




# City of Coral Gables

## Parking Rate Study

Coral Gables, FL

### Draft Report

July 14, 2014



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July 14, 2014

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**RE:        *Parking Rate Study – Draft Report***  
***Coral Gables, FL***

Dear City of Coral Gables:

Timothy Haahs and Associates, Inc. (TimHaahs) is pleased to submit the Draft Report for your review and comments. Thank you for allowing us to work with you on this important project. Please do not hesitate to call with any questions.

Very truly yours,



Vicky Gagliano, MBA, LEED AP  
Project Manager/Senior Parking Consultant



Michael D. Martindill  
Vice President

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## Introduction

The City of Coral Gables (City) is considering increasing the hourly parking rates and has retained Timothy Haahs and Associates, Inc. (TimHaahs) to assist with estimating the incremental financial impact. The City has specifically requested the evaluation of various rate increases and their impact on parking revenues when applied in a uniform fashion or by zone.

## Scope of Services

The following tasks are part of our study:

1. Work with City staff to gather the necessary data for estimating the potential impact of increasing parking rates system-wide. It is anticipated that there would be modeling of different rate increases in different zones based on parking utilization and turnover.
2. Compare rates to other nearby areas/cities.
3. Develop a draft report of findings and recommendations.
4. Discuss and incorporate final edits and submit a final report.

## Benchmark Rates

The following list summarizes the parking rates in Coral Gables and surrounding communities for the high demand areas:

| <u>Location</u>        | <u>Hourly Rate</u> |
|------------------------|--------------------|
| City of Coral Gables   | \$1.25             |
| Coconut Grove          | \$1.50             |
| City of Miami          | \$1.50             |
| City of Miami Beach    | \$1.75             |
| City of Ft. Lauderdale | \$1.75             |
| City of Boca Raton     | \$3.00             |

## Financial Impact

### Collection Routes

According to City representatives, parking meters are collected according to the route they are assigned. Essentially, routes 1A, 1B, 2A, 3A, 3B, 5A, and 5B are located in downtown, while route 4B is located in Merrick Park. Route 2B spans over the University of Miami campus, Riviera Park, and Ponce De Leon Boulevard, while route 4A includes all of the surface parking lots. A map was provided by representatives of the parking department depicting the location of each collection route and is included on the following page.

Figure 1: Meter Collection Route



Source: City of Coral Gables, 2014



## Time Restrictions and Annual Revenue

For each collection route, we were provided with 2012 and 2013 revenue (including revenue from the pay by phone system) as well as the quantity and type of meters in each route. The following table summarizes the route, general location, quantity and types of meters, and the 2012 and 2013 annual meter revenue.

**Table 1: Meter Collection Routes**

| ROUTE AREA(S)<br>NO. LOCATION |   | QUANTITY OF METERS (BY TIME RESTRICTIONS) |            |              |            |              |              | ANNUAL METER REVENUE |                    |
|-------------------------------|---|---|------------|--------------|------------|--------------|--------------|----------------------|--------------------|
|                               |   | 12 min.                                   | 30 min.    | 2h           | 3h         | 10h          | TOTAL        | 2012                 | 2013               |
| 1A                            | Downtown  | 5   | 15         | 237          | 0          | 114          | 371          | \$609,866            | \$687,319          |
| 1B                            | Downtown  | 0   | 4          | 306          | 0          | 64           | 374          | \$641,238            | \$653,411          |
| 2A                            | Downtown  | 0   | 0          | 77           | 0          | 135          | 212          | \$161,484            | \$169,339          |
| 2B                            | University of Miami<br>Riviera Park<br>Merrick Park | 5   | 9          | 188          | 13         | 372          | 587          | \$749,256            | \$852,758          |
| 3A                            | Downtown  | 1   | 17         | 452          | 14         | 160          | 644          | \$745,638            | \$816,491          |
| 3B                            | Downtown  | 9   | 6          | 325          | 0          | 7            | 347          | \$985,756            | \$999,109          |
| 4A                            | Parking Lots  | 0   | 0          | 81           | 243        | 156          | 480          | \$469,709            | \$659,253          |
| 4B                            | Merrick Park  | 0   | 24         | 195          | 54         | 155          | 428          | \$577,049            | \$621,205          |
| 5A                            | Downtown  | 4   | 19         | 174          | 69         | 26           | 292          | \$488,893            | \$524,477          |
| 5B                            | Downtown  | 1   | 7          | 170          | 0          | 229          | 407          | \$270,181            | \$358,493          |
| <b>TOTAL</b>                  |   | <b>25</b>                                 | <b>101</b> | <b>2,205</b> | <b>393</b> | <b>1,418</b> | <b>4,142</b> | <b>\$5,699,070</b>   | <b>\$6,341,855</b> |

