

ParkFlag Downtown Parking Rate Increase



Ordinance First Read

Ordinance No. 2025-





Background



Program Implementation

- Implemented in 2017
- Parking Rate of \$1.00 an hour
- Pay by Plate System
 - Pay at one kiosk with ability to move car within the district
 - Park and pay at any kiosk downtown when you need to add time
 - One Zone is Unique to ParkFlag





Background



Program Developement

- Ongoing Development
 - Residential zones
 - 2 New Lots (150 Spaces)
 - Additional ParkFlag staff & technology
- 2019 Program Changes
 - Reduced pay-to-park hours
 - Reduced permit fees

Changing expenses

- Increase in Cost of Operations
 - Increasing wages
 - Vendor Contracts increasing 5% year over year
 - Replacement Parts and kiosk Maintenance
- Plateau of Parking Revenues
 - Average parking session is 2 hours



Background



Program history

- Suspension
 - All revenue suspended for one year during Covid – most expenses remained
- Airport
 - Services provided to the Airport are paid for through Airport revenue

Improvements

- Use of License Plate Reader to assist with 2-hour parking enforcement
- Review and adjustment of permits and hours
- Firm focus on ambassadorship



Background

Revenue, lockbox and other considerations

- 20% of all revenue restricted
 - Lockbox is currently \$2M
 - Negotiations underway for two potential projects
- Credit card fees cost approximately 9% of total credit card revenues
- Updates to kiosks coming soon





Proposal



Proposed Rate Increase

- \$2.00 per hour per space & \$3.00 per hour per space for future covered parking options
 - No increase in Permit Fees – considering permit expansions
 - Hours of operation remain the same
 - Supports ongoing needs of the program and cost growth
 - Accelerates creation of inventory (increased funds in lockbox)
 - Provides funding for enhanced services in the District
 - Requested and potentially provided by the Downtown Business Alliance



Enhanced Services

Enhanced Services provided in the right-of-way (In negotiations)

- Sidewalk Cleaning
 - Pressure Washing
 - Pet/Human Waste Removal
 - Gum Removal
 - Snow and Cinder Removal
 - Weed Pulling
- Alleyways and Access
 - Snow Removal
 - Cinder Removal
- Graffiti Removal
 - Kiosks
 - Municipal Signage
- Other



ParkFlag Rates and Fees Analysis

Financial Overview

- Key components to the rate and fee study
 - Addressing revenue growth versus operating growth
 - Currently no capacity for growth in operating expenditures
 - Enhanced maintenance in the parking district
 - Expansion of permit types
 - Changes in parking inventory over next 10 years
 - Increased funding for future parking structures or partnerships
 - Lockbox capacity for cash and debt funding strategies
 - Adequate and sustainable fund balance



ParkFlag Rates and Fees Analysis

Financial Overview - Revenues

Financial Plan	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Revenues						
Parking Revenue-Current Rate	\$ 1,286,700	1,293,900	1,301,100	1,308,300	1,315,700	1,323,100
Other Revenue	67,500	26,300	10,800	15,800	22,500	6,200
Pay to Park Rate Increase	242,500	975,000	1,102,400	1,231,000	1,237,100	1,243,200
Permit Revenue Increase	400	1,200	1,200	1,200	1,200	1,200
Pay to Park Spaces Change	-	(97,200)	52,900	92,400	174,300	174,300
Total Parking Revenue	\$ 1,597,100	2,199,200	2,468,400	2,648,700	2,750,800	2,748,000

- Current revenues – slow growth, other revenue minimal
- Pay to park rate increase \$2/hour, \$3/hour covered parking
- Changes in behaviors
- 2 new permits, limited revenues,
- Change in parking space availability



