



Nicholas Navin
Parking Director

August 2, 2017

MEMORANDUM

TO: Kevin J. Murphy, City Manager

FROM: Nicholas Navin, Parking Director

SUBJECT: Parking Fee and Rate Proposal

I am pleased to submit a proposal to adjust parking rates and fees for the City of Lowell. The recommendations contained within this proposal were carefully derived as a means to restore the solvency of the parking enterprise while we expand to the Hamilton Canal, and so that we may continue to repair our aging facilities. Secondly, the recommendations within this proposal aim to expand our parking management capabilities by diversifying our product offerings to emulate industry best practice in a manner that fits into the context of Lowell. The recommendations within this proposal were also guided by performing an analysis of comparable municipal parking systems within the Commonwealth.

During my time as parking director I have developed the opinion that the various aspects of the parking department—garages, metered, and neighborhood parking—are best viewed with a holistic approach; that the various segments of parking should effectively coalesce into a parking system. As such, you will see that the recommendation for parking rate adjustment looks at revenue streams from all areas of service. It is with this strategy that we can disperse proportionately the rate adjustment onto each segment of parking that the department administers. It is with this in mind that I am confident the recommendations put forth will allow us to continue to provide and manage the valuable resource of parking as a self-sustaining enterprise. I look forward to discussing this proposal with you in depth.

Lowell Parking Rates and Fees

An analysis and recommendation

City of Lowell Parking Department rates and fees were last considered in 2003 with a study that led to the formation of a parking department, the construction of the Early garage, and our current rate and fee structure, which was enacted into ordinance later that year. Since that time the demand for parking has grown along with the residences and businesses in the downtown, but our rates have not. As demand increases and our rates mature the parking department finds itself at a critical point where it must adjust to meet our fiscal, operational, and capital needs. Our current rates and retained earnings cannot support our most recent and ongoing projects, let alone our most urgent capital and operational needs including a new \$35 million dollar parking garage, \$7 million dollars in repairs at three of our current facilities, and a litany of equipment, tools, and improvements that need to be updated and addressed.

Parking rates, when implemented properly, are an effective tool of parking management that can influence parking availability and encourage modal competition in transport. Conversely, if rates are too low and the parking supply is abundant these factors will coalesce to create an environment that incentivizes automobile oriented transportation, which can stifle the development and affect the performance of other modes. This presentation aims to outline the current rates and fees of the parking department, conduct a comparative analysis of other municipal parking systems within the area, and make recommendations to update our own system so that we can overcome the challenges we face while remaining a solvent enterprise.

Current Lowell Garage Rates

Daily Rates

Hourly Rates	
First 1/2 Hr	\$1.00
1/2 Hr to 1 Hr	\$2.00
1 Hr to 2 Hr	\$3.00
2 Hr to 3 Hr	\$4.00
3 Hr to 4 Hr	\$5.00
4 Hr to 5 Hr	\$6.00
5 Hr to 6 Hr	\$6.50
6 Hr to 7 Hr	\$7.00
7 Hr to 8 Hr	\$7.50
8 Hr to 24 Hr	\$8.00

Monthly Rates and Discounts

Type	Garage Access	Monthly Rate
Individual pass card	24/7	\$64.00

Discount	% Discount	Monthly Rate of Individual Pass Card After Discount
Group billing, 20 or more	19%	\$52
Residents of the central business district	25%	\$48
Age 62+ or disabled downtown residents	59%	\$26
Students of LHS	73%	\$17

The current garage rates were established in 2003 based on the recommendations in the *Financial Feasibility and Bond Study for the Proposed Parking Authority* by Desman Associates. The rates were determined in part by comparing Lowell rates vs. other Massachusetts municipalities such as Malden, Worcester, Cambridge, and Springfield.

