

## Advisory Committee on Transportation

18 October 2023, 3:00 PM EST

### Minutes

Call to Order: 3:04 PM

**Slide 2:** Agenda Items – Presentation included the following topics:

- Cheryl Stout – Welcome
- Kimley-Horn – Services & Enhancements
- Kimley-Horn – Funding Requirements
- Kimley-Horn – Funding Strategy Recommendations
- Kimley-Horn – Rate Structure
- Kimley-Horn – Next Steps

**Slide 3:** Core Themes Identified – Pricing Structure

Slide 4: Outreach – “What We’ve Heard”

- Equity in permit prices:
  - Narrowing the salary bands
  - Similar % impact to salary
  - Cost value of parking types (gated vs. non-gated)
  - Cost of employees that report fulltime vs. hybrid commuting
  - Incentivize commuting alternatives
  - Minimize complexity in pricing
- Daily Options for occasional reporting
- Increase event parking prices to maintain higher % of revenue
- Student affordability of total cost of education
- Patient/visitor cost impact concerns

**Slide 5:** Recommendations

- Transportation Funding Strategy
  - Departmental Transportation Fee (DTF)/Student Transportation Fee (STF)
    - Funding Strategy 1
      - Utilize reserve
      - Increase DTF/STF funding
- Parking Funding Strategy
  - Event Funding – Strategy 2
  - Permit Rate Structure - Strategy 3
  - Visitor Rates – Strategy 4

**Slide 6:** Transportation – 5-Year Baseline Expenses & Enhancements

- Total Service Enhancements – \$1.8M
- Baseline – \$78.7M
- Transportation Deficit – \$13.8M
  - Current 5-Year Plan should make up the DTF & STF

**Slide 7:** Transportation – 5-Year Funding Requirements

- DTF Revenue Impact: 52% or \$7.1M
- STF Revenue Impact: 48% or \$6.6M
- Total - \$13.8M

**Slide 8:** Future Transportation Revenue – DTF Strategy 1

Departmental Transportation Fee (DTF)

- Existing (FY24)
  - \$6,530,000 DTF
  - Departments pay .003 per million payroll
  - Baseline DTF is 3,000 per \$1,000,000 of payroll

**Slide 9:** Scenario A

- Use reserve funds to cover \$2.7M of DTF costs
  - Cover the annual increased cost for Years 1-2
  - Implement partial funding for Year 3
- Scenario A: Increase DTF each year for the remaining 3 years in the plan to cover the necessary costs
- Year 3: \$3,324 | Year 4: \$3,765 | Year 5: \$3,777

**Slide 10:** Scenario B

- Use reserve funds to cover \$2.7M of DTF costs
  - Cover the cost for Years 1-2
  - Partial funding for Year 3
- Scenario B: Distribute the cost evenly across the 5 years
  - Increase DTF to an average of \$3,379 per \$1,000,000 of payroll

DTF Feedback & Questions

**Keith Hines Question:** Does this money come from departments?

**Cheryl Stout Response:** Yes, in 2002, departments began paying DTF for transit.

**Keith Hines Question:** Does DTF fund CAP?

**Cheryl Stout Response:** Yes, it funds CAP, Park and Ride, and local and regional transit.

**Katie Musgrove Feedback:** I'm leaning towards Scenario B. It's straightforward and sums up to the same amount.

**Keith Hines Question:** When is the last time we raised DTF?

**Cheryl Stout Answer:** 2019 – it's increase as .28/.29% in the past, but it hasn't really gone up since 2016.

**Slide 12:** Future Transportation Revenue – STF Strategy 1

Student Transportation Fee (DTF)

- Existing (FY24)
  - \$6,100,000 STF
  - Students pay \$205.31 annual fee
- Scenario A
  - Use STF Reserve funds first
  - Increase STF during the year(s) necessary (years 2-5)
- Scenario B
  - Spread STD Reserve funds evenly over 5 years
  - Increase STF evenly during the 5 years
  - \$32.23 increase
- Scenario C
  - Spread STF Reserve funds evenly over 5 years
  - Increase STF every year by 5% over 5 years
  - 5% increase annually

**Slide 13:** Scenario A

- Use reserve funds to cover \$1.7M of STF costs
  - Cover the cost for Year 1
  - Partial funding in Year 2
- Scenario A: Increase STF each year for the remaining 4 years in the plan to cover the necessary costs
  - Year 2: \$214.55 | Year 3: \$245.35 | Year 4: \$260.13 | Year 5: \$261.98

