



Final Draft Report
STATE OF NEBRASKA
PARKING STUDY

Presented to:
The State of Nebraska
Administrative Services

Presented by:
Carl Walker, Inc.
950 West Elliot Road, Suite 107
Tempe, Arizona 85284

In Collaboration with:



Revised August 1, 2009



Ideas for parking.
SOLUTIONS FOR **PEOPLE**®





August 1, 2009

Mr. Danny Schlichenmaier
Deputy Administrator
State of Nebraska
State Building Division-Administrative Services
The Executive, Suite 500
521 South 14th Street
Lincoln, Nebraska 68508-2707

Dear Danny:

Thank you for your feedback on the State of Nebraska parking study we performed in Lincoln. Based on your notes and e-mails, we have made changes to the draft report. Below is a summary of our modifications and additions.

1. References to bundling the management of State parking assets in Lincoln with the City of Lincoln's RFP have been removed. We have retained the option of negotiating a separate management agreement with the City's parking operator. We believe this option still has the potential to provide numerous benefits to the State.
2. Numerous clarifications and details were inserted based on section specific notes.
3. In Section 3.2 we have added a map that identifies the on-street parking vacancies.
4. In the Executive Summary and Section 6.2, we have removed the Department of Labor lot as a potential site for a future parking structure. In its place we added the two Assurity locations.
5. Within Section 4.3 we have provided more information on access system manufacturers and a list of important questions to ask the local equipment distributor prior to purchasing access control equipment. Additionally, in the appendix we have included detailed specifications for a monthly/contract only parking access control system. This specification will assist the State in purchasing an access system that will provide effective parking controls, should it decide to implement that recommendation.
6. Within the Executive Summary the section on benchmarking has been expanded. The section now includes specific benchmarking calculations and a calculation example. This section should better assist the State in gathering some key benchmarking data. This data will be instrumental in the State's parking management decisions and will help to clarify whether the State needs to build an additional parking structure.
7. Within Section 5.5 (Cash-Out) additional details have been provided, including a basic outline for accomplishing the cash-out programs. As the programs evolve, the State would implement additional procedures.
8. The table of parking benchmarks was shortened to include only those items that the State needs to address immediately. These benchmarks will allow the State



to focus on data that will help it better manage its current parking assets, more effectively utilize parking alternatives (i.e., carpooling, mass transit, etc.) and determine if an additional parking structure is required.

These modifications and additions should better assist the State in developing a stronger parking management program whether it is handled in-house or by a parking management company. As the State gathers data for each of the key benchmarks it will be able to better understand the true condition of its parking program and its current and future needs for parking.

Very truly yours,
Carl Walker, Inc.

L. Dennis Burns, CAPP
Senior Vice President, Studies & Operations Consulting



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1. Executive Summary

The State of Nebraska's Administrative Services/State Buildings Division (AS/SBD) is responsible for the operations and maintenance of 9 State owned parking facilities totaling 1,989 off-street spaces located in Lincoln.

Within these nine facilities the State has issued 2,339 permits. Even with a cumulative oversell rate of almost 18%, the State has a waiting list of approximately 301 parkers. The 301 parkers on the waiting list do not currently park within any of the State parking facilities.

All parking enforcement in Lincoln is handled by the State Capitol Security Division of the Nebraska State Patrol. Vehicles generally include those utilizing card access controlled facilities are required to display a parking permit.

While the current program is generally effective at providing for the parking needs of the State capitol complex, the State has made a minimal investment in the area of parking management. With a parking waiting list of 300 plus State employees and the prospect of considering investment in additional parking infrastructure on the horizon, an investment in an enhanced parking management program is highly recommended.

Currently very little resources and no full-time staff are assigned to manage the significant parking assets owned and operated by the State. There is a need for investment in new technology and management expertise to get the program functioning at a higher level. Due to a lack of controls and management data, it is hard to determine the actual status of parking utilization and adequacy.

Before investments are recommended for additional parking capacity (i.e., building additional parking structures), it is recommended that the State get a better handle on basic parking management and parking data. Improved system controls and enhanced management information could save the State from making unnecessary investments in new infrastructure or at least provide better data to support such investments if they are in fact required.

It is further recommended that this investment in an enhanced parking management program be accomplished through outsourcing this function to a professional parking management firm through an RFP process. Two alternatives are presented for accomplishing this primary recommendation. Either the State can issue an RFP on its own or it could consider negotiating a contract with the



City's current parking operator. Both options are detailed in this report. We have also provided sample documents to be used as templates for a parking management agreement and a parking management RFP.

Parking supply/demand was analyzed within a study area surrounding the State capitol environs. The State's study area for this project was bounded by M Street to the North, 17th Street to the East, G Street to the South, and 12th Street to the West.

The 29 block Capitol study area has a total parking supply of 5,483 parking spaces. Of these, 4,796 parking spaces (87%) are in off-street parking areas and 687 spaces (13%) are located on-street.

Parking occupancy surveys were conducted Table 3 (on page 13) illustrates the total parking spaces per block, occupied spaces, and vacant spaces. A total of 1,349 off-street spaces were vacant at peak. However, not all of these spaces are available for use by State employees.

Currently 242, or 30%, of the off-street public parking spaces were vacant at peak (10AM). An additional 176, or 26%, of the on-street spaces within the study area were available during the same time period.

The results of the parking occupancy counts for the study area at the peak demand period are summarized below.

	Total Spaces				Spaces Occupied at Peak				Spaces Vacant at Peak			
	Public	Private	On-Street	Total	Total	Public	Private	On-Street	Total	Public	Private	On-Street
TOTAL	814	3,982	687	5,483	3,958	572	2,875	511	1,525	242	1,107	176

Table 1 - On Street and Off-Street Occupancy Results



An analysis of the current parking adequacy for the study area is summarized in Table 2.

	Total Spaces	Effective Supply (90%)	Observed Demand at Peak	Estimated Parking Adequacy	% of Effective Supply Occupied
Public	814	733	572	161	78%
Private	3,982	3,584	2,875	709	80%
On-Street	687	618	511	107	83%
TOTAL	5,483	4,935	3,958	977	80%

Table 2: Current Parking Adequacy at Peak

The parking adequacy analysis reflects a surplus of 977 total spaces at peak. However, only 161 public off-street spaces and 107 on-street spaces would be available to State employees.

State Parking Policy Review

There are three primary policy areas that would provide a positive impact on the management, availability and demand for State parking. These areas include outsourcing parking management, evaluating parking rates, enhancing transportation demand management program options including carpooling and a parking cash-out program. The potential financial impacts of these alternatives are discussed.

The primary recommendation to outsource parking management is intended to achieve the following goals:

- Provide for the implementation of more effective parking controls (effective use of access control equipment, lot counts, parking card audits, etc.)
- Provide for the generation of better management data leading to the ability to start a program of parking benchmarking and improved operational efficiency/effectiveness
- Provide enhanced revenue controls and accountability
- Enhance customer services through improved management and the implementation of new programs
- Better address issues such as visitor parking to the Capitol building.



Options to Provide Additional Public and Employee Parking In Proximity to the State Capitol

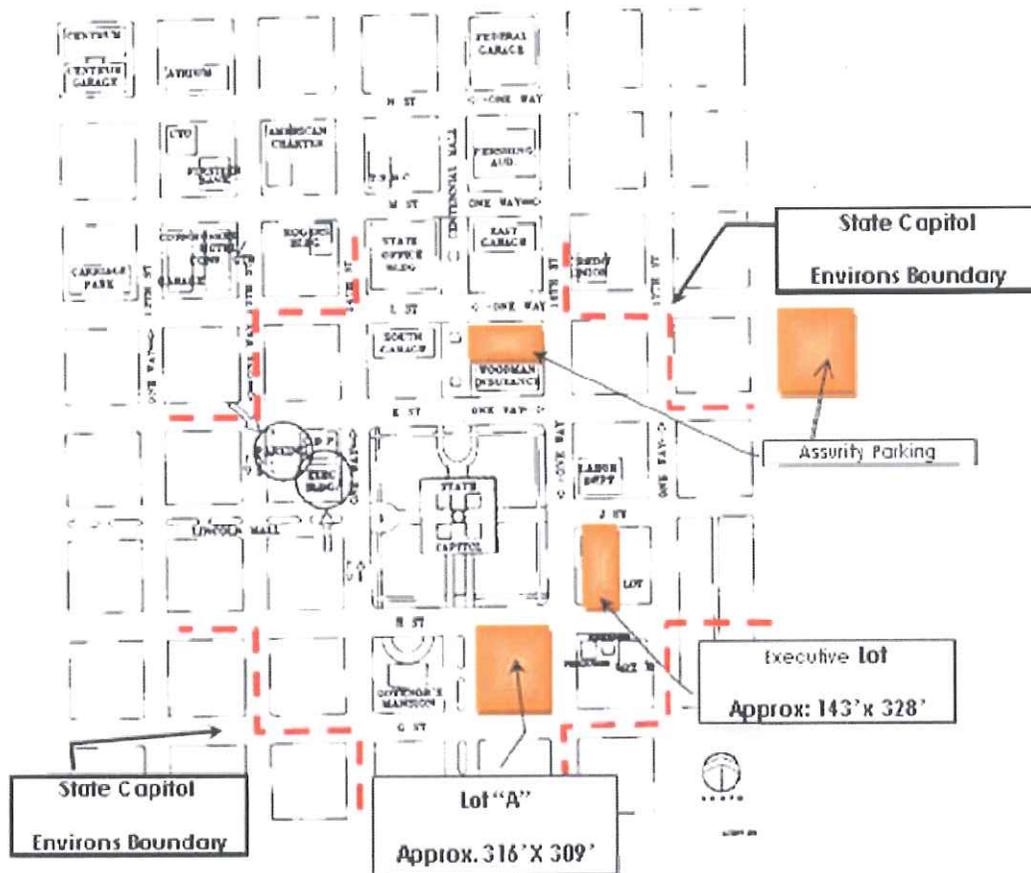
Parking Meters: Currently, the on-street parking spaces around the State capitol are time limited. However, the time limits are less effective than meters in promoting turnover. For this reason, visitors to State offices have a hard time finding short-term, on-street parking. Since State employees currently park for free on-street, the installation of meters and establishment of the appropriate rates (i.e., higher than off street rates) would discourage State employee on-street usage. Additionally, the meters could be utilized to encourage turnover and ultimately provide more convenient visitor parking for the capitol environs. Additionally, on-street parking enforcement will need to be consistently applied to insure the desired turnover. Implementation of this strategy should be a City parking system function in our opinion.