Lowell Rates vs. Other Massachusetts Municipalities

Duration	Lowell	Worcester (Average)	Springfield	Cambridge	Malden	Lawrence	AVG	Lowell vs AVG
Up to 1/2 Hr	\$ 1.00	\$ 3.00	\$ 1.50	\$ 2.00	\$ 2.00	\$ 2.00	\$ 1.92	\$ (0.92)
1/2 Hr to 1 Hr	\$ 2.00	\$ 3.00	\$ 3.50	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.42	\$ (0.42)
Up to 2 Hr	\$ 3.00	\$ 4.00	\$ 5.50	\$ 4.00	\$ 4.00	\$ 3.50	\$ 4.00	\$ (1.00)
Up to 3 Hr	\$ 4.00	\$ 5.00	\$ 7.50	\$ 6.00	\$ 6.00	\$ 5.00	\$ 5.58	\$ (1.58)
Up to 4 Hr	\$ 5.00	\$ 6.00	\$ 9.50	\$ 8.00	\$ 8.00	\$ 6.00	\$ 7.08	\$ (2.08)
Up to 5 Hr	\$ 6.00	\$ 7.00	\$ 11.50	\$ 10.00	\$ 10.00	\$ 7.50	\$ 8.67	\$ (2.67)
Up to 6 Hr	\$ 6.50	\$ 8.00	\$ 13.50	\$ 12.00	\$ 12.00	\$ 8.50	\$ 10.08	\$ (3.58)
Up to 7 Hr	\$ 7.00	\$ 11.00	\$ 15.50	\$ 14.00	\$ 14.00	\$ 9.50	\$ 11.83	\$ (4.83)
Up to 8 Hr	\$ 8.00	\$ 11.00	\$ 17.50	\$ 16.00	\$ 16.00	\$ 9.50	\$ 13.00	\$ (5.00)
Up to 9 Hr	\$ 8.00	\$ 11.00	\$ 19.50	\$ 18.00	\$ 18.00	\$ 9.50	\$ 14.00	\$ (6.00)
Up to 12 Hr	\$ 8.00	\$ 11.00	\$ 19.50	\$ 21.00	\$ 18.00	\$ 11.00	\$ 14.75	\$ (6.75)
Daily Max	\$ 8.00	\$ 17.20	\$ 20.00	\$ 21.00	\$ 18.00	\$ 13.00	\$ 16.20	\$ (8.20)
Monthly Min	\$ 17.00	\$ 88.00	\$ 85.00	\$ 80.00	\$135.00	\$ 75.00	\$ 80.00	\$ (63.00)
Monthly Max	\$ 64.00	\$ 181.00	\$ 135.00	\$ 200.00	\$135.00	\$ 75.00	\$131.67	\$ (67.67)

Totals	\$147.50	\$ 366.20	\$ 364.50	\$ 413.17	\$398.00	\$ 237.00	\$321.06
Times Higher		2.48	2.47	2.80	2.70	1.61	2.18

In 2003 it was discovered the City of Lowell charged significantly less than market value when compared to other similar municipal parking operations, who were then charging three times more than Lowell. We changed our rates soon after, but over 13 years later without rate adjustment we find ourselves in the same position. This comparison conducted by the Parking Department in 2017 shows that on average our rates today are half of those charged by our neighbors.

Proposed Lowell Garage Rates

The proposed pricing plan for the City of Lowell parking garages takes into consideration factors such as the impact of inflation since the last increase as well as the prevailing regional market rates of municipal parking facilities, and was developed with the following in mind:

- Parking pricing should follow a demand relationship where a premium rate is charged when the supply is most in demand
- The parking pricing should activate the ability for rates to serve as a parking management tool
- Spread out the rate increase over time to minimize the impact of additional costs to our clients

The following pricing plan is spread over four years, where in year 1 the current rates are recalibrated and increased by the rate of inflation over the past 13 years, followed by fixed percentage increases in years 2, 3 and 4. After year 4, it is recommended that all rates increase annually by the Consumer Price Index or based on the needs of the department at the time.

Proposed Lowell Garage Rates

Year 1 - 2018

Weekday (5am to 6pm)	
Up to 1 Hr	\$2.00
Up to 2 Hr	\$3.50
Up to 3Hr	\$5.00
Up to 4 Hr	\$6.50
Up to 5 Hr	\$8.00
Up to 6 Hr	\$9.50
6+ Hr	\$11.00

Weekday Evenings (6pm -5am)	
Up to 1 Hr	\$1.00
Up to 2 Hr	\$2.00
Up to 3 Hr	\$3.00
Up to 4 Hr	\$4.00
4+ Hr	\$5.00

Weekends (Friday 6pm thru Monday 5am)	
Up to 1 Hr	\$1.00
Up to 2 Hr	\$2.00
Up to 3 Hr	\$3.00
Up to 4 Hr	\$4.00
4 to 24 Hr	\$5.00

