PARKING PLANNING AND COSTS

Southern California Association of Governments

September 27, 2011
Parking Planning and Costs – Overview

- Building structured parking is usually the *last* thing you want to do.
- How many spaces do you “need?”
- Considerations
- Costs
  - Construction
  - Maintenance – Long and Short Term
  - Operations
  - Cost/net new space
  - Cost/use
How Many Spaces Do We Need?

- Is building a parking structure a foregone conclusion?
- Are the number of spaces already decided?
- What are the cost-effective alternatives?
- “Has there been any discussion of cost?”
Given the High Costs, How Many Spaces Do We Really “Need?”

It depends on your definition of “need” . . .

- Code
- Leasing, marketing or lending requirements
- Projected (modeled or observed) demand
- Design day
- Alternatives to driving alone
- Characteristics of the parking users
Parking Preferences Compared to Cost to Provide

Preferences for parking locations compared with cost to provide:

- On-street
- Surface Parking Lots - $
- Elevated Parking Structures – Opened - $$
- Underground Parking Structure 1\textsuperscript{st} Level - $$$$$
- Underground Structure Several Levels Below Ground - $$$$$$
Operations Considerations are Crucial

• Adequate number of spaces is not enough to ensure success - Single vs. Tandem?
• Select method of operation/PARCS (Parking Access and Revenue Control System) best suited for application and user groups
• Tailor garage design to accommodate proposed operation
• PARCS costs = $30k - $100k per lane
How Much Does it Cost to Build Parking? It Depends . . .

- Above or below-ground structure, surface lot
- Efficiency of footprint (sq ft of parking area/space)
- Topography and water table
- Design
- Construction delivery method
- Method of operation
- Parking user
- Percentage of net new spaces
- Façade
- Land and opportunity cost for proposed site
Costs to Provide Parking

- Above grade $14k to $20k per space
- Underground $25k per space. Each level down +50%
- Structures with plazas over top +$40K
- Soft costs 35% of construction cost
  - Design
  - Fees
  - Testing
  - Admin
  - Financing
Covering the Cost of Parking

- To own and operate a parking space financed by GO bonds and service 100% of the debt without subsidies or equity payments, with NO land cost, requires:
  - at least $150 to $200/space/month
  - $2/space/hour with typical CBD turnover, if operated 5 days/week
  - >$1/space/hour with retail/dining/entertainment if operated 6 days/week
Providing and Financing Parking

- Facilities financed with revenue bonds require at least twice the revenue/space to stand alone (although revenue bonds usually backed by other parking revenues)
- Private development would require 50% more revenue per space
- It is extremely rare for a new parking structure to generate enough revenue to pay for itself.
Surface Parking Lots

Construction Costs: $2,000 - $3,500/space
Operating Costs: Wide range – Median: $87/space
Average: $130/space
## Sample Operating Expenses

<table>
<thead>
<tr>
<th>Expense Category - Above-ground</th>
<th>West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll and Benefits</td>
<td>$ 264.00</td>
</tr>
<tr>
<td>Security</td>
<td>$ 3.00</td>
</tr>
<tr>
<td>Management Fees</td>
<td>$ 29.00</td>
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<tr>
<td>Supplies</td>
<td>$ 13.00</td>
</tr>
<tr>
<td>Accounting/Banking</td>
<td>$ 7.00</td>
</tr>
<tr>
<td>Insurance</td>
<td>$ 20.00</td>
</tr>
<tr>
<td>Utilities (All)</td>
<td>$ 38.00</td>
</tr>
<tr>
<td>Maintenance</td>
<td>$ 21.00</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$ 22.00</td>
</tr>
<tr>
<td>Total Cost/Space</td>
<td>$ 417.00</td>
</tr>
</tbody>
</table>
Many, if Not Most, Owners Don’t Spend Enough on Maintenance

<table>
<thead>
<tr>
<th>Type of Maintenance</th>
<th>CIP Post Tensioned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Routine (every year)</td>
<td>$53/sp/yr</td>
</tr>
<tr>
<td>Preventive (sinking fund for periodic exp)</td>
<td>$31/sp/yr</td>
</tr>
<tr>
<td>PARCS Replacement (every 10 yrs)</td>
<td>$20 to $40/sp/yr for PARCS replacement</td>
</tr>
<tr>
<td>Replacement (future capital repairs, 25 years)</td>
<td>$41/sp/yr</td>
</tr>
</tbody>
</table>
Before Moving Forward

• Increase the efficiency of existing parking spaces
  • Public/Private/Peripheral
• Identify and implement drive-alone alternatives
• Determine realistic operational requirements.
• Understand the true costs
  • Land
  • Construction
  • Operations/Maintenance