Public/Private Partnerships: The parking occupancy survey results indicate that there were 1,107 private parking spaces vacant during the peak demand hour within the State study area. It is recommended that the State work closely with private parking owners, the City and parking operators to negotiate discounted parking deals. Based on the number of parkers on the waiting list the State should have the ability to negotiate parking for less than market rates. Especially if the State guarantees a set number of parkers and provides one check each month. The State would be responsible for collecting the parking fees from its employees. This would probably be best handled through payroll deduction.



Identify State Owned Property with the Best Potential for Future Parking Facilities.

The State currently owns two sites within the capitol environs that have sufficient footprints for potential parking structures. The footprints appear large enough to provide efficient garage designs. The two sites are Lot A and the Executive Lot. Each lot is at least 260' by 120'. Additionally, the State is acquiring the Assurity properties. Both Assurity sites will provide additional parking structure site options.



A conceptual plan for a 390 space parking facility that could be built on a 122' x 270' footprint is provided. Both Lot A and the Executive lot could accommodate this structure design. The provided garage concept would provide a total of 390 spaces within a four level parking structure. Even with the application of a 10% effective supply factor, this parking structure concept would be able to easily accommodate the State's current 300 parker waiting list. However, the State indicated it was not in a position to construct additional parking.



Parking Benchmarking

It is recommended that a parking benchmarking program for the State of Nebraska be developed in phases. The first priority is to develop baseline data from which to begin the assessment. Therefore an Internal Benchmarking approach makes the most sense initially. Though there are numerous benchmarks that could be measured by the State, Carl Walker has identified seven that the State should initially measure and track. Once the State has a firm grasp on these benchmarks additional ones can be added to strengthen the State's parking management program.

Because of the lack of data and information due to the under developed parking management program, not all these benchmarks will be possible initially. Certain basic benchmarks such as "Revenue per Space" or "Total Operating Costs per Space" may be possible. It is important that systems be implemented to make collection and tracking of these key operational measurements routine. This will require the State to either assign additional staff to the parking program or hire an outside parking management firm to collect and track the data. It is further recommended that these measurements be included in monthly or quarterly financial variance reports to administration.

A larger version of this document (11" x 17") is provided as Appendix D.

Based on the current technology and operating procedures it will be difficult to gather data for some of the recommended benchmarks. The biggest hindrance to collecting the data is that the gates at the parking structures are left up during the major ingress and egress times. This is convenient for the parkers but defeats one of the benefits of access control equipment. When the gates are in the up position the access equipment is not gathering the necessary occupancy data.

Without adequate staff to manually count vacancies at peak occupancy times, the State must rely on the access equipment to provide the peak occupancy data. Without this data the State cannot determine the appropriate oversell percentage and will not know if the parking structures are being efficiently utilized.

However, if the State provides adequate staff to gather the necessary data it can calculate some of the benchmarks. Below is a guide to calculating key numbers that will be utilized to calculate some of the benchmarks:



1. Occupancy Percentage: This rate will be useful in determining if the State can increase its current oversell percentage for each parking facility.
 - a. Staff will count the number of vehicles in the garage at 10am and 2pm on Tuesday, Wednesday and Thursday. This count should be done during a typical business week at least once per month. Over a few years this data should provide a baseline for expected occupancy for each month or season (legislative, summer, etc.).
 - b. Divide the number of occupied spaces by the total number of spaces in the parking facility.

2. Effective Parking Supply: When a parking area's occupancy reaches 85-95% of the total capacity, depending on the user groups served, the area becomes "effectively full". Since the user group is strictly monthly parkers we would recommend utilizing 90% due to the parkers' familiarity with their assigned parking facility. When parking lot occupancy exceeds effective capacity, users become frustrated as it becomes increasingly difficult to find an available parking space. The accepted effective fill percentage for parking in the downtown study area is estimated at 95%. This 5% "cushion" of spaces is used to accommodate spaces lost temporarily due to construction and improper or illegal parking as well as to provide for shorter searches for available parking. The State would need to multiple the total number of spaces per facility by 95% to arrive at the parking adequacy number. This number will be important when figuring out future oversell percentages.

3. Diversity: Using the occupancy count data, divide the number of vehicles at peak by the total number of monthly access cards for that particular parking facility. Subtract this percentage from one (1). This will provide the diversity percentage. Now we know how many monthly parkers do not utilize the garage at peak during a typical period.

Oversell: The number of additional parking contracts that can be sold to fill the spaces left empty by the absent contract (monthly) parkers. Purpose is to Maximize Space Utilization.



Below is an example that will walk through the calculation process for a sample garage called Parking Facility A:

Example:

Parking Facility A = 500 spaces with 470 monthly parking passes issued

Occupancy Count Average = 85% or 425 vehicles at peak

Effective Supply (Adequacy Number) = 475 spaces or 95% of the total spaces in the facility

Diversity: $1 - (425/470) = .0957$ or 9.57%

(470 total monthly parking passes divided by 425 monthly passes utilized at peak subtract one. This represents the percentage of monthly parkers that do not show up on a typical business day.

We now can calculate the total number of access cards we can issue and still maintain a 5% parking space vacancy rate. This calculation will provide our oversell percentage and number.

Oversell: $1 / (1 - \text{diversity percentage})$ or $1 / (1 - .0957) = 1.1058$

Now take the total number of spaces that we want to occupy (475) and multiply by 1.1058. In this example we want to maintain a vacancy rate of 5% or fill no more than 475 spaces.

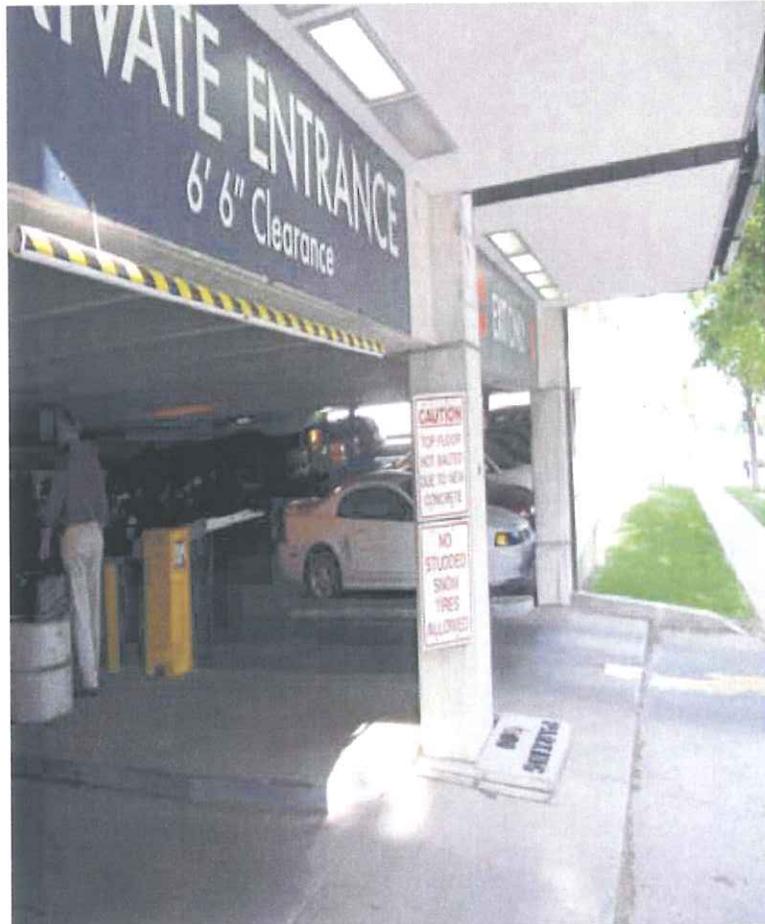
475 spaces x 1.1058 oversell rate = 525 (number of monthly cards that can be sold to monthly parkers and still maintain the desired number of vacant spaces.

2. State of Nebraska Parking Program Overview

The State of Nebraska's Administrative Services/State Building Division (AS/SBD) is responsible for the parking operation and maintenance of 9 State owned parking facilities within the City of Lincoln. AS/SBD manages 1,989 off-street spaces within the City of Lincoln.



All enforcement in Lincoln is handled by the State Capitol Security Division of the Nebraska State Patrol. Every vehicle, including those utilizing card access controlled facilities, is required to display a parking permit. Failure to display the proper permit may result in a parking violation. If a vehicle receives four violations it may be immobilized by a parking boot or towed. A \$35 fee must be paid to remove the boot. Additionally, parking privileges in State owned parking facilities may be revoked for a period of not less than twelve months.



The State of Nebraska owns three garages and six surface lots with a total of 1,989 spaces in Lincoln. These parking facilities are all located within the State capitol designated environ area. Figure 1 on the next page illustrates the location of each of the State's parking facilities and the number of parking spaces per facility. Within these nine facilities the State has issued 2,339 permits. Even with a cumulative oversell rate of almost 18%, the State has a waiting list of approximately 301 parkers. The 301 parkers on the waiting list do not currently park within any of the State parking facilities.