**Slide 14:** Scenario B

- Use reserve funds to cover \$1.7M of STF costs
  - Spread the funds evenly over 5 years
- Scenario B: Distribute the cost evenly across the 5 years
  - Increase STF \$237.54

**Slide 15:** Scenario C

- Use reserve funds to cover \$1.7M of STF costs
  - Spread the funds evenly over 5 years
- Scenario C: Distribute the cost across the 5 years

- Increase STF by 5% annually

### STF Summary & Questions

**Evan Yassky Question:** Are we depleting reserves?

**Cheryl Stout Answer:** We still have operating reserves in the Fund balance. This is just additional reserves due to reductions in cost during Covid. This reserve is available to offset increases.

**David Samba Follow-up:** We will ultimately approach students with these scenarios for feedback since no students are at the meeting today.

**Keith Hines Feedback:** I'm all for option B. When I was a student, I had no idea what my fee cost but as soon as you increased it then I knew. So, I'm all for B.

### **Slide 17:** Parking Funding FY24 Breakdown

- Parking Permits – \$15M or 66%
- Visitor – \$4.5M or 20%
- Events – \$2.1M or 9%
- All Other – \$1.1M or 5%
- Total Parking Revenue – \$23.2M

### **Slide 18:** Parking – 5-Year Baseline Expenses and Revenue

- Baseline Expense Plus Service
- Year 1: 22.9M | Year 2: 22.2M | Year 3: 21.7M | Year 4: 20.8M | Year 5: 21.1M | Cumulative: \$109M
- Expenses shown do not incorporate:
  - Approved Legislative increase for FY24 & FY25
  - Funding for Parking Maintenance Master Plan

### **Slide 19:** Parking Expenses & Revenue

- System is operating at a surplus
- FY24/25: \$842K | FY25/26: \$1.6M | FY26/27: \$2.2M | FY27/28: \$2.7M | FY28/29: \$2.5M | Cumulative: \$10.1M

### **Slide 20:** Recommendations

- Transportation Funding Strategy
  - DTF/STF – Funding Strategy 1
- Parking Funding Strategy
  - Event Funding – Strategy 2
    - Reflect market value in rates
    - Maintain higher % of total revenue

- Permit Rates Structure – Strategy 3
- Visitor Rates – Strategy 4

**Slide 21: Event Funding – Strategy 2**

- Existing FY24
  - \$2.1M existing revenue (9% of total revenue)
  - Existing Parking Rates:
    - Car: \$20 (maximum fee)
    - Limousine: \$30 (maximum fee)
    - RV: \$40 (maximum fee)
    - Staffing fee
- Proposed Scenario
  - Increase public parking from \$10 to \$20 for Football and Men’s Basketball
  - Increase monitor rates
  - Assuming one (1) Marquee event for parking
    - Additional event that uses an athletic venue
  - Move \$20 maximum to \$100 maximum

**Slide 22: Event Rate Structure**

- Monitor Fees – Increase for contract amount and incorporate TCO and Supervisor fees into Ordinance and increase equipment fee to reflect payroll required to place and retrieve equipment
- Market price per contract, benchmarked with peer review

**Slide 23: Event Funding**

- Year 1: \$2.4M | Year 2: \$2.6M | Year 3: \$2.4M | Year 4: \$2.4M | Year 5: \$2.4M | Cumulative: \$12.3M
- Market Value for rates
- Higher value of revenue percentage
- Increase contractor rates based on increases to contracts

**Slide 24: Recommendations**

- Transportation Funding Strategy
  - DTF/STF – Funding Strategy 1
- Parking Funding Strategy
  - Event Funding – Strategy 2
  - Permit Rate Structure - Strategy 3
    - Updates to Employee Permit Structures
    - Updates to Student Permit Structure
    - Updates to Service Permit Rates
    - Options in response to various hybrid schedule needs

## Event Parking Feedback & Questions

**Keith Hines Question:** What are you proposing to lower to \$10?

**Cheryl Stout Answer:** We are suggesting a minimum of \$10 -- some events are at \$5 now.

**Keith Hines Question:** Is the fee flat?

**Cheryl Stout Answer:** Now it is, but this may allow us flexibility for increasing the parking depending on proximity and event type.

**Katie Musgrove Feedback:** I know that some people paid \$100 for the Chelsea vs. Wrexham soccer game. We should use that to price parking here for those marquee events.

