



# PARKING MATTERS

 **PARKING MATTERS** | A Strategic Plan for  
Parking + Mobility  
in Savannah

## Technical Report 5.1 OPERATIONS, REVENUES AND CAPITAL COST DATA

Prepared for the  
**Chatham County - Savannah Metropolitan Planning Commission**  
and the  
**City of Savannah Department of Mobility and Parking Services**

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# Technical Report 5.1

# Operations, Revenues and Capital Cost Data

This report provides an assessment of operations and finances of the City of Savannah's Department of Mobility and Parking Services (MPS), which functions as the administrative staff for Savannah's downtown parking authority. A core component of the Parking Matters study's recommendations will be an implementation plan with a financial model and forecast for new revenue and costs. It is important to understand the current state of the Department's finances and any challenges or opportunities that it may face.

## DEPARTMENT FUNCTIONS AND RESPONSIBILITIES

Although MPS is responsible for multiple parking and transportation related services in central Savannah, the department's primary responsibility is the daily operations of the municipal parking system. This system includes six off-street parking locations (comprising over 4,000 spaces) and on-street parking (over 2,800 metered spaces and 12,500 on-street spaces overall) throughout the Parking Matters study area. MPS also has responsibility for licensing local taxis, per Sections 6-1421 through 6-1491 of the City of Savannah Code of Ordinances, as well certain tourism vehicles.

MPS also administers the City's Residential Decal Parking program, first adopted in response to growing demand, especially by visitors, for on-street parking adjacent to the Downtown Historic District. The program is offered to all Savannah residents

meeting certain criteria: upon verification of qualified residence, which includes registration of a vehicle in Chatham County and a minimum threshold for residency in Savannah throughout the year, residents may obtain an on-street parking permit for the zone where they live. There are certain restrictions, but due to the historic nature of the city, this provides parking for many residential properties that cannot accommodate parking on site.

The MPS leadership team has a mix of long-term experienced staff and newer members who bring insight from other organizations. There is a thorough Standard Operating Procedures Manual that is used to guide the regular daily work. There are also appropriate layers of supervisors to direct staff and assist with customer service needs.

## PUBLIC INTERFACE WITH THE DEPARTMENT

The system has been branded through a common graphic style, color scheme, logo and advertising. Branding implants familiarity and promotes a sense of cohesion of transportation services within the city for visitors and residents. Continued use and expansion of the Parking Matters Brand should be encouraged.

The Parking Matters team led a site visit of all MPS-operated facilities, in which team members observed that the facilities were clean, well maintained and were adequately staffed to meet customer needs.

## FINANCIAL STATUS

MPS has consistently shown sound fiscal results. Annual revenues have typically exceeded expenses by approximately 25% each year from 2010 through 2014. By integrating on-street parking and off-street parking into the same financial and operational system (an industry best practice), Savannah continues to build a foundation of fiscal stability. This strong financial situation provides MPS with a continued basis for effective operations. Through this study, the city is looking to integrate overall parking policy and provision (pricing, time limits, operations) for both on and off-street spaces into a unified system focused on overall mobility goals and building on solid fiscal practice.

### Financial Reporting

MPS’s annual financial position is strong. Overall, the system has had an operating surplus nearing \$3 million in 2012-2014, with a surplus of \$2.5 million in 2011. The surplus includes making debt service payments on the parking structures.

## Revenue

Over the years reviewed, off-street revenue has increased, while on-street revenue has fluctuated. Off-street revenue has steadily climbed from \$6.1 million in 2011 to over \$6.7 million in 2014. Almost all of the increase in revenue is from the Robinson Garage and Whitaker Street Garage. The Visitor Center Lot, Liberty Street and Bryan Street Garage have seen decreasing revenue.

Considering the revenue generated per space in each of the facilities, the revenue growth in the Robinson Garage and Whitaker Garage has been exceptional, with 50% growth over five years. The State Street Garage has had modest growth as well. The revenue per space at the Visitor Center Lot, Liberty Garage and Bryan Street Garage have all dropped over five years. The specific reasons for the revenue drop should be further investigated to determine if occupancy levels or policy is the reason for the decrease.