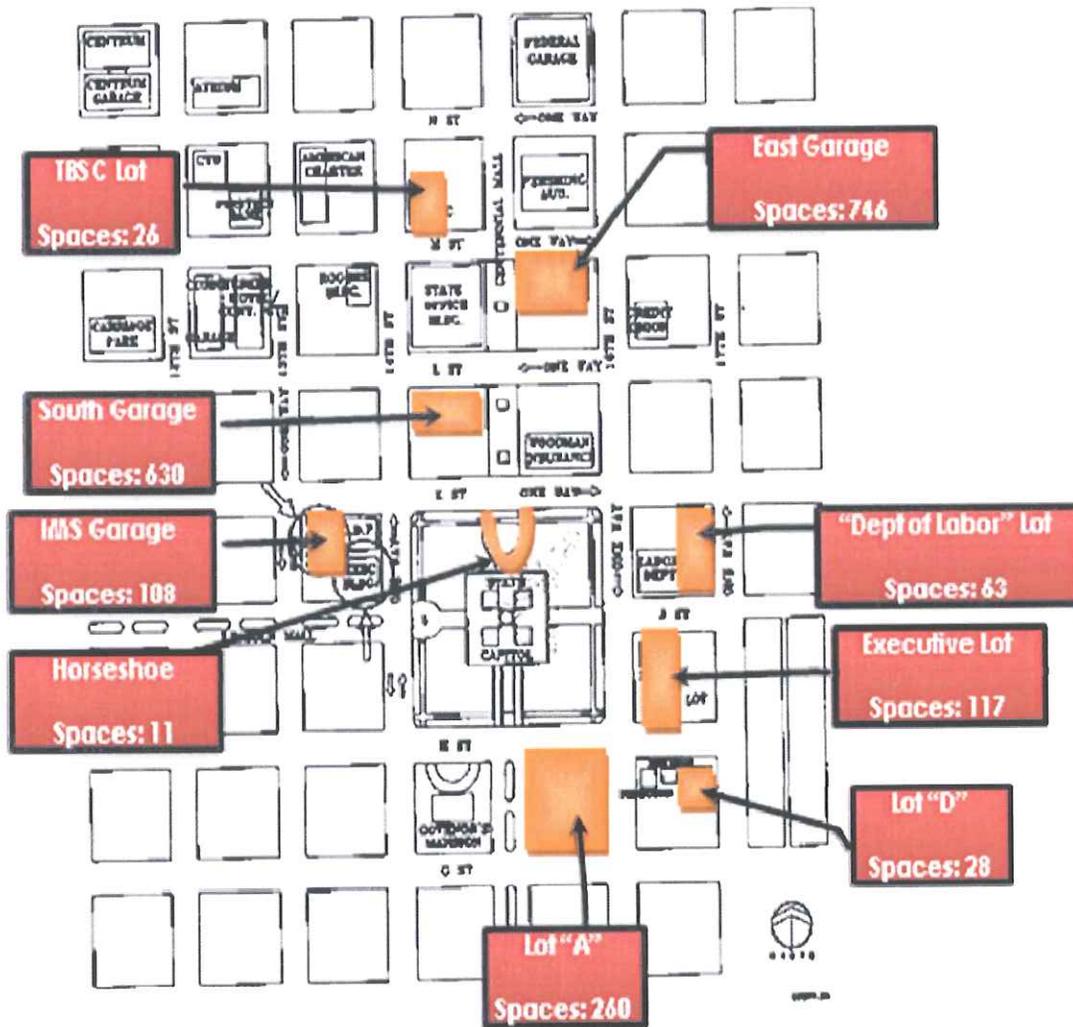


Figure 1- State Parking Facilities in Lincoln

As Figure 1 illustrates, each of the State's parking facilities are within two blocks of the State capitol. Seven of the facilities are within a one block radius of the capitol.

The State indicated it currently is not in a position to construct additional parking facilities.



3. ASSESSMENT OF CURRENT PARKING CONDITIONS

3.1. Current Parking Supply

Olsson Associates (Olsson) conducted an inventory of parking spaces located within the downtown Lincoln study area. The State's study area for this project was bounded by M Street to the North, 17th Street to the East, G Street to the South, and 12th Street to the West.

Prior to conducting the parking inventory and occupancy surveys, block numbers were assigned to the various blocks located in the study area. A total of 29 blocks were analyzed for this study. Figure 2 illustrates the block numbering sequence used in this report.

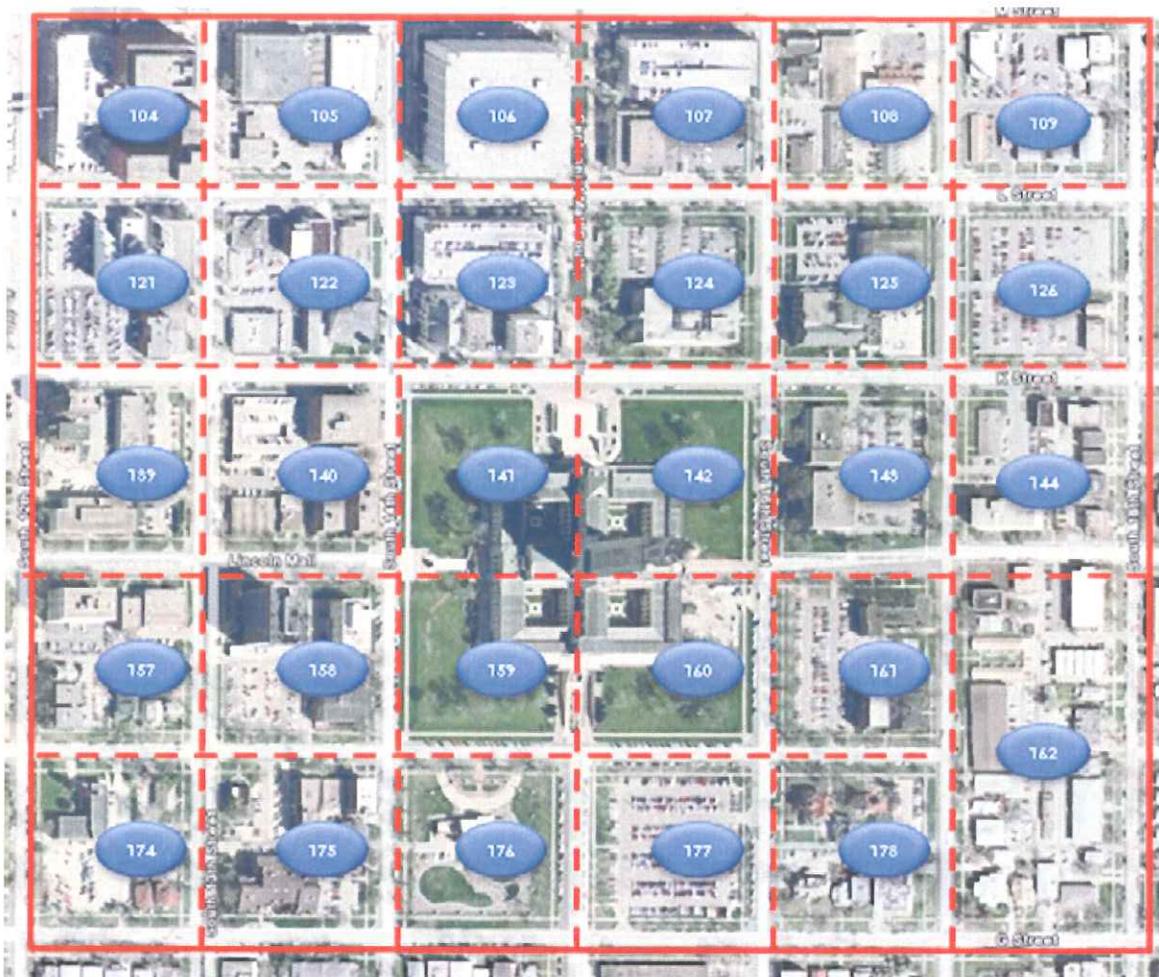


Figure 2- State of Nebraska Study Area and Block Numbering



Dividing the study area into 29 blocks enabled **Carl Walker** to analyze the data for the study area as a whole and by block. The parking spaces were classified into two primary categories, on-street and off-street. For this study, on-street spaces generally refer to spaces located on a roadway, adjacent to a block, oriented parallel or angled to the curb. Off-street spaces refer to spaces located within a block and within the curb face.

Generally, all on-street parking spaces were available for public parking while the majority of off-street spaces were reserved for a particular group (e.g., specific customers, reserved parking, etc.). In this report, off-street public parking will refer to privately owned/managed parking facilities that are available to the public. Private parking will refer to parking owned privately, State owned facilities, and/or parking designated for a specific business or user group.

The Capitol study area has a total parking supply of 5,483 parking spaces. Of these, 4,796 parking spaces (87%) are in off-street parking areas and 687 spaces (13%) are located on-street. The on-street parking inventory includes both marked parking spaces and locations where on-street parking is possible but not currently marked. In some cases the amount of unmarked on-street parking was estimated by **Olsson's** staff based on block face lengths and street widths.



Table 3 provides the details for the distribution by block for public and private off-street parking and on-street parking. Some parking areas could not be accurately inventoried, as they lacked parking stripes or existing stripes were not visible. In these situations, inventories were estimated based on the size of the parking area. Residential parking areas, including apartment complexes and private driveways were not counted in the parking inventory.

Block	Public Off-Street	Private Off-Street	On-Street	Total
104	388	0	23	411
121	0	169	34	203
139	0	138	28	166
157	8	128	20	156
174	0	130	23	153
105	17	183	22	222
106	0	0	10	10
107	0	804	14	818
108	68	0	13	81
122	32	57	26	115
123	0	668	19	687
124	0	94	11	105
125	103	10	6	119
140	0	152	27	179
141	0	0	24	24
142	0	0	16	16
143	0	135	36	171
158	69	115	25	209
159	0	0	29	29
160	0	0	37	37
161	0	152	31	183
175	42	93	16	151
176	0	9	32	41
177	0	255	36	291
178	0	73	37	110
109	87	38	20	145
126	0	282	11	293
144	0	104	20	124
162	0	193	41	234
TOTAL	814	3,982	687	5,483

Table 3- Capitol Area Parking Supply by Block



3.2. Parking Occupancy

Figure 3 illustrates the total parking spaces per block, occupied spaces, and vacant spaces. A total of 1,349 off-street spaces were vacant at peak. However, not all of these spaces are available for use by State employees.



Figure 3 - Total, Occupied, and Vacant Spaces at Peak

The majority of the vacant spaces, approximately 1,107, are located within private parking facilities that are only available to specific user groups.

Currently 242, or 30%, of the off-street public parking spaces were vacant at peak (10AM). An additional 173, or 25%, of the on-street spaces within the study area were available during the same time period (see Figure 4 – next page).



Figure 4 – On-Street Parking Availability Around Capitol

Table 4 summarizes the results of the occupancy count at the peak demand period.

	Total Spaces				Spaces Occupied at Peak				Spaces Vacant at Peak			
	Public	Private	On-Street	Total	Total	Public	Private	On-Street	Total	Public	Private	On-Street
TOTAL	814	3,982	687	5,483	3,958	572	2,875	511	1,525	242	1,107	176

Table 4 - On Street and Off-Street Occupancy Results

3.3. Current Parking Adequacy

In determining the current parking adequacy for the study area, it is important to define two terms typically used in analyzing parking adequacy: Effective Supply and Design Day Conditions. When a parking area's occupancy reaches 90% to 95% of the total capacity, depending on the user group, the area



becomes effectively full. When parking lot occupancy exceeds effective capacity, users become frustrated as it becomes increasingly difficult to find an available parking space. Users will begin to either park illegally in the lot or leave the lot altogether and search for parking elsewhere. Based on industry standards, the accepted effective fill percentage for parking for this study area is estimated at 90%. This 10% "cushion" of spaces is used to accommodate spaces lost temporarily due to construction, improper or illegal parking, and other events, as well as provide for shorter searches for available parking.