Year 2 - 2019

Weekday (5am to 6pm)	
Up to 1 Hr	\$2.25
Up to 2 Hr	\$3.75
Up to 3Hr	\$5.50
Up to 4 Hr	\$7.25
Up to 5 Hr	\$9.00
Up to 6 Hr	\$10.50
6+ Hr	\$12.25

Weekday Evenings (6pm -5am)	
Up to 1 Hr	\$1.00
Up to 2 Hr	\$2.00
Up to 3 Hr	\$3.00
Up to 4 Hr	\$4.00
4+ Hr	\$5.00

Weekends (Friday 6pm thru Monday 5am)	
Up to 1 Hr	\$1.00
Up to 2 Hr	\$2.00
Up to 3 Hr	\$3.00
Up to 4 Hr	\$4.00
4 to 24 Hr	\$5.00

Year 3 - 2020

Weekday (5am to 6pm)	
Up to 1 Hr	\$2.50
Up to 2 Hr	\$4.25
Up to 3Hr	\$6.00
Up to 4 Hr	\$8.00
Up to 5 Hr	\$9.75
Up to 6 Hr	\$11.50
6+ Hr	\$13.25

Weekday Evenings (6pm -5am)	
Up to 1 Hr	\$1.00
Up to 2 Hr	\$2.00
Up to 3 Hr	\$3.00
Up to 4 Hr	\$4.00
4+ Hr	\$5.00

Weekends (Friday 6pm thru Monday 5am)	
Up to 1 Hr	\$1.00
Up to 2 Hr	\$2.00
Up to 3 Hr	\$3.00
Up to 4 Hr	\$4.00
4 to 24 Hr	\$5.00

Year 4 - 2021

Weekday (5am to 6pm)	
Up to 1 Hr	\$2.50
Up to 2 Hr	\$4.50
Up to 3Hr	\$6.50
Up to 4 Hr	\$8.50
Up to 5 Hr	\$10.50
Up to 6 Hr	\$12.50
6+ Hr	\$14.50

Weekday Evenings (6pm -5am)	
Up to 1 Hr	\$1.00
Up to 2 Hr	\$2.00
Up to 3 Hr	\$3.00
Up to 4 Hr	\$4.00
4+ Hr	\$5.00

Weekends (Friday 6pm thru Monday 5am)	
Up to 1 Hr	\$1.00
Up to 2 Hr	\$2.00
Up to 3 Hr	\$3.00
Up to 4 Hr	\$4.00
4 to 24 Hr	\$5.00

The new daily rates feature weekday, evening, and weekend garage parking rates based on a demand pricing model. Year 1 catches our rates up with inflation and compresses the rate bands from our current set-up. Years 2, 3, and 4 feature approximately 10% increases year over year.

Proposed Lowell Garage Rates

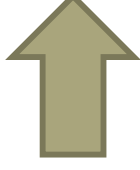
Monthly Parking Options	Description	Year 1 - 2018	Year 2 - 2019	Year 3 - 2020	Year 4 - 2021
		Cost	Cost	Cost	Cost
Unrestricted 24/7	24/7 Access	\$100	\$115	\$132	\$145
Commuter Special	Enter Mon-Fri. Choose 5a - 5p, 6a - 6p, or 7a - 7p	\$75	\$86	\$99	\$109
Overnight Parking Special	Enter Monday - Thursday after 4pm and leave by 9am the next day. Come and go all weekend after 4pm Friday and leave by 9am Monday. Park all day during holidays and have two free "grace" days per month	\$65	\$75	\$86	\$95

The new monthly parking options adds more product diversity and savings opportunities by introducing a range of products with different access privileges. Pricing follows a demand based model where off-peak parking or more narrow access rights are offered at a reduced price compared to the alternative. Year 1 is based off the inflated cost of our current rates plus an additional 10%, while years 2, 3, and 4 increase by 15%, 15%, and 10%, respectively.

