

Metro Nashville's Parking System Modernization



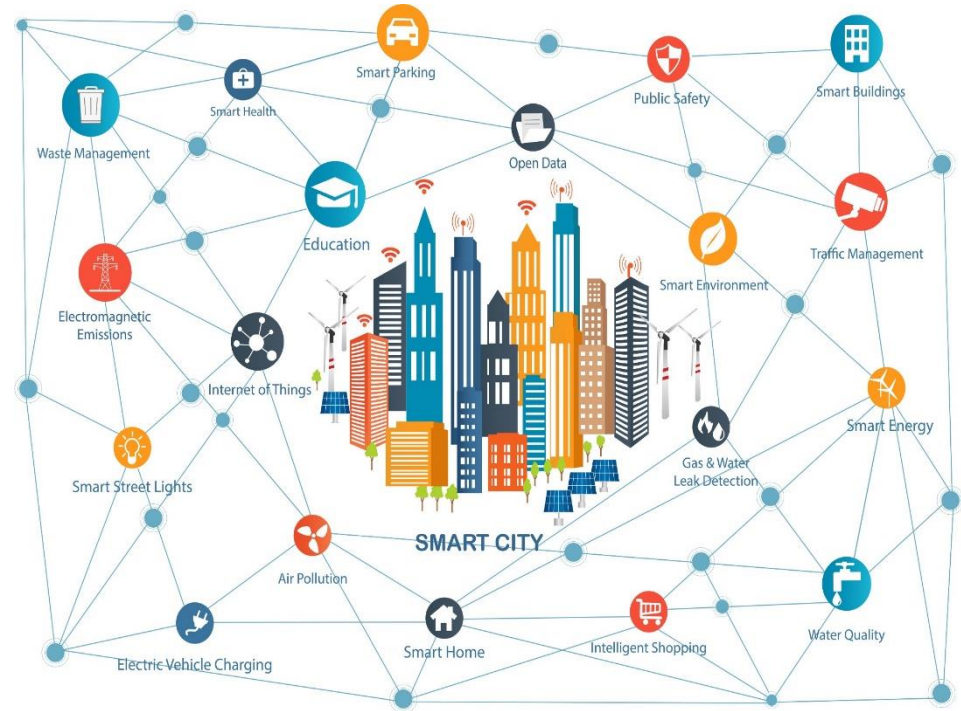
Overview for the Metro Traffic and Parking Commission (TPC)

Metro Nashville Government

March 11, 2019

Introduction

- ▶ Leading cities **modernize** and **actively manage** on-street parking as part of urban planning, curb management, and “smart city” strategies.
- ▶ Metro’s on-street parking **lacks the customer service features** found in modern parking operations. The system **requires handoffs** among Metro offices and staff and **lacks real-time reporting** and data analytics.



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See the *Downtown Multimodal Mobility Study* (2014), the Urban Land Institute of Nashville’s *Gear Up 2020* (2016), and Metro’s *Connected Nashville* smart-city plan (2018).

Principles that Guided our Modernization Analysis

- ▶ Metro and the TPC should **continue to control** parking-related policies and procedures.
- ▶ Metro should **create value through technology innovation and operational excellence**, as contrasted with maximizing rates and fees.
- ▶ Any agreement should be **flexible** enough to accommodate transportation changes.
- ▶ **Customer service and improved access** to commercial areas should be a central focus.
- ▶ Any agreement should anticipate and **accommodate future changes** for electric vehicles and bicycling.
- ▶ **Minimize environmental impacts**.
- ▶ While ensuring that parking remains affordable, any agreement should guarantee an **up-front payment** (e.g., \$30M) as well as **replace Metro's current net revenue** from parking (\$1.5M/year).

Metro Nashville's Parking Modernization Objectives

- ▶ Improve the parking experience for retail customers;
- ▶ Using technology, reduce congestion caused by drivers circling to look for a space;
- ▶ Support neighborhood parking, street sweeping, valet, and rush hour management;
- ▶ Increase system reliability and reduce downtime;
- ▶ Maximize convenience and payment options; and
- ▶ Produce real-time, accurate data on parking for the City.