Design day parking conditions attempt to represent typical peak activity that may be exceeded only occasionally during the year. Based on feedback from the parking study Steering Committee, our local project team members (Lincoln residents) as well as a review of prior studies, and the fact that counts were able to be made while both the University and the State legislature was still in session, it was believed that these counts reflect typical parking demands for downtown Lincoln. Therefore, design day adjustments are not required to be factored into the parking adequacy analysis. Table 5 on the next page provides the current parking adequacy for the study area.

	Total Spaces	Effective Supply (90%)	Observed Demand at Peak	Estimated Parking Adequacy	% of Effective Supply Occupied
Public	814	733	572	161	78%
Private	3,982	3,584	2,875	709	80%
On-Street	687	618	511	107	83%
TOTAL	5,483	4,935	3,958	977	80%

Table 5: Current Parking Adequacy at Peak

As detailed in Table 5, the estimated parking adequacy reflected a surplus of 977 total spaces at peak. However, only 161 public off-street spaces and 107 on-street spaces would be available to State employees.

4. Overview of Current State Parking Policies

4.1. Analysis of Parking Rates, Enforcement Policies and Fines

Approximately 2,339 permits are issued at rates ranging from \$24 to \$50 monthly. However, the majority of the permits issued, 2,231 or 95%, cost \$30 or less per month.



Table 6 compares the State's weighted average monthly parking rate to both City of Lincoln owned facilities' average monthly parking rate and the Lincoln central business district's (CBD) average monthly parking rate.

	City of Lincoln - Owned	Total Lincoln CBD	State of Nebraska	State's Difference Compared to City Owned	% Diff.	State's Difference Compared to Lincoln CBD	% Diff.
Average Monthly Rate	\$ 58.33	\$ 58.18	\$ 29.30	\$ 28.97	50%	\$ 28.82	50%

Table 6- Rate Comparison

As noted in Table 6 above, the State's average monthly parking rates are 50% lower than both the city and the CBD's average monthly parking rates. Additionally, the State's average monthly parking rate is lower than StarTran's monthly "Unlimited" bus pass which costs \$35 per month. The State's current rate structure does not encourage State employees to seek parking options outside of the State owned facilities or to utilize currently available transit options which would reduce the burden on the State's parking system.

The State Patrol/Capitol Security enforces parking policies in Lincoln. It is their responsibility to patrol the facilities, issue violations, and notify the employee of a violation. During the calendar year, parkers are allowed three violations prior to punitive action being taken. The first three violations do not carry any fine. On the occurrence of the fourth violation the vehicle may be towed or booted. Additionally, the violator's parking privileges will be revoked for a period of not less than twelve months. If a parking boot is applied the vehicle's owner will be required to pay a removal fee. Currently the fee is \$35. At the end of each calendar year all violations become obsolete and are cleared from the records.

4.2. Overview of Current Transportation Demand Management (TDM) Measures

Currently, carpooling is the only transportation demand management measure utilized by the State. The carpool program is available to any two or more persons who commute to work together on a regular basis. The program currently does not offer any special incentives such as reduced rates, preferred or designated spaces, or other perks to encourage greater program participation.



4.3. Overview of Access Control

The State currently leaves the access control gates at the South Garage and East Garage in the up position during the morning ingress and afternoon egress periods. The gates are raised to facilitate quicker entry and exit during peak hours. The State does not want vehicles to queue onto the streets. The facilities which do not utilize access control gates rely on monthly permits. The permits must be continually displayed while parking on State property. Failure to display a valid permit may result in a parking violation.

The utilization of lenient access controls creates an environment that makes it very difficult for the State to properly track the parking facilities daily occupancies. The lack of sufficient occupancy data needs to be corrected so that the State can effectively quantify any parking space inadequacies. As the State moves forward to strengthen its parking controls it will need to determine how tight it wants the controls to be.

The strength of the parking controls and management data will be determined by whether the State is:

- Willing to leave the access gates down during the peak ingress and egress times.
- Willing to hire or assign additional staff to the parking operation or outsource the parking management in order to strengthen the controls.

Currently, there are numerous parking access control systems that could easily meet the State's access control needs. The major parking equipment providers and their national headquarter phone numbers are:

- | | |
|--------------------|--------------|
| • Skidata | 908-243-0000 |
| • Scheidt-Bachmann | 781-272-1664 |
| • Federal-APD | 248-374-9600 |
| • Amano-McGann | 612-331-2020 |

Each of these providers would be able to meet the State's access control requirements; however, the State should closely evaluate each manufacturer's distributor. The distributor will be the party directly responsible for selling, installing, and servicing the access control equipment. Some of the key issues to evaluate are:

- Guaranteed response time
- Number of trained technicians



- Does the distributor have a local office?
- Reputation for service (speak with private parking operators)
- Does the distributor keep an inventory of spare parts at their local office?
- Interchangeability of parts in entrance and exit columns
- Length and coverage of warranty

4.4. Impact of Current Policies (Discounted Parking, etc.) on General Budget

Based on the data provided in Table 6 above, it is apparent that the State's current discounted rates have a significant impact on the general budget. Tables 7 through 9 below illustrate the impact that a 25%, 50%, and 100% increase in monthly rates would have on parking revenues.

Location	Monthly Rate	# of Permits Sold at Current Rate	Current Revenue	Proposed Percentage Increase	Proposed Rate	Projected Monthly Revenue	Projected Monthly Revenue Uplift (1)
IMS Garage (Top)	\$ 40.00	56	\$ 2,240	25%	\$ 50.00	\$ 2,800	\$ 560
IMS Garage (Bottom)	\$ 50.00	52	\$ 2,600	25%	\$ 62.50	\$ 3,250	\$ 650
Horseshoe (Capitol Drive)	\$ 24.00	11	\$ 264	25%	\$ 30.00	\$ 330	\$ 66
Lot A	\$ 24.00	320	\$ 7,680	25%	\$ 30.00	\$ 9,600	\$ 1,920
Lot D	\$ 24.00	28	\$ 672	25%	\$ 30.00	\$ 840	\$ 168
Executive Lot	\$ 24.00	117	\$ 2,808	25%	\$ 30.00	\$ 3,510	\$ 702
17th Street Lot	\$ 24.00	63	\$ 1,512	25%	\$ 30.00	\$ 1,890	\$ 378
South Garage	\$ 30.00	746	\$ 22,380	25%	\$ 37.50	\$ 27,975	\$ 5,595
East Garage	\$ 30.00	920	\$ 27,600	25%	\$ 37.50	\$ 34,500	\$ 6,900
TSBC Lot	\$ 30.00	26	\$ 780	25%	\$ 37.50	\$ 975	\$ 195
Total (2)	\$ 29.30	2,339	\$ 68,536		\$ 36.63	\$ 85,670	\$ 17,134

Notes: (1) Does not take into consideration probable reductions in demand due to rate increase. Reduction should be minimal since no cheaper parking options exist within the surrounding area. (2) Under "Monthly Rate" and "Proposed Rate", the Total is a weighted average.

Table 7 – Impact of a 25% Increase in Monthly Rates



Location	Monthly Rate	# of Permits Sold at Current Rate	Current Revenue	Proposed Percentage Increase	Proposed Rate	Projected Monthly Revenue	Projected Monthly Revenue Uplift (1)
IMS Garage (Top)	\$ 40.00	56	\$ 2,240	50%	\$ 60.00	\$ 3,360	\$ 1,120
IMS Garage (Bottom)	\$ 50.00	52	\$ 2,600	50%	\$ 75.00	\$ 3,900	\$ 1,300
Horseshoe (Capitol Drive)	\$ 24.00	11	\$ 264	50%	\$ 36.00	\$ 396	\$ 132
Lot A	\$ 24.00	320	\$ 7,680	50%	\$ 36.00	\$ 11,520	\$ 3,840
Lot D	\$ 24.00	28	\$ 672	50%	\$ 36.00	\$ 1,008	\$ 336
Executive Lot	\$ 24.00	117	\$ 2,808	50%	\$ 36.00	\$ 4,212	\$ 1,404
17th Street Lot	\$ 24.00	63	\$ 1,512	50%	\$ 36.00	\$ 2,268	\$ 756
South Garage	\$ 30.00	746	\$ 22,380	50%	\$ 45.00	\$ 33,570	\$ 11,190
East Garage	\$ 30.00	920	\$ 27,600	50%	\$ 45.00	\$ 41,400	\$ 13,800
TSBC Lot	\$ 30.00	26	\$ 780	50%	\$ 45.00	\$ 1,170	\$ 390
Total (2)	\$ 29.30	2,339	\$ 68,536		\$ 43.95	\$ 102,804	\$ 34,268

Notes: (1) Does not take into consideration probable reductions in demand due to rate increase. (2) Under "Monthly Rate" and "Proposed Rate", the Total is a weighted average.

Table 8: Impact of a 50% Monthly Rate Increase

Location	Monthly Rate	# of Permits Sold at Current Rate	Current Revenue	Proposed Percentage Increase	Proposed Rate	Projected Monthly Revenue	Projected Monthly Revenue Uplift (1)
IMS Garage (Top)	\$ 40.00	56	\$ 2,240	100%	\$ 80.00	\$ 4,480	\$ 2,240
IMS Garage (Bottom)	\$ 50.00	52	\$ 2,600	100%	\$ 100.00	\$ 5,200	\$ 2,600
Horseshoe	\$ 24.00	11	\$ 264	100%	\$ 48.00	\$ 528	\$ 264
Lot A	\$ 24.00	320	\$ 7,680	100%	\$ 48.00	\$ 15,360	\$ 7,680
Lot D	\$ 24.00	28	\$ 672	100%	\$ 48.00	\$ 1,344	\$ 672
Executive Lot	\$ 24.00	117	\$ 2,808	100%	\$ 48.00	\$ 5,616	\$ 2,808
17th Street Lot	\$ 24.00	63	\$ 1,512	100%	\$ 48.00	\$ 3,024	\$ 1,512
South Garage	\$ 30.00	746	\$ 22,380	100%	\$ 60.00	\$ 44,760	\$ 22,380
East Garage	\$ 30.00	920	\$ 27,600	100%	\$ 60.00	\$ 55,200	\$ 27,600
TSBC Lot	\$ 30.00	26	\$ 780	100%	\$ 60.00	\$ 1,560	\$ 780
Total (2)	\$ 29.30	2,339	\$ 68,536		\$ 58.60	\$ 137,072	\$ 68,536

Notes: (1) Does not take into consideration probable reductions in demand due to rate increase. (2) Under "Monthly Rate" and "Proposed Rate", the Total is a weighted average.