### **Slide 25:** Employee Permit Rates

- Employee Permit Revenue = \$11.6M
  - 75% of permit revenue = \$15.4M total permit revenue
  - 50% of total parking revenues = \$23.M total parking revenue
- Employee Permit Prices
  - Permit rates range from \$234-\$2,355
  - 78 separate pricing points
  - Flex Rates (3-days or less reduced rate) implemented during COVID
- Current Salary Scales
  - <\$32,000
  - \$32,000 – <\$50,000
  - \$50,000 – <\$100,000
  - ≥\$100,000

### **Slide 26:** Permit Rate Structure – Strategy 3

#### Employee Parking

- Existing (FY24)
  - 12 Regular Permits
  - 6 Flex Permits
  - 4 Salary Bands
  - 72 Price Points
- Component A: Consolidate Annual Permit Types
  - Convert gated to non-gated
  - 4 Permit Types
  - ~\$2M Loss in Revenue
- Component B: Increase # of Salary Bands for Annual Permits
  - 10 Salary Bands
    - <\$40,000

- \$40,000 – <\$50,000
  - \$60,000 – <\$70,000
  - \$70,000 – <\$80,000
  - \$80,000 – <\$90,000
  - \$90,000 – <\$100,000
  - \$100,000 – <\$150,000
  - \$150,000 – <\$200,000
  - >200,000
- ~\$2M Gain in Revenue
- Component C: Daily Parking Permit
  - Remove Flex Parking Option
  - Redefine Daily Parking Option
    - Single Pricing Structure \$7-\$10

### Permit Rate Structure Feedback & Questions

**Keith Hines Question:** How do you validate if people work a flex schedule or not?

**Cheryl Stout Answer:** We cannot validate this, which is exactly why we need to move from flex to daily.

**Keith Hines Question:** Why are we consolidating?

**Cheryl Stout Answer:** We are consolidating permit types to create equity in pricing, because there is no difference in value to the customer between gated or non-gated, and the proximity is the value in parking.

**Katie Musgrove Question:** Why was gated introduced at higher rate in the first place?

**Cheryl Stout Answer:** I believe previously that there was an idea that gated was a more guaranteed parking spot, but I'm not sure if this stands anymore or ever did.

**Cam Enarson Feedback:** I would recommend simplifying the structure and renaming it, instead of regarding it as "gated" or "not gated."

**Katie Musgrove Question:** Where's the weeknight parking calculated in this?

**Cheryl Stout Answer:** It's looped into the sustainable modes at a \$200 flat rate since alternative modes aren't offered at night.

**Evan Yassky Question:** Can you set it up as a set percent of the salary? Can't it just be .9% of your salary but not within a band?

**Cheryl Stout Answer:** No, it's impossible to constantly be moving employee parking cost. Any time a salary action occurs, the employees permit deduction would change. The expanded salary bands can achieve a stable and more equitable pricing structure.

**Keith Hines Question:** What if the daily parking option influences people not to come in?

Cheryl Stout Answer: Most peer institutions limit the number of daily parking passes customers can purchase to ensure that they do not take advantage. This is really for occasional use.

**Keith Hines Question:** What's the difference between Reserved + all Access and All Access or Reserved?

**Cheryl Stout Answer:** Reserved + All Access indicates the employee has reserved parking space plus access to all campus parking lots, whereas All Access or Reserved indicates a choice between one or the other.

**Michael Piehler Question:** What's a two-wheeled motorized vehicle?

**Cheryl Stout Answer:** This is categorized by mopeds and motorized scooters.

**Katie Musgrove Feedback:** It's not going to make everyone happy – asking for free parking was a heavy lift. However, this is the most equitable thing that could be asked for.

**Keith Hines Feedback:** It's not the most equitable that could be asked for – it is the most equitable that realistically can be done. Most equitable would be a flat percentage of salary but I understand it's difficult doing that. I totally get it and am not trying to make more work for you.

**Katie Musgrove Feedback:** Ideally, I would love to see <40K as free parking and I understand that's not realistic. However, our competitors at Duke are doing that.

**Cheryl Stout Response:** The University is doing that and paying into Transportation and Parking for the lost revenues.

