for CHT revenue stream	309

A potential net scenario could be developed by taking this gross revenue number and subtracting annual expenses at a chosen level, while holding all other assumptions stable. Under the above assumptions, with gross annual revenue of \$102,750, and subtracting the estimated annual expenses of \$67,500, for parking attendants, pay stations, etc., we would obtain a net figure of **\$35,250**. These scenarios also do not account for setting some annual funds to the side for regular capital upkeep to the lots, and *they do not include the start up costs*.

Revenues		Annual Revenue Over 250 Days
Assumption of Annual Pass Holders	250	\$ 62,500
Assumption of Monthly Pass Holders	25	\$ 9,000
Assumption of Daily Users	25	\$ 31,250
Total		\$ 102,750

Expenses (Annual Operating)	
Parking Attendants	\$ 46,000
Annual Maintenance on Pay Stations	\$ 1,500
Customer Service, Credit Card Fees	\$ 15,000
Contingency	\$ 5,000
Total Annual Expenses	\$ 67,500

Unknown costs

- Permit administration/distribution
- Online permit sale or 3rd party contact.

Additional Considerations

Stealth Parking in Residential Neighborhoods

To avoid paying a fee, people might decide to look for free parking in residential neighborhoods adjacent to the lots. This can be avoided by designating such areas as residential parking districts. This concept is not new to the Town of Chapel Hill. The Town currently has 16 residential parking districts which require special parking permits. The list of 2012 parking districts is located here: <http://www.townofchapelhill.org/Modules/ShowDocument.aspx?documentid=15812>

To establish a new parking district, residents must submit a request to the Town of Chapel Hill Council. If the Council approves the request, the new parking district is created. Residents must apply for parking permits. Applicants may apply for a residential parking permit if:

- an applicant resides on a street where parking is prohibited and
- an applicant has no practical way of parking off of the street.

Residents must pay an annual fee in order to obtain a parking permit. The fee is \$25. While the fee is minimal, some residents might object to it because they don't have to pay anything now.

Town of Chapel Hill Parking Services is responsible for permit processing and enforcement. Parking Services might require Transit to compensate them for resources used to process additional permits. There is also an additional cost associated with resources needed to police new parking districts.

Parking in Carrboro

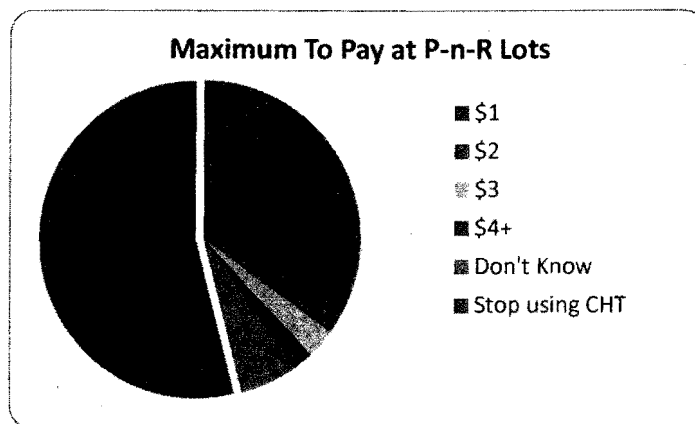
Municipal lots: The Town of Carrboro does not charge for parking at its municipal lots. The Town has a 2-hour parking limit for the municipal lot but there is a concern that commuters might ignore it. As a result, additional enforcement might be required. An impact on free Carrboro parking needs further discussion.

Carrboro Plaza: Since Carrboro Plaza will remain free, there is a concern that commuters will overflow the non-park and ride spaces. This issue might be mitigated by removing express service; however, further impact of service adjustment needs to be studied.

Customer Survey Information

The new fee might deter some of CHT riders from using Park-and-Ride lots. It may also encourage carpooling. In both instances, we can gain some additional lot capacity.

On the other hand, according to CHT 2012 Passenger Survey (on-board), 54.2% of surveyed said that they would stop using Chapel Hill Transit services if they had to pay for parking; 29.4% said they would only pay \$1/day. While a decision to stop using service all together might not be realistic in the absence of other transportation/parking alternatives, it is clear that there will be a strong push back from the public if we introduce a new parking fee.



CHT 2012 On-Board Survey also had the following facts:

- 34.2% of riders board a bus at a Park-and-Ride location
- 57.5% ride to work and 35.5% to school. It is safe to assume that the majority of these trips are associated with UNC students and employees who already pay into the system.
- Expensive and hard to find parking are the key reasons why people who own a car use CHT (55% and 47%)

NEXT STEPS:

- January 2013 – Partners provide recommendations to proceed with the project
- January/February 2013 – Public announcements/education in cooperation with UNC
- May/June 2013 – Council considers approval of the parking fee structure
- Summer of 2013 – Pay station and signage Installation