

**City of Alexandria, Virginia
FY 2024 Proposed Operating Budget & CIP
Budget Questions & Answers**

April 21, 2023

Question: What would an hourly increase in garage parking prices look like for revenue?

Response:

Using garage data from Jan-Dec 2022, staff estimates the following increase in revenue if the City were to raise the garage prices from \$2/hour to \$3/hour:

Garage:	Increased Revenue:
Market Square	\$58,000
North Union Street	\$59,000
Thompsons Alley	\$ 9,000
Total	\$126,000

Revenue estimates are based on the following assumptions:

- Occupancy data for the calendar year rather than the fiscal year was used to capture occupancy trends more reflective of parking conditions as the impacts of the pandemic lessened.
- These figures assume a 10% decrease in occupancy/utilization, due to the increased rates.
- The majority of the transactions at North Union and Thompsons Alley are on evenings and weekends, which max out at \$5 and would not be impacted by an hourly rate change.
- Staff did not include the Courthouse Garage in this analysis, as in September 2022, the hourly rate in the evening and weekends was reduced to \$1/hour (max \$5) to encourage utilization. Despite this reduction, this garage is still underutilized and an increase in rates may discourage increased usage and revenue.
- New garage equipment was installed in February 2023 which does not accept coins. Any changes to rates must be whole dollars.
- Maximum daily rates are assumed to remain unchanged.

While evaluating changes to the garage rates, Council should also consider on-street pricing, which is currently \$1.75 on most metered blocks. In June 2022, City Council approved a resolution allowing staff to adjust parking garage rates in an effort to maximize occupancy. In September 2022, staff lowered the hourly rate at Courthouse garage (which is the most underutilized garage) in the evenings and weekends to \$1/hr to make it a more attractive option than the nearby meter and residential blocks. In general, less convenient parking areas, such as garages, should be priced lower than the on-street spaces to encourage utilization. An increase to the hourly rates at City garages may discourage use and push drivers to more convenient and less expensive metered blocks and residential areas.