

Memorandum

To: Mr. Clark Elms
Borough of West Chester

From: David Taxman, P.E.

Date: November 8, 2017

Re: West Chester Parking System Financial Analysis
Borough of West Chester, PA

As part of the Master Parking Plan for Borough of West Chester a financial analysis was conducted to assess the impact of recommended parking rates for West Chester parking facilities and on-street meters.

Parking Rates

After conversations with residents and the business community about the parking rates in the Town Center (TC), it was determined that a graduated rate scale is preferred on-street and that discounted parking should be provided in the garages (i.e. Bicentennial and Chestnut). The suggested rate structure is intended to achieve the following goals:

- Promote turnover on-street,
- Provide a discount for short-term parkers,
- Incentivize utilization of the garages for long-term parkers, and
- Encourage people to visit the TC businesses.

Bicentennial and Chestnut Garages

In order to incentivize use of the garages it is suggested that the first hour is free for transient parkers. This will help deter vehicles from cruising the TC in search of the last available on-street space and instead consider parking in the garages immediately upon entering the TC. The second hour would be \$3.00 and it would be \$1.50 for each additional hour with a daily max of \$9.00, which is consistent with the current rates.

Monthly permits are sold in both garages in the TC. A benchmark analysis was conducted as part of the West Chester Master Parking Plan. The results of the benchmark analysis are provided in **Table 1**. Based on the benchmark analysis, the monthly rates are low compared to the other comparable cities. The last time the monthly rates in the garages were increased was in 2012 when the rate was increased \$5 per month in each garage. Due to the high demand for parking permits, the fact the rates are low compared to other comparable cities, and that they have not been increased since 2012, the monthly rates should be increased to reflect the average rates of the comparable cities. The rate in the Chestnut Street Garage and Bicentennial Garage should increase from \$80 to \$85 and from \$75 to \$95, respectively. The reason the Bicentennial Garage has a higher rate is due to greater demand and less supply (i.e. spaces).

Table 1 – Benchmark Parking Rate Analysis

City	On-Street	Off-Street				Monthly	Residential	
		Hourly	Daily	Evenings	Overnight	24/7	Permit (per year)	Visitor
Ithaca, NY ⁽¹⁾	\$0.75 - \$1.50	\$1	\$7 - \$15			\$85 - \$159	\$45	\$10 per 10 days
Worcester, MA ⁽²⁾	\$1.00	\$0.90 - \$3	\$4 - \$12	\$1 - \$3	\$5	\$75 - \$140	\$10	\$10 per year
Oxford, OH ⁽⁸⁾	\$0.50	\$0.50					\$25	Free
New Bedford, MA ⁽³⁾	\$0.75	\$3	\$15			\$42 - \$47	\$10	Free
Burlington, VT ⁽⁴⁾	\$1 - \$1.50	\$1	\$8 - \$10			\$96	\$0	Free
Wilmington, DE ⁽⁵⁾	\$1	\$3	\$9 - \$12			\$95 - \$185	\$0	Free
Lancaster, PA ⁽⁶⁾	\$1.50	\$2	\$15	\$5		\$60 - \$70	\$0	\$2 per day
Reading, PA	\$1.00	\$1 - \$2	\$8 - \$12			\$69 - \$90	\$30	\$5 per 15 days
Harrisburg, PA ⁽⁷⁾	\$1.50 - \$3.00	\$8	\$20 - \$25			\$115 - \$195	\$15	\$10 - \$15 per mo.
Average Rates	\$ 1.17	\$ 2.44	\$ 12.63	\$ 3.50	\$ 5.00	\$ 90.06	\$ 15.00	NA
West Chester Rates	\$ 1.50	\$1 - \$1.50	\$6 - \$15	\$ 5.00	NA	\$65 - \$80	\$ 8.00	\$ 4.00

¹ Limit of 8 visitor permits per year which cost \$10 and are good for 10 business days

² Only one visitor permit is issued and can be used for a year but not more than 10 days in a row

³ For Downtown permit parking allows an additional 1 hour at meters in morning.