Table 9: Impact of a 100% Monthly Rate Increase

As Table 9 indicates, in order to be comparable to the CBD's \$58.18 average monthly parking rate, the State would need to increase rates 100%. However, if the State instituted an incremental rate increase, a 25% rate increase in Year 1 would provide an additional \$17,134 monthly or \$205,608 annually, to State revenues. For 95% of the current monthly parkers this increase would amount an increase of \$6.00 to \$7.50 per month.



5. Recommended State Policy Changes

There are seven primary policy options that would provide a positive impact on the availability and demand for State parking. These options could include rate increases, enhancing the carpooling program and implementing a parking cash-out program. Each option is discussed in more detail below.

5.1. *Parking Management Program Development*

A primary recommendation of this parking study is for the State to consider outsourcing parking management as the most efficient and effective manner of developing and enhancing its parking program for the benefit of the State's facilities and employees. Currently, it does not appear that the State has enough staff dedicated to the management of the parking operation. The utilization of a private parking operator would provide industry expertise and the necessary resources to properly manage and operate the State's parking system.

Currently very little resources and no full-time staff are assigned to manage the significant parking assets owned and operated by the State. There is a need for investment in new technology and management expertise to get the program functioning at a higher level. Because of lack of controls and management data, it is hard to determine the actual status of parking utilization and adequacy. Before investments are recommended for additional parking capacity, getting a better handle on basic parking management is recommended. Improved system controls and enhanced management information could save the State from making unnecessary investments in new infrastructure or at least provide better data to support such investments if they are in fact required. Improved operational efficiency, new customer services and even enhanced revenue production through the use of State parking facilities after hours (special event parking) may be possible.

This parking study recommends two options related to the procurement of parking management services. The first option is for the State to put out its own RFP for parking management services. Templates are provided for both a parking management agreement and a parking management RFP for that purpose.

The second option is to negotiate parking management services for the State owned facilities with the City of Lincoln's parking operator. The primary advantage to this option is that the State would be able to take advantage of



the City's parking operator's depth of talent and staff. This would reduce the likelihood of reduction in coverage or proper management since the City's operator would have adequate staff to use in the case of sick days or vacation time. Additionally, resources utilized for the City's facilities such as auditors or operations management staff could be utilized by the State.

Both of these are valid options in our opinion. In either case, the parking management firms will establish a base parking management program that will accomplish the following major goals:

- Implementation of more effective parking controls (lot audits, parking access card audits, etc.) through utilization of adequate staffing and data collection.
- The generation of better management data leading to the ability to start a program of parking benchmarking and improved operational efficiency/effectiveness. This will rely heavily on either manual data collection or proper utilization of the access equipment.
- Enhancement of revenue controls and accountability through utilization of strict audit and operational procedures.
- Enhance customer services through improved management and the implementation of new programs
- Better address issues such as visitor parking for the Capitol building. Through the utilization of adequate parking staff, the parking operator would be able to better manage spaces for specific visitors or legislators during the legislative session and direct visitors to other parking options.

At the end of the term of the parking management contract the State will have in place all the basic systems and programs that it currently lacks. If the parking management firm has provided a clear value and has been responsive to the needs of the State then a contract extension or at least a rebidding of the contract would be in order.

At this point the State could also reassess the benefits of continuing with this outsourced model or decide to bring the parking management program back in house. A more in-depth assessment of parking management options is provided later in this report.

5.2. Rate Increase

Of course the key question related to State parking rates and any potential rate increase relates to policy. If there is no desire to change this policy, then the



best thing you can do is leverage this benefit with your staff and help make them better appreciate this valuable benefit.

However, while this may be perceived as a positive benefit, at some point the reality of needing to provide additional parking will catch up with increased parking demand. At that point, several issues arise:

1. Is preserving this benefit worth the investment of several million dollars for the construction of a new parking structure?
2. Should the State adopt a policy to try and make parking be self-supporting as many universities do?
3. Should the State adopt a policy that at least sets parking rates at a level to pay for annual operating, maintenance and maintenance reserve cost (but not debt service)?
4. Is it necessary for the State to continue to provide this level of benefit for all staff? One alternative may be for the current benefit to be continue to existing staff or staff above a certain level, but that new staff will not be "guaranteed a space" but encouraged to utilize available private supply or transportation alternative.
5. There is also the issue of lower rates actually promoting more parking demand rather than discouraging it.

Adjusting the current rate structure could have a significant effect on parking demand and availability. The State's parking demand will not decrease significantly until its rates are equivalent to or greater than the surrounding public parking rates or alternative transportation options.

Currently there is a financial disincentive for State employees to utilize non-State owned parking facilities. Table 6 shows the monthly parker rate discrepancy between State-owned parking facilities and CBD parking facilities. State rates are approximately one-half the cost of comparable parking facilities.

We understand this is a sensitive issue, but should the State decide to modify its position on parking pricing, the recommended approach would be to incrementally increasing the monthly parking rates until the rates are similar to the CBD's average monthly parking rate. Without established rates close to or at market rates, parkers will not consider commuting alternatives versus SOV driving.

Creating a comprehensive program that combines increased parking rates with enhanced TDM program options is the preferred methodology if the State's goals are to better manage parking demand, reduce the level of parking



development costs long-term and promote a “greening agenda” that attempts to reduce overall single occupant vehicle use and vehicle miles traveled.

5.3. Enforcement

It is recommended that the State Parking Division be authorized to issue parking tickets with an appropriate schedule of citation categories and monetary fines. It is noted that increased parking enforcement and monetary citation fines would require more employees (parking enforcement officers) to administer; however, this would generate more revenue for the parking system and may subsidize program and facility improvements.

5.4. TDM Program Development

While TDM programs have proven very effective in many areas of the country, we appreciate the fact that these programs are not the norm in Nebraska. However, some modest program elements should be better developed and promoted at a minimum. One of these areas is car and vanpooling. The State should consider incentives to further encourage carpools and vanpool participation. A few incentive ideas include:

1. Allocate a specific number of carpool spaces on the ground floor levels in garages (preferential parking) and in the rows closest to State buildings on the surface lots. These spaces would be utilized on a first come-first serve basis by carpool vehicles.
2. Promote a program similar to NuRide (www.Nuride.com). As employees sign up for the carpool program they can enroll with NuRide and be rewarded gift certificates just for sharing a ride. This is very similar to earning frequent flyer miles.
3. Establish a Guaranteed Ride Home program. This program would provide free taxi rides home when the unexpected happens. The Guaranteed Ride Home program could also be made available to commuters who use other commuting alternatives, such as public transportation or bicycling.
4. Subsidized carpooling—ideas include gift cards or certificates for gas, maintenance/repairs and car washes.



5.5. Parking Cash-Out Programs

A more advanced concept to consider is to institute a parking cash-out program for any employee that currently utilizes a State parking facility. Any



employee that current utilizes a State garage and agrees not to purchase a parking pass or permit for a State owned parking facility would in return receive a monthly payment in lieu of parking. Though this option requires a monthly outlay of cash it has the potential to be less expensive than building a new garage, financing the debt and covering the operational expenses in the long-term.

To institute this program, the State would:

- Identify employees that will be offered cash-out (currently parking in State facilities, been in facilities for a specific length of time, department, specific parking facility, etc.)
- Determine payment method (separate check, including in payroll, etc.)
- Develop internal marketing plan to promote the program. This could include bundling with other complimentary services that provide perks (prime parking spaces for car-pool vehicles, discounted transit passes, bike lockers and showers, etc.)
- Establish maximum number of participants
- Begin offering the cash-out program to qualified employees

Table 10 below provides an example of the estimated profit/loss of a new facility to accommodate the approximately 300 State employees on the parking waiting list.

# of Spaces	New Garage Estimated Cost per Space ¹	Total Estimated Cost	Interest Rate	# of Years	Annual Debt Service	Estimated Annual Expense per space	Estimated Annual Expense Cost	Annual Estimated Expense	Projected Annual Revenue ²	Projected Facility Profit/Loss
300	\$ 25,769	\$7,730,795	6.0%	30	\$ 561,634	\$200	\$60,000	\$621,634	\$ 105,480	\$ (516,154)

1. Includes soft costs and financing costs. 2. Revenue based on current State average of \$29.30 per parker per month.

Table 10 - Estimated New Facility Profit/Loss with Debt Service

Based on the State's average monthly parking rates, the garage would generate revenue of \$105,000 annually. This would leave the State with the burden of covering the remaining \$516,000 in annual debt service and operating expenses. However, if the State were to cash-out 300 employees to incentivize them to park elsewhere the State would spend approximately \$103,700 annually. Table 11 provides the details.



# of Employees	Cash-out Per Employee ¹	Total Monthly Cash-out Value	Annual Cash-out Value	Estimated Annual Expense for New Garage after Revenue	Annual Cash-Out Savings Compared to a New Garage
300	\$28.80	\$8,640	\$103,680	\$516,154	\$412,474
1. Cash out calculation: \$58.18 (Current average rate in CBD) minus \$29.38 (current average State employee parking rate) = \$28.80 per employee.					

Table 11- Employee Cash-out Calculation

This cash-out value would allow State employees to park elsewhere without any additional cost to the employee. Employees may choose to utilize other non-State garages that are closer to their offices. As illustrated in Table 11, the cash-out option is \$412,000 less expensive than covering the debt service and operating expenses for a new garage.

Additionally, the State should evaluate other incentives and policy changes to reduce the demand on State parking facilities. Some potential incentives include, but are not limited to:

- Subsidized transit or vanpool pass (employer pays full or partial amount of pass)
- Preferential parking—employees who carpool or vanpool receive reserved spaces near the work site entrance
- Prize drawings for carpool and alternate transportation participants
- Recognition/awards for carpool and alternate transportation participants
- Improved facilities—typical improvements include sidewalks, bike lanes, bike racks, storage lockers, showers, etc
- Use of pool/fleet vehicles for business and/or personal use

5.6. Impact of policy changes on parking availability

As State parking rates surpass the cost of StarTran's monthly pass some demand may shift to transit. However, since transit is not considered as convenient as an individual's own vehicle, the parking demand reduction will not be significant until transit rates are appreciably less expensive than parking rates.