Proposed Lowell Garage Rates

Current Discounts Available

Discount	Amount
Group Billing (20 or More)	19% Off
Downtown Residents	25% Off
Downtown Residents - Age 62+ or Disabled	59% Off
Students of LHS	73% Off



Proposed Discounts

Amount
10%
20%
50%
50%

The City of Lowell Parking Department currently offers an array of very deep discounts for monthly parking. Currently, approximately 95% of our monthly parkers across all garages pay less than the market rate. As the rates have matured these deep discounts have devalued the product of monthly parking to the point where it is nearly impossible to restore prices to the prevailing regional market rate, or even our own market rate.

The discounts available as part of the proposed pricing maintains the categories of the previous discount model while reining in the amount discounted to begin moving our net rates closer to market rate. In the future, it is recommended we consider amending our business strategy to avoid these deep, virtually across-the-board price cuts and adopt some adaptive pricing that can better serve and identify those populations that may need relief from parking rates.

Lowell Citation Fees vs. Other Massachusetts Municipalities

Violation	Lowell, MA	Cambridge, MA	Springfield, MA	Somerville, MA	Worcester, MA	Average	Change
Parking Meter Violation	\$ 15.00	\$ 25.00	\$ 25.00	\$ 30.00	\$ 15.00	\$ 22.00	\$ 7.00
Meter Feeding - Overtime	\$ 30.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 15.00	\$ 24.00	\$ (6.00)
Overtime Parking (except at meter)	\$ 15.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 15.00	\$ 21.00	\$ 6.00
Not parked within marked spaces or not at a meter	\$ 20.00	\$ 25.00	\$ 25.00		\$ 15.00	\$ 21.25	\$ 1.25
Parking in restricted or tow away areas	\$ 20.00	\$ 25.00	\$ 25.00	\$ 50.00	\$ 35.00	\$ 31.00	\$ 11.00
Parking in wrong direction	\$ 15.00	\$ 25.00		\$ 30.00	\$ 20.00	\$ 22.50	\$ 7.50
Parking more than 12 inches from the curb	\$ 15.00	\$ 25.00	\$ 15.00	\$ 30.00	\$ 20.00	\$ 21.00	\$ 6.00
Parking in taxi stand	\$ 15.00	\$ 25.00	\$ 25.00	\$ 30.00	\$ 20.00	\$ 23.00	\$ 8.00
Improper angle parking	\$ 10.00				\$ 20.00	\$ 15.00	\$ 5.00
Parking other than at designated space in municipal lot	\$ 15.00				\$ 25.00	\$ 20.00	\$ 5.00
Parking on sidewalk	\$ 50.00	\$ 35.00	\$ 15.00	\$ 30.00	\$ 20.00	\$ 30.00	\$ (20.00)
Parking on crosswalk	\$ 25.00	\$ 35.00	\$ 15.00	\$ 50.00	\$ 30.00	\$ 31.00	\$ 6.00
Parking within 20 feet of intersection	\$ 20.00	\$ 25.00	\$ 15.00	\$ 40.00	\$ 25.00	\$ 25.00	\$ 5.00
Parking in bus stop	\$ 20.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 84.00	\$ 64.00
Parking double	\$ 20.00	\$ 35.00		\$ 50.00	\$ 30.00	\$ 33.75	\$ 13.75
Parking in front of private way or driveway	\$ 20.00	\$ 25.00	\$ 15.00	\$ 100.00	\$ 20.00	\$ 36.00	\$ 16.00
Parking within 10 feet of a fire hydrant	\$ 50.00	\$ 55.00	\$ 15.00	\$ 100.00	\$ 50.00	\$ 54.00	\$ 4.00
Parking within 10 feet of unobstructed lane	\$ 20.00	\$ 30.00	\$ 15.00	\$ 40.00	\$ 35.00	\$ 28.00	\$ 8.00
Fire station entrance or accessibility parking violation	\$ 25.00	\$ 100.00	\$ 150.00	\$ 200.00	\$ 30.00	\$101.00	\$ 76.00
Snow emergency parking violation	\$ 20.00	\$ 40.00	\$ 15.00	\$ 100.00	\$ 50.00	\$ 45.00	\$ 25.00
Parking in or blocking fire lane	\$ 50.00	\$ 50.00	\$ 50.00	\$ 100.00	\$ 30.00	\$ 56.00	\$ 6.00
Parking in or in front of alley	\$ 15.00	\$ 25.00			\$ 25.00	\$ 21.67	\$ 6.67
Residential sticker parking - 1st violation	\$ 25.00	\$ 30.00	\$ 50.00	\$ 50.00	\$ 25.00	\$ 36.00	\$ 11.00
Parking illegally in a handicapped persons zone	\$ 300.00	\$ 100.00	\$ 150.00	\$ 200.00	\$ 200.00	\$190.00	\$ (110.00)
Winter parking ban 13-182	\$ 20.00				\$ 30.00	\$ 25.00	\$ 5.00
Storage parking/abandoned parking 13-185	\$ 200.00	\$ 25.00	\$ 250.00	\$ 30.00		\$126.25	\$ (73.75)
Street Cleaning	\$ 20.00	\$ 30.00		\$ 50.00	\$ 50.00	\$ 37.50	\$ 17.50
Residential sticker parking - 2nd + subsequent violation	\$ 50.00	\$ 30.00	\$ 50.00	\$ 50.00	\$ 25.00	\$ 41.00	\$ (9.00)
Commercial Vehicle	\$ 75.00		\$ 50.00	\$ 40.00	\$ 25.00	\$ 47.50	\$ (27.50)