⁴ First 2 hours are free in the garages and meters outside the Downtown are only enforced between 7 AM and 6 PM

⁵ Guest residential permit parking passes are available upon a written request and last 7 days

⁶ No more than 2 residential parking permits per single family home, no more than 1 per unit for multi-family building, and no more than 5 permits for an entire multi-family building

⁶ Guest parking permits are valid for up to 15 days at a rate of \$2 per day

⁷ No limit on the number of guest passes issued, the cost for one day to 7 days is \$10 and \$15 per month

⁸ Two visitor permits are provided for the year with residential permit

Parking Lots

The parking lots in the TC currently charge \$1.50 per hour with a daily max of \$15.00. It is suggested that the existing transient rate structure remain. This rate structure is in line with the on-street meters for short-term parkers (less than 2-hours), but is less costly for a long-term parker. Thus, a long-term parker is incentivized for parking off-street in one of the lots in the TC versus parking on-street.

It is also suggested that the Borough begin to offer and charge hourly/daily pay parking in the Spaz Lot at a rate of \$1.00 per hour with a daily max of \$5.00. Pay parking would only be implemented after 5 PM on weekdays and Saturday since County employees use the lot between 8 AM and 5 PM on weekdays.

The rate for permit parking in the lots should increase from \$50 to \$60. This suggested rate increase is reflective of the market for monthly parking in the TC. The lots can be just as convenient as the garages and should be priced with only a slight discount since the lots are not covered like the garages.

On-Street Meters

On-street meters in the Town Center would have a graduated rate structure, which would increase up to \$3.00 per hour by the third hour. The on-street rate for meters in the South District and University areas would remain the same as today (\$1.50 per hour). Below is the suggested rate structure for the Business District meters:

- 1st Hour: \$1.00
- 2nd Hour: \$2.00
- 3rd Hour or greater: \$3.00

It is suggested that the 3-hour time restriction on-street in the TC is eliminated. This time restriction is difficult to enforce since vehicles can add time easily using the Passport mobile-pay app. The suggested rate structure (i.e. \$3.00 per hour for the 3rd hour or greater) will effectively deter people to not park long-term on-street and help encourage turnover.

Residential and Business Permits

It was determined that the residential permit rate is low compared to comparable communities. It is suggested that the residential annual permit rate is increased from \$8 to \$15, which is the average rate of the comparable communities. However, this rate should be adjusted, if needed, to cover the costs to issue and manage the residential parking permit program.

Business permits are sold to contracted service providers working in a residential area at the same rate as a residential permit (\$8 per year). This is exceptionally discounted compared to the rate of purchasing monthly parking in the CBD. It is suggested that the rate of a business permit is increased to \$50 per year, which is still a substantial cost savings compared to paying \$75 or \$80 per month in the Bicentennial and Chestnut garages, respectively.

Table 2 shows a summary of the existing and suggested rate structure for each of the West Chester parking facilities and on-street meters.

Financial Analysis

A financial analysis was conducted to assess the impact of the suggested rate structure on the parking financials. This analysis is based primarily on the parking revenue generated in 2016 and the percentage change in the rate.

For the garages we assessed the amount of revenue generated for every half hour time period for October and November of 2016 to determine the financial impact of one hour free parking. It was determined that offering 1 hour free parking would reduce transient revenue by 11% and 20% for the Chestnut and Bicentennial Garages, respectively.

In analyzing the impact of applying a graduated rate schedule on-street in the TC, we reviewed every transaction for every street in the TC between September 23, 2017 and October 23, 2017. It was determined that a graduated rate scale would reduce revenues by approximately 6%. However, this analysis does not take into account additional revenue generated from any people that may park longer than 3 hours, which would be at a higher hourly rate (\$3) than today (\$1.50).

As shown in **Table 3**, there is a projected increase in revenue of approximately \$10,000. The revenue generated from transient parking would decrease by an estimated \$185,000, but the permit/monthly revenue is projected to increase by \$195,000.