With additional incentives and partnered with the cash-out program, the carpool program should experience a significant increase. The cash-out program would allow employees to receive the cash benefit and then utilize a portion of that pay-out to split carpooling expenses with other employees.

If 5% of the 2,339 State employees currently parking in State facilities were to take advantage of the cash-out program or other incentives, approximately 117 parking spaces would be freed up. The number of employees that will take



advantage of this program will depend on the value of the cash-out and perceived or real value of other incentives.

5.7. Impact of policy changes on existing TDM measures

The proposed changes to the current TDM measure should have the effect of increasing participation in the carpool program. This increase in carpooling will allow the State to free up spaces. These additional spaces would relieve a portion of the current parker waiting list. The addition of incentives will help to push those that have been considering carpooling to make the decision to carpool.

Additionally, the recommended cash-out program would help to off-set carpool costs. For example, current parkers would choose the cash-out program, join or start a carpool, and then use the cash-out to pay for a portion of the parking, gas, tolls, etc. If three or four people rode together the cash-out program would provide enough money to cover current parking rates plus fifteen to twenty gallons of gas per month. With the current cost of gas this may be a large incentive to join a carpool.

If these incentives encouraged just 2% of the 2,339 State employees currently parking in State facilities to join a carpool program, approximately 47 parking spaces would be freed up.

6. Future Parking Needs and Alternatives

6.1. Options to Provide Additional Public and Employee Parking in Proximity to the State Capitol

Parking Meters: Currently, the on-street parking spaces around the State capitol are time limited. However, the time limits are less effective than meters in promoting turnover. For this reason, visitors to State offices have a hard time finding short-term, on-street parking. The installation of meters and establishment of the appropriate rates could be utilized to encourage turnover, discourage State employee on-street usage and ultimately provide more convenient visitor parking for the capitol environs. Additionally, on-street parking enforcement will need to be consistently applied to insure the desired turnover. Implementation of this strategy should be a City parking system function in our opinion.

Public/Private Partnerships: The parking occupancy survey results indicate that there were 1,107 private parking spaces vacant during the peak demand hour



within the State study area. It is recommended that the State work closely with private parking owners and operators to negotiate discounted parking deals. Based on the number of parkers on the waiting list the State should have the ability to negotiate parking for less than market rates. Especially if the State guarantees a set number of parkers and provides one check each month. The State would be responsible for collecting the parking fees from its employees.

6.2. Identify State Owned Property with Best Potential for Future Parking Facilities.

The State currently owns three sites within the capitol environs that have sufficient footprints for potential parking structures. The footprints appear large enough to provide efficient garage designs. The three sites are Lot A, the Executive Lot, and the lot behind the Department of Labor. Each lot is at least 260' by 120'.

The issue that may be raised for both Lot "A" and the Executive lot is the need to match the historical architecture within the capitol environs. Each of these lots is directly adjacent to the capitol building. Additionally, Lot "A" is next to the Governor's residence. This may create security concerns. The historical design requirements would add significant costs to any proposed garages on these two lots. The lot behind the State's Department of Labor offices would be close to the State capitol; however, it would not front on 16th street directly adjacent to the State capitol. This may eliminate the architectural requirements that would be placed on the other two potential structures.

Figure 5 (next page) identifies four locations for potential State owned parking structures.

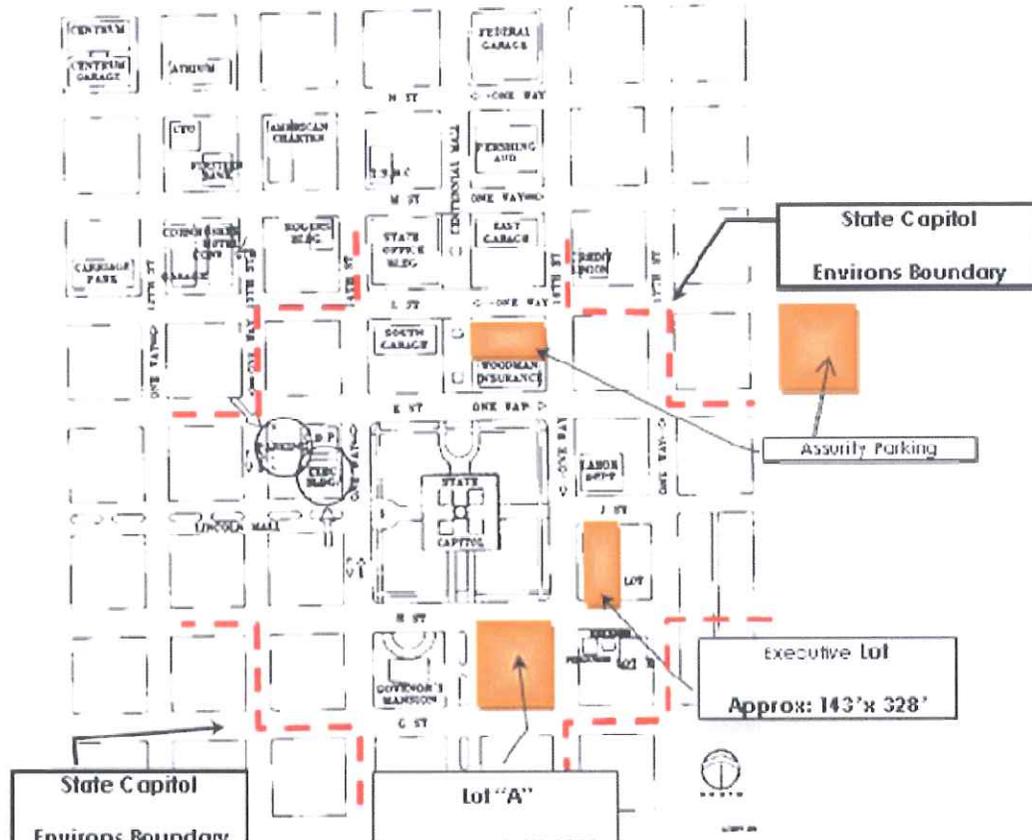


Figure 5- State Capitol Environ - Potential Parking Structure Site

Appendix A includes the prototypical drawing for a 390 space parking facility that could be built on a 122' x 270' footprint. Each of the three highlighted sites could accommodate this prototypical structure. The provided garage concept would provide a total 390 spaces within a four level parking structure. Even with the application of a 10% effective parking factor, the parking structure will be able to easily accommodate the State's current 300 parker waiting list.

6.3. Potential Financing Options for Future Parking Facilities

To cover total annual expenses, a 390 space garage with a presumed total annual expense of \$621,000 (total debt service and operating expense) will need to generate \$172.50 per space per month to cover expenses. Based on the current State parking rate structure there is no conceivable way that the garage can cover its expenses. Without foreseeable positive revenues any future stand alone garage development will be unattractive to a private investor.



Carl Walker has identified two financing options the State can consider for future parking facilities.

1. Parker subsidized debt service: Under this option, the State would increase all 2,339 State parkers' rate by a pre-determined amount to help cover the cost of debt service and operating expense for an additional parking facility after consideration of the new garage's internal revenue stream.

Example:

Annual debt service and operating expense for a new 390 space parking facility at is \$621,634 (\$561,634 in debt service at 6.0% over 30 years and \$60,000 in operating expense). The garage is expected to generate annual revenue of \$162,000 (300 new parkers at \$45 per month). Currently there are 2,339 parkers utilizing State facilities within the City of Lincoln. In order to offset the net income of \$459,634 (Total expense minus projected revenue) the State would increase the monthly rate for the original 2,339 parkers by \$16.38 per month. This would increase the average monthly rate to approximately \$46.

2. The second funding option is to continue to have parking capital construction costs paid for by the State's general fund as needed facility infrastructure.

7. Analysis of Alternatives for State Parking Management

7.1. Current Parking Management

Although the State of Nebraska controls over 2,000 parking spaces for legislators, staff and visitors to the Capitol (a fairly large system), only about 0.5 FTE is officially assigned to manage certain aspects of the parking program. Others, no doubt, spend time and energy dealing with various aspects of parking from planning to operations to maintenance. However, it is clear that it is no one's full-time responsibility. This leads to several interesting questions:

1. Should the State invest in establishing a fully functional parking department?
2. Is there an opportunity of outsource this function to add expertise and reduce administrative costs



3. The State might benefit from a parking management contract with the City's current parking operator.

Before answering the questions and presenting recommendations, let's summarize the standard parking management "operational methodologies"?

7.2. Parking Management Operating Methodologies

There are three primary methodologies for operating medium to large parking programs. These are:

1. **Self-operation**, in which the institution operates the parking program itself.
2. Through a **management agreement** with a private parking management firm who is either paid a fixed fee and/or a percentage of gross revenues or expenditures, or a combination of both, and who is reimbursed for all costs incurred in the operation.
3. Through a **concession agreement** with a private parking operations firm. The firm assumes full responsibility for all aspects of the operation, including all expenses, and pays the State a guaranteed minimum income and/or a percentage of gross revenues, or a combination of both.

Self-Operation

Self-operation of the parking system requires that the owning entity provide all the necessary employees (i.e., full or part-time staff and/or temporary employees), equipment, supplies, etc. With this method of operation, the owning entity receives all gross parking revenues and pays for all operating expenses. Self-operation requires internal administrative and managerial staff, at a higher level than the Management Contract or Concession style agreements.

Self-operation allows the owning entity to have complete control over the parking facilities and the level of service provided to its patrons. This requires a well-trained and experienced staff to effectively manage a large parking operation with significant daily cash revenues. Parking has become a highly specialized field and also requires good general and facility management skills. Without proper training and professional development, self-operation can result in a lower than desired level of service and revenue controls. This, in conjunction with the requirements for a high level of customer service and the specialized nature of parking, makes the idea of using a professional parking management firm a logical and attractive alternative.



The private parking operator, employed by the owning entity, typically only manages the day-to-day operational aspects of the parking program (staffing, cash collections, routine facility maintenance, etc.). An internal department must still have administrative oversight and responsibility for parking as it relates to the overall complex in terms of policy decisions, allocation of resources, etc. Given this need to maintain control of policy and strategic issues related to parking (defining rates, validation methodologies, reserved parking, lease agreements with office building tenants, etc.) a management agreement approach presents itself as a preferred option.