Proposed Lowell Citation Fees

<u>Violation</u>	<u>Proposed Rate</u>
Parking Meter Violation	\$25.00
Overtime Parking	\$25.00
Not parked within marked spaces or not at a meter	\$25.00
Parking in restricted or tow away areas	\$30.00
Parking in wrong direction	\$20.00
Parking more than 12 inches from the curb	\$20.00
Parking in taxi stand	\$30.00
Improper angle parking	\$20.00
Parking on sidewalk	\$50.00
Parking on crosswalk	\$40.00
Parking within 20 feet of intersection	\$30.00
Parking in bus stop	\$100.00
Parking double	\$30.00
Parking in front of private way or driveway	\$30.00
Parking within 10 feet of a fire hydrant	\$50.00
Parking within 10 feet of unobstructed lane	\$30.00
Fire station entrance or accessibility parking violation	\$100.00
Snow emergency parking violation	\$40.00
Parking in or blocking fire lane	\$50.00
Parking in or in front of alley	\$25.00
Residential sticker parking	\$40.00
Parking illegally in a handicapped persons zone	\$300.00
Storage parking/abandoned parking 13-185	\$200.00
Street Cleaning	\$40.00
Commercial Vehicle	\$75.00
Loading Zone	\$40.00
Expired or No Valid Plate	\$50.00
Expired Inspection	\$50.00

This proposed schedule of parking fines adjusts our parking violations towards the average of the communities compared. The list of violations has been streamlined to be more intuitive for both the enforcement officer and the recipient. New violations enforcing expired inspection stickers as well as expired or invalid plates are added to give the parking department more tools to curb problematic behavior. It is also recommended that our ordinance language be amended to give clear authority for the parking control officers to issue violations within the parking garages as a means to effectively address nuisance parking issues that affect space availability such as taking up two spaces.

Lowell Residential and Visitor Parking Permits vs. Other Massachusetts Municipalities

Residential Parking Permits		
City	Term	Cost per term
Lowell	No Expiration	\$0
Worcester	1 Year	\$10
Cambridge	1 Year	\$25
Somerville	1 Year	\$40
Salem	2 Years	\$10
Springfield	1 Year	\$100
Malden	1 Year	\$25

Visitor Parking Permits		
City	Term	Cost
Lowell	6 months	\$0
Worcester	1 year	\$5
Cambridge	1 year	\$25 (free with RPP)
Somerville	1 year	\$20-\$40
Salem	2 years	\$1.00
Springfield	1 year	Free with RPP
Malden	1 year	\$5.00

Lowell and many other communities have residential parking programs that work to prioritize curbside space for neighborhood residents. Sometimes, like in the cases of Worcester, Salem, and in parts of Lowell, residential parking programs are necessary due to the proximity of college campuses to residential neighborhoods. Somerville, Cambridge, and Malden all have neighborhoods with dense populations and a limited parking supply that are well served by resident parking programs— neighborhoods similar to the Acre, Centralville, and Back Central. Lowell’s resident parking program is similar to other communities in many ways, but has some differences as well. Lowell’s program stands out as the only community that issues resident permits that do not expire and are issued at no cost. In addition to these two areas of divergence the Lowell program has exploitable loopholes that counteract the effectiveness of residential parking areas.