Revenue from on-street parking services has remained relatively even over the five years studied. One area of significant growth is Meter Revenue from Credit

**TABLE 1: OFF-STREET REVENUE, 2010 through 2014**

|                        | 2010                | 2011                | 2012                | 2013                | 2014                |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Visitors Center Lot    | \$ 195,562          | \$ 199,575          | \$ 170,208          | \$ 176,706          | \$ 158,567          |
| Liberty Street Garage  | \$ 493,636          | \$ 533,653          | \$ 442,232          | \$ 403,956          | \$ 406,101          |
| State Street Garage    | \$ 667,784          | \$ 656,350          | \$ 761,678          | \$ 758,054          | \$ 725,750          |
| Robinson Garage        | \$ 743,371          | \$ 798,373          | \$ 939,249          | \$ 1,064,541        | \$ 1,106,404        |
| Bryan Street Garage    | \$ 1,235,587        | \$ 1,253,232        | \$ 1,359,718        | \$ 1,285,291        | \$ 1,182,531        |
| Whitaker Street Garage | \$ 2,182,515        | \$ 2,718,051        | \$ 2,873,921        | \$ 3,063,632        | \$ 3,132,557        |
| <b>TOTAL</b>           | <b>\$ 5,518,455</b> | <b>\$ 6,159,234</b> | <b>\$ 6,547,006</b> | <b>\$ 6,752,180</b> | <b>\$ 6,711,910</b> |

Cards. With widespread use of electronic payment and mobile payment technology, this should continue to be an area of emphasis in the future. Credit card payments reduce shrinkage and loss associated with cash payments. However, it is important to provide security against credit card fraud for the customer. MPS should consult with the City credit card vendor on a regular basis to make sure proper safeguards and PCI compliance issues are addressed.

## Expenses

Overall expenses for MPS have risen at a slightly slower pace than revenue. System revenue increased 10.3% over the 2010-2014 period, while expenses increased only 7.7%. Much of the increase is in contracted services related to MPS's larger urban mobility roles. These services include multiple transit-related activities such as a bicycle share program, and cooperative agreements with CAT (Chatham Area Transit) and Savannah Mobility. This line item has grown significantly from \$698,000 in 2011 to \$997,000 in 2014 and should be monitored closely. Future increases of this magnitude could begin to erode the operating budget of MPS.

The costs of contract services for both on-street and off-street expenses are rising. While personnel costs are the largest expense category, MPS has effectively managed those costs utilizing technology and contracted services to lower overhead and provide a high level of customer service.

## Capital Expenses

MPS is able to service debt on its facilities through operating funds. This is an important point, as many municipalities cannot build, maintain and service the debt for parking out of operating revenue and must count on general fund transfers, tax increment financing districts, business improvement districts or other special funding methods. MPS's ability to service debt entirely through its internal revenue structure is a sign of its sound operating practices, a high degree of demand for its facilities, and effectiveness at revenue collection.

Although the department's finances allow debt servicing, it may have opportunities to enhance its management programs. MPS's budget includes

**TABLE 2: OFF-STREET REVENUE PER SPACE, 2010 through 2014**

|                          | 2010            | 2011            | 2012            | 2013            | 2014            |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Visitors Center Lot      | \$ 656          | \$ 670          | \$ 571          | \$ 593          | \$ 532          |
| Liberty Street Garage    | \$ 560          | \$ 605          | \$ 501          | \$ 458          | \$ 460          |
| State Street Garage      | \$ 1,477        | \$ 1,452        | \$ 1,685        | \$ 1,677        | \$ 1,606        |
| Robinson Garage          | \$ 1,430        | \$ 1,535        | \$ 1,806        | \$ 2,047        | \$ 2,128        |
| Bryan Street Garage      | \$ 2,486        | \$ 2,522        | \$ 2,736        | \$ 2,586        | \$ 2,379        |
| Whitaker Street Garage   | \$ 2,055        | \$ 2,559        | \$ 2,706        | \$ 2,885        | \$ 2,950        |
| <b>AVERAGE PER SPACE</b> | <b>\$ 1,487</b> | <b>\$ 1,660</b> | <b>\$ 1,764</b> | <b>\$ 1,820</b> | <b>\$ 1,809</b> |

a line item for building repairs, but there is not a budgeted amount set aside for structural and long-term maintenance of the facilities. A portion of the annual budget surplus should be set aside for structural maintenance and replacement of garage systems such as lighting, elevators, parking access and revenue control equipment, stairwells and other capital items to ensure the Department's long-term ability to provide service to residents, workers and visitors and to maximize the functional life of its facilities.

## ENFORCEMENT OF REGULATIONS

Parking enforcement is an important part of the MPS system. With over 2,800 metered spaces and 12,500 on-street parking spaces overall, there is a constant need to manage on-street parking. Revenue from on-street parking and related sources is approximately 45% of total system revenue. Enforcement staff patrol in cars utilizing handheld electronic ticket machines to issue citations. These machines print a citation that can be left on the improperly parked vehicle, and the data is downloaded to a central management system provided to MPS through a contract with T2 Systems. This contract provides the complete enforcement data system: handheld machines, data storage, software and online citation payment and appeals. MPS has used T2 for several years and staff have

