



City of Palo Alto

**MEMORANDUM**

**TO:** Finance Committee

**DATE:** May 23, 2019

**SUBJECT:** FY 2020 Proposed Budget – Employee Parking Permit Adjustments for Municipal Fees

On May 15, 2019 the Finance Committee reviewed the implications of increasing the price of employee parking permits with the goal of generating increased funding for the Transportation Management Association (TMA). Four scenarios were presented to the Finance Committee (detailed in the table below) and Scenario C was ultimately recommended by the Finance Committee, which would increase the fees for parking permits by 7.5%, in alignment with a majority of City fees. This increase in permit costs is anticipated to generate an additional \$182,000 in the University Avenue Parking Fund, of which \$180,000 will be used to increase the appropriation to the TMA from \$480,000 to \$660,000 in FY 2020.

*Tentatively approved  
 by Finance Committee  
 May 15, 2019*



Parking Area	Scenario A: Current Permit	Scenario B: +5% Increase	Scenario C: +7.5% Increase	Scenario D: +10% Increase
Downtown Core	\$750/yr	\$788/yr	\$806/yr	\$825/yr
Downtown RPP	\$750/yr	\$788/yr	\$806/yr	\$825/yr
California Avenue	\$375/yr	\$394/yr	\$403/yr	\$412/yr
Evergreen Park/Mayfield RPP	\$375/yr	\$394/yr	\$403/yr	\$412/yr
Southgate RPP	\$375/yr	\$394/yr	\$403/yr	\$412/yr

Therefore, this memorandum recommends updating the Fiscal Year 2020 Municipal Fee Schedule, in the Parking Permit section under Transportation, for the following fees, adding these changes to Attachment A of CMR #10225 [www.cityofpaloalto.org/civicax/filebank/documents/71320](http://www.cityofpaloalto.org/civicax/filebank/documents/71320):

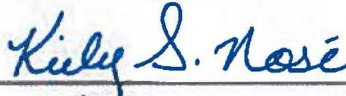
Parking Area	Fee Title	FY 2019 Fee Amount	FY 2020 Fee Amount
Downtown Core	All Downtown and SOFA Lots and Garages Annual Parking Permit	\$750.00 per year	\$806.00 per year
Downtown RPP	Downtown RPP Full Price Employee Parking Permit	\$375.00/six months	\$403.00/six months
California Avenue	California Avenue Area All Garages and Lots Annual Parking Permit	\$375.00 per year	\$403.00 per year
Evergreen Park/Mayfield RPP	Evergreen Park - Mayfield RPP Full Price Employee Parking Permit	\$187.50/six months	\$201.50/six months
Southgate RPP	Southgate RPP - Full Price Employee Parking Permit	\$187.50/six months	\$201.50/six months

As a result of this action, various budgetary adjustments will be necessary, detailed below:

- Permit sales revenue estimates in the University Avenue, California Avenue, and Residential Parking Permit Funds will each need to be adjusted upward by \$155,000, \$21,000, and \$37,000, respectively.
- As an employer in the downtown core area, the City contributes its share for City employees who receive a parking permit. Therefore, transfers from the General Fund, the Information Technology Fund, and the Utilities Funds to the University Avenue Parking Fund will each need to be increased to pay for the raised permit price by \$21,000, \$2,000, and \$4,000, respectively. Transfers into the University Avenue Parking Fund from each of those will be adjusted by a corresponding amount, for a total increase of \$27,000. This additional \$27,000 of funding combined with the increased University Avenue Parking Permit Fund revenue of \$155,000 from public permit sales will yield a total of \$182,000 in additional revenue in the University Avenue Parking Fund. This increase in revenue is offset by an increase in the appropriation to the TMA of \$180,000.
- The General Fund operating deficit transfer to the Residential Parking Permit Fund will be reduced by \$37,000 as a result of the operating deficit shrinking by the amount of the increased revenue associated with the increase in employee permit fees.

These actions and the budgetary appropriations necessary to implement them will be discussed in greater detail when the FY 2020 Operating Budget is brought forward for adoption by the City Council on June 17, 2019.

DEPARTMENT HEAD:



Kiely Nosé  
Director, Administrative Services/CFO

CITY MANAGER:



Ed Shikada  
City Manager