Table 2 – Existing and Suggested Parking Rate Structure

ID	Facility	Existing Rates					Suggested Rates							
		Transient			Monthly		Annual	Transient					Monthly	Annual
		Hourly	Daily	Evening	Permit	Leased	Permit	1st Hour	2nd Hour	3+ Hours	Daily	Evenings ⁽²⁾	Permit	Permit
Lot #1	Chestnut Street Garage ⁽³⁾	\$1 - \$1.50	\$ 9.00	\$ 5.00	\$ 80.00			Free	\$ 3.00	\$ 1.50	\$ 9.00	\$ 5.00	\$ 85.00	
Lot #2	Bicentennial Garage ⁽³⁾	\$ 1.50	\$ 9.00	\$ 5.00	\$ 75.00			Free	\$ 3.00	\$ 1.50	\$ 9.00	\$ 5.00	\$ 95.00	
Lot #3 ⁽¹⁾	300 W. Gay Street Lot					\$ 50.00							\$ 60.00	
Lot #5	100 S. High St.	\$ 1.50	\$ 15.00			\$ 50.00		\$ 1.50	\$ 1.50	\$ 1.50	\$ 15.00		\$ 60.00	
Lot #6	Spaz Lot				\$ 8.00	\$ 50.00		\$ 1.00	\$ 1.00	\$ 1.00	\$ 5.00		\$15 and \$60	
Lot #7	100 W. Chestnut	\$ 1.50	\$ 15.00			\$ 50.00		\$ 1.50	\$ 1.50	\$ 1.50	\$ 15.00		\$ 60.00	
Lot #9	200 W. Miner St.	\$ 1.50	\$ 15.00					\$ 1.50	\$ 1.50	\$ 1.50	\$ 15.00		\$ 60.00	
Lot #10	50 W. Chestnut	\$ 1.50	\$ 15.00			\$ 50.00		\$ 1.50	\$ 1.50	\$ 1.50	\$ 15.00		\$ 60.00	
Lot #11	100 E. Market St.	\$ 1.50	\$ 15.00					\$ 1.50	\$ 1.50	\$ 1.50	\$ 15.00		\$ 60.00	
	Greenfield Lot	\$ 1.50	\$ 15.00		\$ 8.00			\$ 1.50	\$ 1.50	\$ 1.50	\$ 15.00		\$ 15.00	
	University/South District On-Street Meters	\$ 1.50						\$ 1.50	\$ 1.50	\$ 1.50				
	Business District On-Street Meters ⁴	\$ 1.50						\$ 1.00	\$ 2.00	\$ 3.00				
	Residential Permits													\$ 15.00
	Business Permits													\$ 50.00

¹ Sell annual permits for \$600 based on lottery.

² Offer evening rate on every day of the week between 5 PM and 8 AM, and not just Saturday evening.

³ 1st Hour free in garages

⁴ \$1 - 1st hour, \$2 - 2nd hour, \$3 - every hour over 3 hours for on-street meters in business district

Table 3 – Financial Analysis of Parking Revenue with Suggested Rate Changes

Parking Facility	Monthly/ Semester Rev	Transient/ Meter Rev	Lease income	Validations	Special Events	Totals	% Change in Rate		Projected Revenue Change	
							Permit/ Monthly	Transient/ Meter	Permits/ Lease	Transient/ Meter
Greenfield Lot/Area N	\$ 5,200.00	\$ 4,205.50				\$ 9,405.50	88%	0%	\$4,550.00	\$0.00
Lot 5		\$ 24,647.50	\$ 6,480.00			\$ 31,127.50	20%	0%	\$1,296.00	\$0.00
Lot 7		\$ 9,599.25	\$ 27,000.00			\$ 36,599.25	20%	0%	\$5,400.00	\$0.00
Lot 11		\$ 21,373.00				\$ 21,373.00		0%		\$0.00
Lot 9		\$ 87,028.85				\$ 87,028.85		0%		\$0.00
Lot 10	\$ 10,800.00	\$ 98,175.70				\$ 108,975.70	20%	0%	\$2,160.00	\$0.00
Lot 3	\$ 9,000.00					\$ 9,000.00	20%		\$1,800.00	
Lot 6 (Spaz)	\$ 280.00		\$ 48,800.00			\$ 49,080.00	88%	0%	\$245.00	
Chestnut Street Garage	\$ 811,843.89	\$ 397,930.88		\$ 43,426.98	\$ 11,240.00	\$ 1,264,441.75	6%	-11%	\$50,740.24	(\$41,903.93)
Bicentennial Garage	\$ 352,516.90	\$ 449,023.05		\$ 38,733.00	\$ 6,060.00	\$ 846,332.95	27%	-20%	\$94,004.51	(\$87,927.00)
Business District Meters		\$ 940,759.75				\$ 940,759.75		-6%		(\$55,091.63)
Business Permits	\$ 1,944.00					\$ 1,944.00	525%		\$10,206.00	
Residential Permits	\$ 28,176.00					\$ 28,176.00	88%		\$24,654.00	
Totals	\$ 1,501,876.32	\$ 3,123,795.43	\$ 82,280.00	\$ 82,159.98	\$ 17,300.00	\$ 4,807,411.73			\$195,055.75	(\$184,922.56)
Net Parking Revenue Gain/(Loss)									\$10,133.19	