

*City of Alexandria, Virginia*

MEMORANDUM

DATE: MARCH 22, 2012  
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL  
FROM: RASHAD M. YOUNG, CITY MANAGER   
SUBJECT: BUDGET MEMO #18: AUTOMATION OF CITY-OWNED PARKING LOTS AND GARAGES

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This memorandum is written in response to City Council's request to provide additional information about the parking management contract expenditure reduction that was included in the FY 2013 Proposed Budget. The proposed expenditure reduction totaled \$33,644 and was the result of the annual contract cost savings the City would realize from implementing a program to automate parking attendant functions at City-owned parking lots and garages. Currently, the City owns and operates four parking garages and three surface parking lots, totaling 875 parking spaces. These facilities are managed for the City by Republic Parking Systems, which employs approximately 24 parking attendants and managers in Alexandria.

Subsequent to the development and submission of the FY 2103 proposed reduction, Republic Parking staff in conjunction with City staff developed a proposed pilot program that would allow the City to realize savings sooner while reducing the initial cost of the equipment. This pilot program would involve the automation of two surface lots and one parking garage. Staff determined that in order to better understand the impact that the automation process will have from an operational, revenue generation, and customer service standpoint, that it would be best to phase in this program beginning with the Thompson Alley garage in FY 2013. Depending upon the results of this initial phase, the City could then roll out phase two of the pilot program at the City's surface lots at Patrick-Henry Streets and Cameron-St. Asaph Streets in FY 2014.

The revised level of savings estimated from implementing phase one of the pilot program is described below:

Phase 1 - Thompson Alley Garage Automation	Current Costs	FY 2013	FY 2014
		Estimated Costs*	Estimated Costs
System Equipment Costs	\$0	\$22,500	\$0
System Service / Maint. Costs	\$0	\$3,000	\$3,500
Staffing Costs	\$107,000	\$18,000	\$0
<b>TOTAL COSTS</b>	<b>\$107,000</b>	<b>\$43,500</b>	<b>\$3,500</b>
<i>Year-to-Year Savings</i>	<i>n/a</i>	<i>\$63,500</i>	<i>\$40,000</i>

\* Assumes automated system begins September 1, 2012

- Staff is currently working on a separate budget memo that addresses the Living Wage, which if increased by Council will result in an increase in cost to this contract.

Implementing an automated parking system at the Thompson Alley garage would reduce the cost of the City's contract with Republic Parking by approximately \$63,500 in FY 2013 (and a total of \$103,500 in FY 2014 and beyond) by eliminating three parking attendant positions. Republic Parking would attempt to relocate the employees to other locations, however if openings are not available at other locations, the positions would be eliminated. The automated system would be capable of accepting both cash and credit cards through self-service kiosks, and is not initially anticipated to have any impact on revenue generation at the site. Republic Parking staff at the Market Square garage would be available to quickly respond to any issues with the new, automated system at Thompson Alley Garage, which will have the capability of sending SMS/text message alerts if problems occur. Market Square Garage staff would fill the same support role at the Patrick-Henry and Cameron-St. Asaph surface lots when phase two of the pilot program is implemented.

The Thompson Alley garage has a high number of monthly account parkers and a much lower percentage of transient or daily parkers than the other City parking facilities. Monthly account parkers should see very little change in their service delivery. The impact on the customers would be limited to a smaller population of transient or daily parkers. This is ideal for a pilot program as the City can study any issues experienced by this smaller group transient parkers before deciding whether to roll out automated systems at other parking facilities.