

## MEMO

**FROM:** Office of Mayor William Peduto  
**TO:** Office of Controller Michael Lamb  
**RE:** Meter Parking Revenue  
**DATE:** 12/1/14

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### **Fiscal Goals**

The goal of the administration is to collect an additional \$10 million above and beyond what the PPAP paid to the City of Pittsburgh in FY2013, which was \$18,864,115 in total. Therefore, our goal is \$28,864,115 beginning in FY2015 and moving forward. The proposal detailed herein will meet this goal. The fiscal impact of the new revenue sharing model between the PPA and the City of Pittsburgh is detailed in the accompanying excel spreadsheet.

### **Major Changes to PPAP/City of Pittsburgh Revenue Sharing**

Prior to these proposed changes, the PPAP largely remitted payment back to the city in the following ways:

- Parking tax payments collected by PPAP and owed to the city, totaling ~\$8.5 million
- Payment In Lieu of Taxes totaling \$1.3 million
- Revenue sharing from the Mon Wharf totaling ~\$0.3 million
- 6.5% of meter revenue, totaling ~\$0.74 million
- All net Parking Court revenue, totaling ~\$6.5 million
- Unspecified additional payments to the city totaling between \$0 and \$2.6 million

Under the terms of the new agreement, these transactions will stay the same:

- Parking tax will continue to be collected by the PPAP for PPAP owned lots and remitted back to the City as it was before
- Mon Wharf revenue sharing will remain intact
- The City will continue to collect all net Parking Court revenues

These transactions will be altered:

- Payment in Lieu of Taxes will be increased to \$1.9 million
- The city will collect 100% of meter revenue, except that the PPAP will reserve the first \$4.6 million in revenue and deduct credit card fees and contractual payments to Cale, the company that operates our meters.
- Unspecified additional payments to the City will no longer be made.

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In addition, total revenues paid to the City from the Mon Wharf, Parking Court, PILOT, and meter revenue will be totaled and “soft-capped” annually at \$18.5 million. Any revenue from these combined sources over \$18.5 million will be split 50/50 between the PPAP and the City in a fiscal year. Note that this \$18.5 million “soft cap” will not include revenue from parking tax receipts.

In FY2015, these changes will result in a net \$6 million for the City of Pittsburgh. To meet the remaining \$4 million revenue requirement, we are proposing a series of changes to the parking meter system.

### Parking Meter System Changes

Shown below are the various components of the proposed parking meter system changes. The core component of this proposal is the development and implementation of dynamic parking across several meter parking zones in the city.

Additionally, detailed are proposed meter rate changes that will be implemented to study the effect of the increases on meter utilization in key parking zones to aide in the development of the dynamic parking system. The meter rates will change, either up or down depending on the market forces that influence the model, when the dynamic pricing system is fully implemented.

These various options will be combined to create the following total revenue streams in FY 2015:

Scenario	Revenue
\$1.00 meter increase in Downtown, Oakland; \$0.50 meter increase in North Shore	\$1,849,534
\$0.50 meter increase in East Liberty, Shadyside, Southside, Strip District, Squirrel Hill, and Uptown.	\$1,168,210
Nighttime enforcement in Downtown, North Shore, Southside	\$917,776
Installation of new meters on Butler Street, Penn Ave, Terminal Building	\$964,773
<b>Total</b>	<b>\$4,900,294</b>

Table 5: Projected Revenue Related to Installing More Meters