**TABLE 3: ON-STREET REVENUE, 2010 through 2014**

|                              | 2010                | 2011                | 2012             | 2013                | 2014                |
|------------------------------|---------------------|---------------------|------------------|---------------------|---------------------|
| Equine Sanitation            | \$ 34,800           | \$ 21,050           | -                | \$ (1,000)          | \$ (3,690)          |
| Taxi Citations               | \$ 4,475            | \$ 6,112            | \$ 10,068        | \$ 6,067            | \$ 10,937           |
| Docking Fees                 | \$ 8,056            | \$ 10,604           | \$ 23,708        | \$ 19,896           | \$ 15,603           |
| On-Street Leases             | \$ 72,570           | \$ 53,570           | \$ 52,979        | \$ 74,420           | \$ 97,705           |
| Miscellaneous                | \$ 86,646           | \$ 112,812          | \$ 109,850       | \$ 113,467          | \$ 107,851          |
| Visitor Day Passes           | \$ 131,213          | \$ 128,381          | \$ 160,429       | \$ 181,002          | \$ 166,380          |
| Commercial Decals            | \$ 278,095          | \$ 274,193          | \$ 295,370       | \$ 315,720          | \$ 311,520          |
| Meter Revenue (Cash)         | \$ 1,678,290        | \$ 1,650,870        | \$ 1,662,437     | \$ 1,619,881        | \$ 1,686,429        |
| Meter Revenue (Credit Cards) | \$ 207,598          | \$ 217,592          | \$ 269,224       | \$ 348,798          | \$ 355,086          |
| Citations                    | \$ 2,464,641        | \$ 2,104,092        | \$ 2,520,419     | \$ 2,061,027        | \$ 2,388,441        |
| <b>TOTAL</b>                 | <b>\$ 4,966,384</b> | <b>\$ 4,579,276</b> | <b>5,104,484</b> | <b>\$ 4,739,278</b> | <b>\$ 5,136,262</b> |

expressed satisfaction with the vendor's performance and support; T2's position as an industry leader in enforcement technology and solutions has been able to provide benefit to MPS and the City of Savannah by offering a broad base of industry and peer city knowledge and experience.

## On-Street Enforcement

Central Savannah's metered parking spaces are controlled by a combination of single-space and multi-space meters, with over 2,100 single space meters and almost 700 spaces in the core downtown area controlled by multi-space electronic parking

**TABLE 4: PARKING SYSTEM COSTS, 2011 through 2014** *(itemized data not available for 2010)*

|                                 | 2011                | 2012                | 2013                | 2014                |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>OFF-STREET</b>               |                     |                     |                     |                     |
| Personnel                       | \$ 1,549,894        | \$ 1,539,851        | \$ 1,517,004        | \$ 1,498,081        |
| Contract Services               | \$ 915,678          | \$ 933,902          | \$ 951,903          | \$ 1,014,209        |
| Commodities                     | \$ 42,805           | \$ 33,246           | \$ 46,141           | \$ 34,422           |
| Internal Services               | \$ 174,120          | \$ 153,533          | \$ 242,568          | \$ 296,666          |
| Vehicle Capital Use             | \$ 7,359            | \$ 6,746            | \$ 1,735            | \$ 1,735            |
| <b>Off-Street Subtotals</b>     | <b>\$ 2,689,856</b> | <b>\$ 2,667,278</b> | <b>\$ 2,759,351</b> | <b>\$ 2,845,113</b> |
| <b>ON-STREET</b>                |                     |                     |                     |                     |
| Personnel                       | \$ 1,688,068        | \$ 1,801,027        | \$ 1,770,941        | \$ 1,765,077        |
| Contract Services               | \$ 975,992          | \$ 1,234,879        | \$ 1,221,966        | \$ 1,454,191        |
| Commodities                     | \$ 194,061          | \$ 246,599          | \$ 152,705          | \$ 207,573          |
| Internal Services               | \$ 144,782          | \$ 136,534          | \$ 103,783          | \$ 109,461          |
| Vehicle Capital Use             | \$ 75,844           | \$ 78,062           | \$ 44,292           | \$ 41,661           |
| <b>On-Street Subtotals</b>      | <b>\$ 3,078,747</b> | <b>\$ 3,497,101</b> | <b>\$ 3,293,687</b> | <b>\$ 3,577,963</b> |
| <b>TOTAL</b>                    | <b>\$ 5,768,603</b> | <b>\$ 6,164,379</b> | <b>\$ 6,053,038</b> | <b>\$ 6,423,076</b> |
| <b>Number of Parking Spaces</b> | <b>16,632</b>       | <b>16,632</b>       | <b>16,632</b>       | <b>16,632</b>       |
| <b>Average Cost Per Space</b>   | <b>\$ 347</b>       | <b>\$ 371</b>       | <b>\$ 364</b>       | <b>\$ 386</b>       |

meters. The multi-space meters utilize a pay-by-space methodology with numbers painted on the street for each parking space. They accept cash, coin and credit cards for payment; most of the City's single-space meters accept coins only.