Management Agreement Operations

This form of operation can give the owning entity complete control over staffing levels, validation policies, parking rates and customer service policies. With a management style agreement the parking operator provides the necessary labor and services for the operation of the parking facilities, in accordance with an agreed to annual operating expense budget. The parking operator will then receive a monthly payment, either a lump sum amount or a percentage of the gross or net parking revenue. This monthly payment is the fee (profit) to manage the facility.

The parking operator will provide the owning entity with a detailed monthly report package including: operating statistics, revenue summaries, expenses summaries, budget variance reports, etc. Invoices of expenditures (with receipts) are also included and are the parking management firm is reimbursed for these expenses. The expenditures report also includes payroll expenses for all cashiering, customer service, maintenance personnel and managerial/supervisory personnel time.

The management style agreement still requires some additional personnel time for the owning entity's staff, since it is necessary to audit the gross parking revenues, as well as the monthly operating expenses. Having an annual external audit by a professional parking consulting or accounting firm is recommended as a means of providing an additional level of accountability, due to the specialized nature of the business. The preferred arrangement is that this firm works with all parties up front to establish reporting guidelines and accounting practices so that when the annual audit is conducted there should be no excuse for not having the expected and necessary documentation.

Under the management agreement the parking revenues are deposited on a daily basis into a separate bank account established in the name of the owning entity. Coordination with the owning entity's Cash Management or Accounting



department is recommended to insure that the procedures developed are consistent with the owning entity's overall management practices.

The owning entity's stakeholders and staff should have significant input into establishing the "level of service" to the development's patrons by deciding on the quantity of cashiers/customer service ambassadors, acceptable traffic queuing upon exit, lost ticket/insufficient funds policies, parking related services offered (lost vehicle assistance, dead battery assistance, vehicle lock-out assistance) etc.

The parking operator will serve as a buffer to the owning entity's management with respect to parking complaints and potential wrongdoing by those employed within the parking system. It is recommended that customer complaints and responses be documented and reviewed by the owning entity's staff on a monthly basis.

Concession Agreement Operations

With a Concession style agreement, the concessionaire will provide all necessary labor and services for the complete operation of parking facilities in return for an agreed to percentage of the gross parking revenues. The actual percentage varies from operation to operation based on the size, complexity, revenue potential and perceived risk to the operator. There may be a guaranteed minimum annual payment to the owning entity.

With this type of agreement, a minimal amount of time is required by the owning entity's staff in the day-to-day operations of the parking program. Typically the owning entity receives a deposit from monthly parking revenues within two weeks after the end of the each calendar month. Periodic conversations with the parking operator are necessary to discuss operational issues that affect the quality of service to development patrons.

The concession agreement is the simplest type of agreement for administrative purposes, in that only the gross parking revenue need be audited. All operational expenses remain the responsibility of the concessionaire, thereby resulting in minimal control of this function by owning entity staff. Another concern that must be understood is that the concessionaire has use of the parking revenues for a lengthy period of time before the monthly payment is deposited for the owning entity.



The parking operator serves as a buffer to the owning entity's management with respect to parking complaints and potential wrongdoing by those employed within the parking system.

In general, concession agreements work best for large and complex parking operations where the management wishes to divest itself from the day-to-day parking operational concerns, to better focus on its core business. These operations typically have the need for highly specialized parking expertise, generally due to the complexity of operations combined with large annual revenues and sometimes political pressures.

Table 12 summarizes the key advantages and disadvantages to the owner by type of operating methodology.

Out-Sourced Parking Operations		
Operating Methodologies		
Operating Method	Advantages (to the owner)	Disadvantages (to the owner)
<i>Management Agreement</i>	The owning entity can have complete control of staffing, rates and service policies.	Tendency to add floating employees to the operation when not assigned elsewhere.
	Most complaints go to parking manager.	The owning entity must monitor the budget and service levels carefully. Operator should be required to submit budget and proposed levels of service six months to one year in advance.
	Provides insulation for the owning entity in case of scandal.	Requires a detailed review and audit of both receipts and expenses to be sure that the payment to the operator is appropriate.
	Lower inventory and supply costs (if a larger parking operator is used).	Moderate risk to the owning entity.
	Receipts should be deposited to The owning entity's bank account daily.	
<i>Operating Method</i>	Advantages (to the owner)	Disadvantages (to the owner)
Concession Agreement	Fee can be arranged to provide an incentive to	Operators desire to maximize parking revenues may not be



	maximize revenues.	in the best overall interests of the State.
	Fees can be arranged to provide a minimum annual revenue guarantee.	The owning entity has least control of staffing, service policies, etc. Performance standards should be used to offset this disadvantage.
	Simplest agreement to administer; requires auditing of only the receipts of the operation. It is not necessary to audit expenses.	Operator has use of parking revenues for agreed upon periods. Revenues are usually submitted 10 – 15 days after the last day of the previous month. Initial payment at the beginning of the month can be required.
	State has minimal financial risk.	Concession agreements are typically used for larger, more complex operations, such as airports and large parking authorities.
	The parking operator takes responsibility for complaints.	
	Provides insulation for the owning entity in case of scandal.	
	Lower inventory and supply costs (if a larger parking operator is used).	

Table 12- Outsourced Parking Operations Methodologies

Parking Management Program Observations/Critique

Of the options outlined above, it is this report's conclusion that an outsourced parking management solution would provide to most benefit to the State of Nebraska. Two primary options are recommended for consideration. Both of these options would entail a "Management Agreement" approach to provide for the development of an enhanced State of Nebraska parking function. The key benefits of this recommendation include:

1. The addition of experienced parking management professionals that would work with State staff to define program goals and objectives and implement more effective controls leading to enhanced management data.
2. No need for the State to authorize, hire and train in-house staff.
3. An experienced parking management firm could recommend a comprehensive system of parking access and revenue controls that will



- provide the State with the kind of facility utilization data to make more informed and educated policy decisions relative to key questions such as:
- a. What is the actual utilization of each facility on a daily basis?
 - b. Can newer parking access technologies such as Automatic Vehicle Identification (AVI) and ultra sonic sensors provide increased traffic through-put to allow you to leave the gates down and still effectively load the garages, without sacrificing access control system integrity and loss of facility utilization data?
 - c. Do we have an overall deficit of parking supply to meet the needs of our employees, legislators and visitors or do we an adequate supply if it were more carefully managed and controlled?
 - d. Do we have adequate supply most of the time with short or seasonal peak demand periods or is the parking deficit consistently below demands to the point of necessitating and multi-million dollar investment in a new parking structure?
 - e. Is having slightly less than the optimal supply and allowing locally available private supply a valid alternative to building a new parking structure?
4. The State would be able to assign one person or a small committee for parking management contract administration.
 5. This approach is likely to produce results much faster that trying to develop an in-house program.
 6. After the initial term of the parking management contract, the State will have the opportunity to reassess the situation. The Parking Management firm will have put in place all the basic programs and systems. If the State has been satisfied with the performance of the contractor, the outsourced program can be continued. If the State feels like they now have a better handle on parking, they can decide to take the program back in house.

Earlier, we mentioned that two primary options for implementing this primary recommendation we being submitted. These two options are:

1. The State can outsource this function on its own reporting directly to State staff.
2. The State could negotiate a contract with the City's current parking management company.

The potential advantages to this approach include:

- With a larger contract, generally a more experienced, more highly qualified manager is selected for the project manager and more support and interest from the corporate offices



- Enhanced equipment maintenance staff and resources
- Having the contracts merged could produce new opportunities for enhanced coordination and collaboration between the State and City
- Improved coordination between off-street facility usage and on-street resources since it would all be managed by the same management company
- Potential for coordination of parking access and revenue control equipment leading to enhanced equipment servicing, bulk purchase of supplies, spare parts, etc.
- Shared snow removal services leading to an overall cost reduction
- Improve opportunities for special event management and coordination – leading to the potential for shared use of resources and shared profits

Other potential advantages to a more coordinated working relationship between the City and State might include sharing resources and expertise related things such as:

- Facility condition appraisals
- Security audits
- Parking planning coordination
- Facility lighting assessments

Under all options, it is assumed that the State will retain control of parking rate setting. Given the sensitivity of this issue with State staff and unions, this should be a non-negotiable item. The private parking management firms may present a variety of rate scenarios to the State for consideration, but ultimately control of parking rates will be maintained by State administrative personnel.

As the City begins moving forward with its internal reorganization, there will be a Parking Advisory Council appointed by the Mayor. It has been suggested that a representative from the State be on this council to further stimulate cooperation and collaboration on areas of shared interest.

Whether the State chooses to pursue this outsourcing of parking management independently or in a collaborative manner working with the City, we feel this will approach will quickly improve the level of parking management and customer service to State legislators, staff and capitol



area visitors. Improved facility utilization and an enhanced understanding of program needs, through improved parking management controls and data will allow for improved decision making and lead to more effective use of existing resources before committing to new capital investments in parking.

Even if a new parking structure is needed, having this enhanced management expertise will be invaluable in developing a transition and temporary parking plans before and during construction.

Tools to Facilitate Implementation

If these recommendations are implemented, there are two basic tools that will be helpful you move forward. These are: a parking management contract template and parking management RFP process.

Parking Management Contract Template

Attached as Appendix B is a comprehensive parking management contract template for you to review and modify. We suggest that you provide this document to your legal and procurement teams for any required additions or modifications.

As a matter of methodology, we recommend that you have the basic terms of your management agreement contract well defined, before attempting to draft the Request for Proposal. The contract should inform the RFP, not the other way around.

Should you choose to go the route of collaborating with the City, it might still be possible for you to have a separate contract that applies to State owned facilities.

Parking Management RFP Template

Attached as Appendix C is a draft Parking Management RFP document. Depending of the approach selected (State issued as a stand-alone project or in collaboration with the City of Lincoln) this document provides the basic approach and language necessary to issue the RFP.

Should the State desire it, management of the RFP process is a service that **Carl Walker, Inc.** offers to its clients. If asked to provide this service the basic scope of services would include:



- RFP Development with State personnel
- RFP Issuance to a Pre-approved list of qualified firms, plus and local or Statewide advertisement required
- Initial review and assessment of RFP responses
- Providing an initial RFP response document review to State selection committee members
- An on-site meeting to review responses and short-list finalists (in desired)
- Development of recommended interview questions for the selection committee
- Assist the selection committee with development of standardized evaluation criteria and scoring methodology
- Participation on the firm interview team as a technical resource and non-voting member
- Send out notices of intent to award to the selected firm and notices of non-selection to the other firms.