Source: City of Coral Gables and Timothy Haahs & Associates, 2014

The revenue per space per year, as well as the revenue per space per day, for each route is as follows:

**Table 2: Average Revenue Per Space Per Day**

| ROUTE AREA(S)<br>NO. LOCATION |   | ANNUAL METER REVENUE |                    | ANNUAL REVENUE PER SPACE |                | AVERAGE REVENUE PER SPACE PER DAY |               |
|-------------------------------|---|----------------------|--------------------|--------------------------|----------------|-----------------------------------|---------------|
|                               |   | 2012                 | 2013               | 2012                     | 2013           | 2012                              | 2013          |
| 1A                            | Downtown  | \$609,866            | \$687,319          | \$1,644                  | \$1,853        | \$4.53                            | \$5.10        |
| 1B                            | Downtown  | \$641,238            | \$653,411          | \$1,715                  | \$1,747        | \$4.72                            | \$4.81        |
| 2A                            | Downtown  | \$161,484            | \$169,339          | \$762                    | \$799          | \$2.10                            | \$2.20        |
| 2B                            | University of Miami<br>Riviera Park<br>Merrick Park | \$749,256            | \$852,758          | \$1,276                  | \$1,453        | \$3.52                            | \$4.00        |
| 3A                            | Downtown  | \$745,638            | \$816,491          | \$1,158                  | \$1,268        | \$3.19                            | \$3.49        |
| 3B                            | Downtown  | \$985,756            | \$999,109          | \$2,841                  | \$2,879        | \$7.83                            | \$7.93        |
| 4A                            | Parking Lots  | \$469,709            | \$659,253          | \$979                    | \$1,373        | \$2.70                            | \$3.78        |
| 4B                            | Merrick Park  | \$577,049            | \$621,205          | \$1,348                  | \$1,451        | \$3.71                            | \$4.00        |
| 5A                            | Downtown  | \$488,893            | \$524,477          | \$1,674                  | \$1,796        | \$4.61                            | \$4.95        |
| 5B                            | Downtown  | \$270,181            | \$358,493          | \$664                    | \$881          | \$1.83                            | \$2.43        |
| <b>TOTAL</b>                  |   | <b>\$5,699,070</b>   | <b>\$6,341,855</b> | <b>\$1,376</b>           | <b>\$1,531</b> | <b>\$3.79</b>                     | <b>\$4.22</b> |

Source: City of Coral Gables and Timothy Haahs & Associates, 2014

On average, each meter generated \$3.79 in 2012 and \$4.22 in 2013; this represents an annual increase of 11.3%. The increase is partly a result of an overall higher volume of meter usage, a larger number of customers who are not leaving unused time on the meter for the next customer as well as customers who are more likely to overestimate the length of their stay and pay for more time than is actually used.

## Scenarios and Calculations

For the purpose of this analysis, we modeled three separate rate increases: \$0.20, \$0.25, and \$0.50 per hour which results in the short-term meter rates increasing from \$1.25 per hour up to \$1.45, \$1.50, and \$1.75 per hour. Likewise, the long-term meter rates increase from \$1.00 per hour up to \$1.20, \$1.25, and \$1.50 per hour.

Using the above rates, we calculated the relative percentage for each scenario. For example, a \$0.20 increase represents a 16% relative percentage increase for the short-term meters but a 20% relative percentage increase for the long-term 10-hour meters:

|                        |   |
|------------------------|---|
| For Short Term Meters: | $\$0.20 \text{ increase} \div \$1.25 \text{ current short term meter rate} = 16\% \text{ increase}$ |
| For Long-Term Meters:  | $\$0.20 \text{ increase} \div \$1.00 \text{ current long-term meter rate} = 20\% \text{ increase}$  |

In addition, we calculated the proportion of short- and long-term meters for each route. For example, in Route 1A, 69% of the meters are short term and 31% are long-term.

|                      |   |
|----------------------|---|
| Route 1A Short-Term: | $257 \text{ short-term meters} \div 371 \text{ total Route 1A meters} = 69\%$ |
| Route 1A Long-Term:  | $114 \text{ long-term meters} \div 371 \text{ total Route 1A meters} = 31\%$  |

In order to calculate the weighted impact of each rate increase we multiplied the relative percentage increase with the proportion of short- and long-term meters to determine the overall weighted revenue increase percentage.