From 2011 through 2014, enforcement officers issued a low of 133,000 (2014) and a high of 174,000 (2012) citations per year. The amount of citations paid held steady throughout this period at 65 percent. The amount of citations dismissed was 7 percent in 2011. Although this began to increase afterward, ranging from 14 to 17.4 percent from 2012 to 2014, respectively. As of late 2015, there are 202,000 outstanding citations in the system. While that number seems large, it has been accumulated over several years and approximately half of the citations are on vehicle registrations that only have a single citation, with many of these being applied to visitor vehicles. A process should be developed to adjudicate unpaid citations and remove them from the registry within a reasonable amount of time; less than one year.

## CHALLENGES AND OPPORTUNITIES

While MPS's current operations have given it a solid fiscal foundation and the Department has provided efficient and customer-focused services, there are potential challenges of which it should remain mindful in looking to its future. At the same time, however, it enjoys multiple opportunities to position itself for continued success in providing parking to the residents, businesses and visitors of Savannah.

### Access Control Equipment

MPS uses Federal APD / 3M Parking Access and Revenue Control (PARCS) equipment in the off-street parking facilities. 3M discontinued the production and support of their PARCS systems in October 2014. The local distributor (ITR Parking and Access Control Systems) is working with MPS to maintain the system. However, there will be a diminishing level of service with limited replacement parts and no software

upgrades available in the future. This could have an impact on PCI (Payment Card Industry) compliance as newer credit card policies are enacted, the system will not have upgrades to meet the newest guidelines.

MPS should take proactive steps to replace its access and revenue control system, and seek opportunities to integrate its facilities more broadly to allow it to offer different pass products that allow a greater interchangeability between parking facilities.

### Parking Rates, Fees and Occupancy

In general, fees charged for parking are not simply to raise revenue, they are a tool to distribute and balance parking demand. On-street and off-street rates should be established in a complimentary manner to achieve city wide customer service goals. On-street parking is the most convenient, and most highly sought parking spaces in a downtown setting. The parking rates and policies should be set to encourage turnover and keep on-street spaces open for people arriving to downtown for shorter duration trips. Off-street parking rates and policies should promote all-day parking, residential long-term parking and support for employees in the downtown area.

Hourly parking rates at the Whitaker Street Garage are the highest of the off-street facilities. This is appropriate considering the demand for parking in the immediate area and the capital costs of that facility, which utilized a more expensive construction method than Savannah's other parking garages. Apart from Whitaker, the other garages have almost identical rates schedules, even though they have differing occupancy levels and times of demand. The daytime monthly parking rates are all \$80 except for the Liberty St. Garage (\$35). Whitaker Street has a significantly higher Monthly Unlimited and Monthly Reserved Space rate than the other garages.

A prominent issue with parking fees is the parity of the on-street hourly rate and the off-street hourly rate. With rates the same, drivers are encouraged to utilize on-street spaces for long-term parking when they should be in off-street spaces. Part of this is beyond the control of MPS, as the City Council sets the

on-street parking rates. This can lead to parking rate structure being set due to considerations outside of best parking policy.

## Garage Functions and Operations

In the off-street parking facilities, monthly parkers are given preference to daily parkers. A number of the off-street facilities are regularly “full” and unable to accept daily parkers. MPS also cannot offer monthly parking to patrons in any facility except the Liberty Street Garage because they are sold out of monthly spaces. Rates should be adjusted to reduce demand, and open spaces for more daily parking.

## Hotel Valet Parking Support

As an historic city and tourism destination, Savannah has numerous hotels in its downtown. In addition, downtown’s visitor economy is expanding, with new hotels either opened since the Parking Matters study’s inauguration, under construction or current development review, or planned for the future. For any hotels within downtown zoning districts, the City and Metropolitan Planning Commission will not require on-site parking. Although some existing hotels have their own parking supply, many rely at least in part on MPS to provide overnight parking (valet or self-parking) for their guests. MPS has operating agreements with certain hotels to provide parking spaces, based on use of access cards to allow valets to park vehicles in garages and that track usage to monitor the number of spaces being used and provide MPS with a better understanding of valet parking need.

The Parking Matters team observed a specific example of how the hotel valet parking agreements can negatively affect operations in the Bryan Street Garage. Certain hotels with valet agreements in the Bryan Street garage make use of these cards, but the valet drivers do not always use the access cards, instead taking tickets from the dispenser. Monthly cards are associated with a given number of spaces per the valet arrangement, and any entry into the garage reduces the number of public spaces

available and causes the facility to be “full” to more hourly parking, even though there are unused parking spaces available. This practice causes a lower level of customer service, and results in lost revenue for the Parking System. As hotel development continues, MPS should have beneficial agreements and thorough operating procedures in order to maximize use of the public parking assets for visitors and residents of Savannah.