ParkFlag Rates and Fees Analysis

Financial Overview – Uses of Funds

Financial Plan	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Uses of Funds						
Operation Expenses	\$ 1,043,700	1,083,000	1,123,700	1,214,100	1,259,800	1,307,400
Increase Operations Expenses	21,900	341,800	383,000	304,700	320,200	328,400
Parking District Enhancements	259,400	267,200	275,200	283,500	292,000	400,800
Debt Service	115,000	217,500	160,000	160,000	480,000	480,000
Capital Expense	25,000	3,343,800	20,800	21,600	5,022,500	93,400
Contingency	200,000	-	-	-	700,000	-
Total Uses of Funds	1,665,000	5,253,300	1,962,700	1,983,900	8,074,500	2,610,000
Ending Fund Balance	\$ 2,632,600	1,078,500	1,584,100	2,248,400	624,300	761,800

- Operating expenditures outpacing revenues, relying on 1X for ongoing costs
- Credit card fees, technology upgrades, lot maintenance, parking leases, inflation
- Parking enhancement funding, allowable cost only
- \$8.3M parking expansion using debt financing, lease payments



ParkFlag Rates and Fees Analysis

Financial Overview – Fund Balance

Financial Plan	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Ending Fund Balance						
Restricted Fund Balance-Lockbox	\$ 2,143,200	599,200	932,600	1,301,300	70,400	137,700
Unrestricted Fund Balance	489,400	479,300	650,300	941,100	542,900	608,200
	\$ 2,632,600	1,078,500	1,582,900	2,242,400	613,300	745,900
Over/(Under) Minimum Fund Balance	\$ 170,000	39,500	157,500	416,100	1,300	71,000

- Majority of fund balance restricted for parking Lockbox
- Minimum 20% recommended unrestricted fund balance
- Potential future impacts: parking capacity changes, recession,



ParkFlag Rates and Fees Analysis

Financial Overview – Lockbox

Parking Lockbox Analysis	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Beginning Balance	\$ 1,823,800	2,143,200	599,200	932,900	1,302,600	72,800
Resources						
Parking Revenue 20% Set Aside	319,400	439,800	493,700	529,700	550,200	549,600
Total Resources and Balance	2,143,200	2,583,000	1,092,900	1,462,600	1,852,800	622,400
Uses of Funds						
Parking Expansion - Cash	-	1,823,800	-	-	1,300,000	-
Parking Expansion - Debt	-	160,000	160,000	160,000	480,000	480,000
Total Uses of Funds	-	1,983,800	160,000	160,000	1,780,000	480,000
Ending Balance	\$ 2,143,200	599,200	932,900	1,302,600	72,800	142,400

- Shows required set aside 20% of parking revenues
- Lockbox began with \$2 million this fiscal year
- Higher rates allow more capacity to add parking with debt financing available



ParkFlag Rates and Fees Analysis

Financial Summary

- Approval of the proposed rates and fees:
 - ✓ Addresses the fiscal health of the ParkFlag Fund
 - ✓ Funding for enhanced services in the ParkFlag District
 - ✓ Enhances technology needs
 - ✓ Improves the capacity to add future parking spaces
 - Partnerships and debt financing
 - ✓ Revenues estimate dependent on timing of future parking lot



Public Comments



Staff held 2 public meetings, comments below

- Limit free parking, focus on other mobility options
- Better signage on kiosks
- Maps to show where free parking exists
- Can we offer resident discounts
- Better snow removal downtown, berm removal
- When are we building a garage
- Confusion of City parking versus Private Parking



Looking Ahead

Curbside Plan and Other Potential Initiatives

- Curbside Management Plan
- Provide improved parking map highlighting free parking areas
- Pay by phone option (which does not require the app)
- App and website upgrades
- Kiosk upgrades
- Provide first 30 minutes for \$1 with each full hour at \$2
- More employee parking zones / eligibility



Timeline for Adoption

Next Steps for Adoption

- October 7th – 1st Read of Ordinance and Resolutions
- October 21st – 2nd Read and Adoption of Ordinance
- October 21st – Adopt Resolutions
- October 21st – Enhanced Services IGA approval
- December 1st – New permits available
- March 1, 2026 – New parking rates effective

ParkFlag Rates and Fee Adoption

City Council Meeting
October 7, 2025



City Council

Questions and Comments