For example in Route 1A, an increase of \$0.20 per hour would result in a weighted revenue increase of 17%.

|   |     |   |     |   |   |   |     |   |     |       |
|---|-----|---|-----|---|---|---|-----|---|-----|-------|
| Relative Percentage(Short-Term) x Proportion(Short-Term) + Relative Percentage(Long-Term) x Proportion(Long-Term) |     |   |     |   |   |   |     |   |     |       |
| (   | 16% | x | 69% | ) | + | ( | 20% | x | 31% | )     |
|   |     |   | 11% |   | + |   |     |   | 6%  |       |
|   |     |   |     |   |   |   |     |   |     | = 17% |

The table on the following page summarizes the weighted revenue increase by collection route and proposed increase amount.

**Table 3: Weighted Revenue Increase (by collection route and proposed increase amount)**

| ROUTE NO.    | AREA(S) LOCATION                                    | QUANTITY OF METERS (BY TIME RESTRICTIONS) |            |              |            |              |              | WEIGHTED REVENUE INCREASE |            |            |
|--------------|---|---|------------|--------------|------------|--------------|--------------|---------------------------|------------|------------|
|              |   | 12 min.                                   | 30 min.    | 2h           | 3h         | 10h          | TOTAL        | \$0.20                    | \$0.25     | \$0.50     |
| 1A           | Downtown  | 5   | 15         | 237          | 0          | 114          | 371          | 17%                       | 22%        | 43%        |
| 1B           | Downtown  | 0   | 4          | 306          | 0          | 64           | 374          | 17%                       | 21%        | 42%        |
| 2A           | Downtown  | 0   | 0          | 77           | 0          | 135          | 212          | 19%                       | 23%        | 46%        |
| 2B           | University of Miami<br>Riviera Park<br>Merrick Park | 5   | 9          | 188          | 13         | 372          | 587          | 19%                       | 23%        | 46%        |
| 3A           | Downtown  | 1   | 17         | 452          | 14         | 160          | 644          | 17%                       | 21%        | 42%        |
| 3B           | Downtown  | 9   | 6          | 325          | 0          | 7            | 347          | 16%                       | 20%        | 40%        |
| 4A           | Parking Lots  | 0   | 0          | 81           | 243        | 156          | 480          | 17%                       | 22%        | 43%        |
| 4B           | Merrick Park  | 0   | 24         | 195          | 54         | 155          | 428          | 17%                       | 22%        | 44%        |
| 5A           | Downtown  | 4   | 19         | 174          | 69         | 26           | 292          | 16%                       | 20%        | 41%        |
| 5B           | Downtown  | 1   | 7          | 170          | 0          | 229          | 407          | 18%                       | 23%        | 46%        |
| <b>TOTAL</b> |   | <b>25</b>                                 | <b>101</b> | <b>2,205</b> | <b>393</b> | <b>1,418</b> | <b>4,142</b> | <b>17%</b>                | <b>22%</b> | <b>43%</b> |

Source: City of Coral Gables and Timothy Haahs & Associates, 2014

## Estimated Net Increase 2013

Before projecting the impact on future year's revenue, we first applied the proposed rate increase scenarios to the actual 2013 meter revenue as follows:

**Table 4: Estimated 2013 Revenue Impact (After Rate Increase)**

| ROUTE NO.                              | AREA(S) LOCATION                                    | ANNUAL METER REVENUE |                    | WEIGHTED REVENUE INCREASE |            |            | 2013 METER REVENUE W/ THE FOLLOWING RATE INCREASE: |                    |                    |
|--|---|----------------------|--------------------|---------------------------|------------|------------|--|--------------------|--------------------|
|  |   | 2012                 | 2013               | \$0.20                    | \$0.25     | \$0.50     | \$0.20   | \$0.25             | \$0.50             |
| 1A                                     | Downtown  | \$609,866            | \$687,319          | 17%                       | 22%        | 43%        | \$805,738  | \$835,343          | \$983,366          |
| 1B                                     | Downtown  | \$641,238            | \$653,411          | 17%                       | 21%        | 42%        | \$762,429  | \$789,684          | \$925,957          |
| 2A                                     | Downtown  | \$161,484            | \$169,339          | 19%                       | 23%        | 46%        | \$200,747  | \$208,598          | \$247,858          |
| 2B                                     | University of Miami<br>Riviera Park<br>Merrick Park | \$749,256            | \$852,758          | 19%                       | 23%        | 46%        | \$1,010,816  | \$1,050,331        | \$1,247,903        |
| 3A                                     | Downtown  | \$745,638            | \$816,491          | 17%                       | 21%        | 42%        | \$955,244  | \$989,932          | \$1,163,373        |
| 3B                                     | Downtown  | \$985,756            | \$999,109          | 16%                       | 20%        | 40%        | \$1,159,773  | \$1,199,939        | \$1,400,768        |
| 4A                                     | Parking Lots  | \$469,709            | \$659,253          | 17%                       | 22%        | 43%        | \$773,304  | \$801,816          | \$944,380          |
| 4B                                     | Merrick Park  | \$577,049            | \$621,205          | 17%                       | 22%        | 44%        | \$729,597  | \$756,694          | \$892,184          |
| 5A                                     | Downtown  | \$488,893            | \$524,477          | 16%                       | 20%        | 41%        | \$610,261  | \$631,707          | \$738,938          |
| 5B                                     | Downtown  | \$270,181            | \$358,493          | 18%                       | 23%        | 46%        | \$423,920  | \$440,277          | \$522,061          |
| <b>TOTAL</b>                           |   | <b>\$5,699,070</b>   | <b>\$6,341,855</b> | <b>17%</b>                | <b>22%</b> | <b>43%</b> | <b>\$7,443,396</b>                                 | <b>\$7,718,782</b> | <b>\$9,095,708</b> |
| <b>INCREMENTAL INCREASE IN REVENUE</b> |   |                      |                    |                           |            |            | <b>\$1,101,541</b>                                 | <b>\$1,376,927</b> | <b>\$2,753,853</b> |