8. State Parking Benchmarking

8.1. Introductory Comments

While we are strong advocates for the many benefits that a robust and effective management and benchmarking program can provide for all types of operations, including parking, it is important have a solid baseline from which to begin these programs. It is our opinion that basic operational data may not exist for many of the benchmarks that will be suggested. The current State of Nebraska parking program, does not utilize parking access and revenue control systems in its structures in a consistent or effective manner. Part of the reason for this is due to traffic control issues (opening gates in the mornings to mitigate traffic back-up onto City streets, etc. However, another result is a lack of facility utilization and management data that could be used to better understand and track true facility utilization data, by time of day, day of week and seasonally. This data could provide valuable insights into the true nature and meaning of the "employee wait list" for assignment to the State parking structures. For example, many employees, we have been told, have a space assignment in a parking structure, but find it more convenient to park on the streets and move their cars multiple times per day. Having good parking utilization data relative to these and other types of employee parking activities could provide insight into whether there is actual 400 space waiting list or whether, with better parking data leading to policy refinements and some level of control/enforcement of



rules the wait list might be better understood and managed. This issue of lack of management data is key issue that will resurface in several areas including, how to better manage existing resources, how to be more effective at controlling access and having the needed data to ultimately develop meaningful operational benchmarks.

A related issue to need for improved management information and parking controls is that of parking management expertise. That is to say, even if you had good data, do you have someone on staff that can properly analyze and interpret that information and use it to craft appropriate policies that will further the State's program goals.

8.2. Parking Operations Benchmarking

8.2.1. Background and Context

State administrators and business officers are keenly aware that there is a great budgetary crunch taking place in facilities management. This crunch is largely driven by losses or reductions in traditional revenue sources and increasing costs related to labor, services fuel, etc. Increased competition for staff from the private sector results in tightened budgets, reductions in personnel, frozen salaries and induced early retirements.

In attempts to maintain service levels and retain staff, governments everywhere are looking for strategies to better position themselves in this rapidly changing marketplace. Increasingly efficient and effective processes in day-to-day operations and management are being looked at as important indicators of creative cost-conscious management teams.

Implementing new services creates additional overhead and expenses. In addition, the days of being able to charge full fees for these services are disappearing. **However, every dollar saved through improved efficiency drops straight to the bottom line.**

It is in this context that benchmarking has emerged as a valuable tool for measuring not only internal performance, but also performance measured against the best organizations in the industry. The ultimate outcome is the identification of "best practices" which can be used to improve customer service, increase revenue or reduce operating expenses or sometimes all three.



8.2.2. Quality

Born out of the Total Quality Improvement (TQI) movement, benchmarking and best practices are closely tied to customer service and effective management initiatives. Listening to your customers, understanding their needs and concerns, developing an entrepreneurial attitude in your staff at all levels, developing cultures built on respecting and rewarding individuals and having clearly Stated missions and values are keys to developing quality and successfully managing change. Some of these concepts are reflected in the Statements below.

- Probably the most important management fundamental that is being ignored today is staying close to the customer to satisfy his needs and anticipate his wants.
- A very important element of the track record of successful companies is an ability to encourage the entrepreneurial spirit among their people, pushing autonomy remarkably far down the line.
- The excellent organizations have a deeply ingrained philosophy that says in effect: Respect the individual - make people winners - let them stand out - treat them as adults.
- Every excellent company is clear on what it stands for, and takes the process of value-shaping seriously. In fact, it may not be possible to be an excellent company without having the right sort of values and living them every day.

8.2.3. Benchmarking

Benchmarking tells us whether we are moving in a direction that is consistent with the changes in our industry. It does not mean that we should be moving in that same direction, but it provides a point of reference.

Originally, a benchmark was a mark made by a surveyor on a permanent surface as a reference point among other reference points in a series to denote altitude and location. These marks make today's topographic maps possible. For business and governance, the term is broader, but is analogous to the original meaning. Charles Christ said after he became vice president of Digital Equipment Corp.:

" The purpose of benchmarking is to gain a sustainable competitive advantage. Specifically, know yourself. Know your competition and best in class. Study



them. Learn from them, and be ready to adopt their best practices... to your process."

Benchmarking is an ongoing, systematic methodology for identifying, measuring, and comparing the work processes of another organization with your own in order to bring about internal improvement pertaining to processes. It shows management what to concentrate on. It centers efforts on the processes where there is the greatest return - where the gap is greatest between current procedures and the best performance. It is a methodology, which, at least, will provide overwhelming evidence of the need for change. At best, it will modify or improve internal processes so that there will be dramatic improvements in quality, service, and reduced costs.

8.2.4. Internal Benchmarking

Internal benchmarking is used to analyze the practices within and between departments or divisions in order to identify the best performance area, and to measure baseline performance. The intent is to identify the "best" internal processes, and to standardize them within the organization, if this is feasible. Internal Benchmarking asks such relevant questions as:

- How are we doing in terms of our customers or end-users?
- Is quality and service what we want it to be?
- Which of our processes should we identify as needing immediate attention?
- Which departments need help?

8.2.5. External Benchmarking

External benchmarking is concerned with an analysis and comparison with institutions outside one's organization, and may be broad - taking a look at the entire range of organizations, or narrow - taking a look only at the specific competitors or agencies who are most like your own institution in terms of size and philosophy. External benchmarking will elicit such questions as:

- How are we doing compared with other organizations?
- How are we doing compared with those organizations, who are our direct competition?
- In terms of our goals, which of the institutions in our category have processes deemed the best in the field?
- What methods shall we use to extrapolate best in the field processes in order to apply them to our own needs?
- What can we do to become best in the field ourselves - if not now, then in due time?



- How can we become the benchmark of the future?

This is termed best-in-class benchmarking, and by its very nature can lead to dramatic progress. The organization not only improves significantly internally, but also sets the pace for all others.

8.2.6. Vertical and Horizontal Benchmarking

Two other types of benchmarking need to be mentioned. Vertical benchmarking compares costs, quality, and productivity within a specific department. Horizontal, on the other hand, selects a process for study which cuts through departmental boundaries, such as the way travel orders are dispensed, collected, and processed.

Benchmarking can provide an institution with an effective means to respond to demands for cost containment and enhanced services in a way that is itself cost effective and quality oriented and compliments existing improvement or restructuring programs (e.g., business process reengineering and or total quality management.)

8.2.7. Four Benefits of Benchmarking

1. Benchmarking identifies the keys to success for each of the areas selected for study internally. And identifying a problem is half way to a solution.
2. Benchmarking provides specific quantitative targets to shoot for. A team can usually make progress when the numbers are openly shared and examined, because even small changes show up on the charts and stimulate effort at improvement.
3. Benchmarking creates an awareness of State-of-the-art approaches present in the industry - the best of class.
4. Benchmarking helps organizations cultivate a culture where change, adaptation, and continuous improvement are actively sought out, rather than resisted.

Bear in mind that benchmarking is more than just a way to learn new competitive approaches. It directs the focus of the organization outside its own walls - squarely at the marketplace and its competition. Further, it can provide the blueprints for how the organization can leap ahead of even the best of its competitors. **This often comes about not through improvements in the company's primary functional area, but by improving secondary or supporting areas.**



8.2.8. Parking Benchmarking

It is recommended that a parking benchmarking program for the State of Nebraska be developed in phases. The first priority is to develop baseline data from which to begin the assessment. Therefore an Internal Benchmarking approach makes the most sense initially. Though there are numerous benchmarks that could be measured by the State, Carl Walker has identified seven that the State should initially measure and track. Once the State has a firm grasp on these benchmarks additional ones can be added to strengthen the State's parking management program.

Because of the lack of data and information due to the under developed parking management program, not all these benchmarks will be possible initially. Certain basic benchmarks such as "Revenue per Space" or "Total Operating Costs per Space" may be possible. It is important that systems be implemented to make collection and tracking of these key operational measurements routine. This will require the State to either assign additional staff to the parking program or hire an outside parking management firm to collect and track the data. It is further recommended that these measurements be included in monthly or quarterly financial variance reports to administration.

The benchmark names and description are listed in Table 13. A larger version of this document (11" x 17") is provided as Appendix D.

This specific set of benchmarks is integrated as part of a longer term plan. The impact of recommendations to modify existing parking lot layouts, recommended changes in parking allocation, parking access and revenue control equipment, cash control and management policies and parking facility maintenance practices will be compared to the baseline internal benchmarks developed in fiscal year 2009.



State of Nebraska		
Recommended Parking Benchmarks 7.27.09		
#	Benchmark Name	Description
1	Total operating cost per space	Divides total operating expenses by total number of parking spaces.
2	Total revenue per space	Divides total revenues by total number of parking spaces.
3	Administrative cost per space	Divides total administrative cost by total number of parking spaces.
4	Total maintenance cost per space	Divides total maintenance cost by total number of parking spaces.
5	Parker diversity	<i>Formula: 1-(number of monthly parkers in facility at peak/total number of non-reserved monthly parker access cards)</i> . This equation identifies the percentage of monthly parkers not utilizing the parking facility at peak. This number will be used to calculate a parking facilities oversell percentage. Daily occupancy counts at peak (generally 10AM and 2PM) will need to be collected.
6	Monthly permit oversell	<i>Formula: 1/(1-diversity percentage)</i> . This equation identifies the number of additional parking contracts that can be sold to fill the spaces left empty by the absent contract (monthly) parkers. Purpose is to Maximize Space Utilization.
7	Alternative transportation utilization	Number of State employees utilizing carpooling or other State sponsored alternative transportation options (transit, cycling, etc.). Year-to-year measurement of the effectiveness of the State's alternative transportation program. State would establish base numbers on current usage of each transportation alternative.
Note: Each of these benchmarks are useful for year to year comparisons and for operations of similar profiles.		

Table 13: Recommended Parking Benchmarks



Appendices

- Appendix A - Proto-Type Parking Garage Concept
- Appendix B - Parking Management Agreement Template
- Appendix C - Parking Management RFP Template
- Appendix D - Parking Benchmarks (11" x 17")
- Appendix E - Monthly Parking Access Control System Specification



Appendix A - Proto-Type Parking Garage Concept



Appendix B - Parking Management Agreement Template



Appendix C - Parking Management RFP Template



Appendix D - Parking Benchmarks (11" x 17")



Appendix E - Monthly Parking Access Control System Specification