

# FREQUENTLY ASKED QUESTIONS Off-Street Parking Facility Fee Adjustment (2022)

## 1. How does CBJ pay for Off-Street Parking?

The Downtown Parking Management Fund is a Special Revenue Fund that is used solely to operate and maintain off-street parking facilities in downtown Juneau. The Fund generates revenue from permit sales, hourly parking (coin-op), and citations. Parking permit fees are established pursuant to CBJ 03.05.050. The Fund also receives approximately annual support from the General Fund.

#### 2. What fees are being adjusted?

Fees for off-street parking in the Marine Parking Garage (MPG) and Downtown Transit Center (DTC) are changing. Hourly fees for pay-to-park (coin-op) lots will not be changed at this time.

	Monthly Permit		Annual Permit	
	DTC	MPG	DTC	MPG
Current	\$61.90	\$47.62	\$666.67	\$523.81
FY23	\$70 (+8%)	\$70 (+40%)	\$770 (+15%)	\$770 (+47%)
FY24	\$77 (+10%)	\$77 (+10%)	\$847 (+10%)	\$847 (+10%)
FY25	\$85 (+10%)	\$85 (+10%)	\$935 (+10%)	\$935 (+10%)
FY26	\$90 (+10%)	\$90 (+10%)	\$990 (+10%)	\$990 (+10%)

The current and proposed fees are listed in the table below:

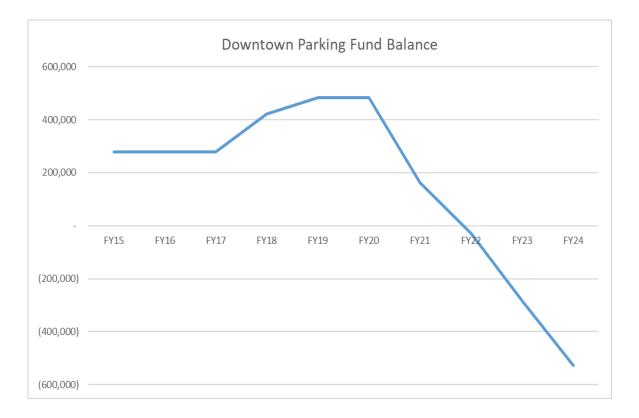
#### 3. When will the new fees become effective?

The FY23 fees will be effective July 1, 2022.

#### 4. Why are fees for off-street parking permits increasing?

 Monthly and annual permit fees have not changed since 2011. If these fees had been adjusted for inflation over the last 11 years, a monthly permit for DTC would now cost \$79 and a monthly permit for MPG would cost \$61. The new flat rate for both facilities reflects these inflationary increases, as well as increased costs to operate these facilities.

- 2) The cost to operate and maintain CBJ's off-street parking facilities has increased 33% since 2015. These higher costs are due to significant increases in contractual services (i.e. enforcement, security, snow removal, and janitorial services), facilities maintenance costs, and property insurance rates.
- 3) The current fees are far below market rates and do not reflect the extremely strong demand for parking permits. There is a waitlist for both facilities throughout the year, yet actual utilization is frequently low. This indicates that people are buying permits and not using them because the cost is so far below the market.
- 4) If the fees are not increased, the Parking Management Fund will be insolvent by the end of FY22. With these fee adjustments and increased General Fund support, the Fund's balance is projected to stabilize by FY24:



5. How do CBJ's fees for off-street parking compare to other markets? The current and proposed fees are significantly less than what other agencies and communities charge for off-street parking structures:

	Monthly	
CBJ - Statter Harbor	\$100 - \$150	
Anchorage	\$105 - \$125	
Spokane, WA	\$300	
Tacoma, WA	\$55 - \$164	
Boise, ID	\$100 - \$175	

## 6. Why is a flat fee being used for both facilities?

The simplified price structure reflects the fact that both MPG and DTC serve the same downtown area and demand for each facility is similarly high on an annual basis. Charging a different fee for each facility doesn't make sense given strong demand, limited supply, and the fact that both facilities provide equivalent amenities. A flat rate for weekly parking has been used for both facilities since 2011.

## 7. Why is a large increase proposed for MPG in FY23?

The FY23 increase is necessary to catch up with inflation, simplify the rate structure for both facilities, and charge equitably for off-street parking downtown. If fees were increased more gradually, the Downtown Parking Management Fund would become insolvent.

#### 8. Why is a 10% annual increase planned after FY23?

The annual increases planned after FY23 are based on historical trends and increased costs that are beyond the control of CBJ. If actual costs increase more slowly than anticipated, then future fee adjustments could be less. Similarly, larger increases may be necessary if costs increase more rapidly. The purpose of the Downtown Parking Management Fund is <u>not</u> to generate revenue for CBJ, but rather to provide a stable source of funding to operate and maintain high-quality off-street parking facilities that respond to the community's needs.

**9.** Why does the Parks & Recreation Department manage off-street parking? According to CBJ Code 03.10.040, the Parks & Recreation Department "shall be responsible for the maintenance and operation of ... municipal parking lots."

## More Information

City & Borough of Juneau Parks & Recreation Department (907) 586-5226 park V rec@juneau.org