Source: City of Coral Gables and Timothy Haahs & Associates, 2014

If the City would have increased all meter rates by \$0.25 in 2013, the revenue could have reached \$7.72MM versus \$6.34MM, a net increase of approximately \$1.38MM.



## Projected 2015 Meter Revenue

While the revenue has increased by 11.3% between 2012 and 2013, the population growth in Coral Gables was 6.1% over the past three years according to the U.S. Census Bureau. Aside from the impact of the rate increase, we have included a 2% annual increase in demand for 2014 and 2015 for an additional 4% normal growth factor. The estimated 2015 meter revenue after a rate adjustment is as follows:

**Table 5: Estimated 2015 Meter Revenue**

| ROUTE NO.                              | AREA(S) LOCATION                                    | PROJECTED 2015 REVENUE W/<br>THE FOLLOWING RATE INCREASE: |                    |                    |
|--|---|---|--------------------|--------------------|
|  |   | \$0.20  | \$0.25             | \$0.50             |
| 1A                                     | Downtown  | \$837,967   | \$868,756          | \$1,022,701        |
| 1B                                     | Downtown  | \$792,926   | \$821,271          | \$962,995          |
| 2A                                     | Downtown  | \$208,776   | \$216,942          | \$257,772          |
| 2B                                     | University of Miami<br>Riviera Park<br>Merrick Park | \$1,051,249   | \$1,092,344        | \$1,297,819        |
| 3A                                     | Downtown  | \$993,454   | \$1,029,529        | \$1,209,908        |
| 3B                                     | Downtown  | \$1,206,164   | \$1,247,936        | \$1,456,799        |
| 4A                                     | Parking Lots  | \$804,236   | \$833,889          | \$982,155          |
| 4B                                     | Merrick Park  | \$758,780   | \$786,962          | \$927,871          |
| 5A                                     | Downtown  | \$634,672   | \$656,976          | \$768,495          |
| 5B                                     | Downtown  | \$440,877   | \$457,888          | \$542,943          |
| <b>TOTAL</b>                           |   | <b>\$7,741,132</b>  | <b>\$8,027,533</b> | <b>\$9,459,537</b> |
| <b>INCREMENTAL INCREASE IN REVENUE</b> |   | <b>\$1,399,277</b>  | <b>\$1,685,678</b> | <b>\$3,117,682</b> |

Source: City of Coral Gables and Timothy Haahs & Associates, 2014

## Summary

By applying a modest \$0.20 per hour increase, the City would potentially generate an additional \$1.4MM per year. With a \$0.25 or \$0.50 increase, \$1.7MM or \$3.1MM could be generated, respectively. Based on our understanding of the downtown parking environment, it is our professional opinion that the demand is not elastic and a change in rate will have minimal, if any, impact on demand. Some other locations such as the University and Riviera Park may be more sensitive to price fluctuations but overall we anticipate the impact would be a positive net increase in revenue, while potentially providing more turnover of high demand spaces, thus increasing the level of service on the Mile and in other high demand areas. Furthermore, the aforementioned rate increase would also adjust on-street rates to above those of the off-street rates, which is considered best practice.

We understand the City is considering two significant projects which will impact the downtown parking system: a new Miracle Mile streetscape enhancement which will convert angled parking to parallel and the construction of a new garage to replace the existing Garage 1 on Andalusia. Therefore, we recommend the implementation of the previously described rate increase after the completion of those two major projects as we believe it would be better received by the public.