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Analysis and Due Diligence

- ▶ Private partners support public parking operations across the U.S. and the world – with a **broad range of services**.
- ▶ We propose a **concession agreement** - a contract between a company and Metro that gives the company the ability to manage a specific operation subject to Metro's oversight/control.
- ▶ Advantages of a concession can include:
 - ▷ An **up-front cash payment**;
 - ▷ The partner pays to **modernize the system and update technology**;
 - ▷ Creates opportunities for **revenue sharing**; and
 - ▷ Can include “**exit ramps**” at defined costs if Metro wants to terminate.
- ▶ Has the ability to **create significant value** through **automation and operational improvements**.

The Process

- ▶ Conducted **due diligence, analyzed best practices, and completed stakeholder interviews** over the course of more than a year.
- ▶ Metro issued a **Request for Quotations (RFQ)** last summer to explore whether a concession would allow Metro to accomplish all its objectives. ■
- ▶ Five of the **leading parking management teams** in the country responded to the RFQ, offering **deep subject matter expertise**.
- ▶ The proposals made it clear that a public-private partnership could result in **significant benefits to Metro**.
- ▶ The scope of services for on-street parking was comprehensive, but **excluded Metro's garages**.

Proposed Policy Changes

- ▶ In order to accomplish Metro’s policy goals, we propose several policy changes, including:

Policy Change	Existing	Proposed	Peer Cities
Enforcement hours	8:00 a.m. to 6:00 p.m.	8:00 a.m. to 10:00 p.m.	Memphis and Knoxville (zones to 10 p.m.); Austin and Minneapolis (zones to midnight); Denver to 2 a.m.
Sunday hours	None	Same as Mon. – Sat.	Minneapolis, Portland, and Denver have Sunday hours to assist in turnover and benefit retailers.
Meter rates	\$2.00 in CBD; \$1.50 in other	Increase by 25 cents and CPI thereafter.	Metro is comparable to TN cities, but underpriced relative to Minneapolis, New Orleans, Baltimore and Seattle.
Vendor to administer street sweeping enforcement, valet parking, loading zones, and residential permits.	Subject to oversight and approval by the TPC.	Still subject to oversight and approval by the TPC. Permits stay in effect until they expire and the new system is implemented.	Relatively common

Proposed Policy Changes

Policy Change	Existing	Proposed	Peer Cities
Fines	\$11	\$25; Make it easier to pay and extend meter times and ensure fines encourage compliance.	Consistent with Denver, but lower than Atlanta (\$35) and Minneapolis (\$45).
Spaces	2,000 spaces in four Metro Council Districts: 19, 21, 18, and 17.	Expand in The Gulch, West End, SoBro, and the CBD. Add 500 metered spaces per year for four years. (Based on demand, engineering analysis, stakeholder input, and Commission approval).	Nashville would be larger than Austin's system today (3,000) but smaller than New Orleans (4,500), Denver (6,200), and Minneapolis (8,000).
Temporary meter removal	N/A	150 with no penalty	Typical
Bikeways	N/A	Accommodate planned 3rd Avenue, Commerce Street, and Union Street/Woodland and WeGo Public improvement along West End Avenue.	N/A
Green permit	142 green permits today, with a very significant cost projected over time	Phase out the small green permit program and find other, more effective ways to achieve green goals.	N/A

How much is a Metro Parking Modernization worth?

- ▶ Subject to myriad variables, including final contract negotiations, we think Metro's system could be worth as much as \$250M - \$350M over the 30-year contract term.
- ▶ Other transactions include:

City	Spaces	Value	Notes
Indianapolis	4,000 on-street	\$20M up front and \$300M over time	900% increase in net revenue; 80% driven by operating improvements
Ohio State Univ.	37,000 spaces	\$483M up front	On-street and garage
Chicago	36,000 spaces	\$1.16B up front	Not our model

- ▶ This project will result in no anticipated layoffs of Metro employees.