**Katie Musgrove Feedback:** I would have liked to have seen that, but I understand why it's not possible.

**Keith Hines Feedback:** I love that we have provided some relief to those in the lower bands.

### Slide 30: Student Parking – Strategy 3

- Existing (FY24)
  - 10 permit types
  - Prices range from \$176 - \$454
  - Weeknight parking is \$10 fee per student (available to all students, excluding first years)
- Component A: Consolidate form 10 permit types to 3
  - Zoned Student Permits: Full Year: \$512 | Academic Year: \$405 | Summer Sessions: \$107
  - RR (Estes Drive): Academic Year: \$260



- Sustainable Modes: Full Year: \$200 | Academic Year: \$158 | Summer Sessions: \$42
- Component B: Equity – All main campus permits priced the same
  - Reducing gated price and increasing non-gated for equitable pricing option
- Service Rates
  - Service Rates | Reserved Space Permit Revenue = \$1.6M
  - 11% of permit revenues = \$15,471,000 total permit revenue
  - 7% of total parking revenues = \$23,299,230
  - [Service Rates](#)
    - Rates range from \$82 - \$739
    - 4 Price Points | 6 Types

### Slide 36: Recommendations

- Transportation Funding Strategy
  - DTF/STF – Funding Strategy 1
- Parking Funding Strategy
  - Event Funding – Strategy 2
  - Permit Rate Structure - Strategy 3
  - Visitor Rates – Strategy 4
    - Hourly Rates
    - Premium fee employee parking in patient parking – Disallow patient parking rates

### Student Parking Questions & Feedback

**Mike Piehler Question:** The “EV Charging Permit” vs “EV permit” should be simplified. What are the service types vs price points?

**Cheryl Stout Answer:** The 2 price points are \$675 and \$100, and the types are reserved visitor, service/state, official visitor, reserved construction, full vendor, 15-minute vendor. (Misunderstood question and thought it was related to service parking permits) Correct answer would be that EV charging permits allow someone to park in an EV charging space to charge and is in addition to their regular permit. The EV permit cost is currently \$260 and the new pricing structure lowers it to \$200.

### Slide 37: Visitor Parking – Strategy 4

#### Visitor Parking

- Existing (FY24)
  - South Campus parking is currently \$1.50/hr (last increase during FY10)
  - Patient Parking: Employees face a \$50 citation
  - South Campus max is \$10
    - No max – mid and north campus

- Component A
  - Increase South Campus parking to \$1.75
- Component B
  - Employees including contract and contractors parking in patient parking spaces
  - \$25 parking fee
- Visitor Rates
  - Visitor Parking Revenue = \$4.5M
    - 20% of total parking revenue = \$23.2M
  - [Visitor Parking Rates](#)
    - \$1.50 per hour South Campus lots serving UNC Health (\$10 max)
    - 1.75 per hour North and Mid Camps lots (no max)

### Visitor Parking Feedback & Questions

**Cam Enarson Feedback:** The nomenclature suggests we are encouraging people to park in visitors' spaces rather than being punitive.

**Katie Musgrove Question:** Would you use LPR to determine who is parking there regularly?

**Cheryl Stout Answer:** Yes, LPR can be used for this purpose.

**Katie Musgrove Question:** Why didn't you use a \$50 parking fee for visitor parking violators?

**Cheryl Stout Answer:** We can certainly consider changing the fee amount.

**Cam Enarson Feedback:** The priority needs to be the patient – we should make it \$50.

**Katie Musgrove Question:** Jeff, will the Hospital's Parking and Transportation department get push back if the parking fee is \$50?

**Jeff Watson Feedback:** Absolutely not, I think admin will support it. My question is: How does UNC Transportation and Parking intend to enforce it?

**Cheryl Stout Answer:** Once you get identified by LPR, once your plate is registered as employee you get blocked or get charged. If the plate is different at in or out, it will know. If you're not registered with the hospital, then you can get around it. The LPR technology can find these patterns.

**Jeff Watson Feedback:** These folks don't get permits, so they don't ever add their license plate information.

**Katie Musgrove Question:** An employee can be a visitor or a patient, how will the system protect that and prevent mistakenly citing these individuals?

**Cheryl Stout Answer:** Any time you are a patient or visitor you absolutely will have the right to patient parking.

**Keith Hines Feedback:** Maybe we can track infractions and charge more.

**Katie Musgrove Feedback:** I agree. Charging more than \$50 would enforce the idea that it's a citation, not a fee.

**Slide 31:** 5-Year Plan Process Timeline

- Outreach: January 2023 – May 2024
- Recommendations: September – November 2023
- Financial Plan: February – November 2023

**Slide 32:** Next Steps

- Fall Outreach
- Next ACT Meeting: November 15, 1.5 hrs (Virtual)
  - Topic: Closing the Loop – Finalize Funding Strategies

## Participants

Cam Enarson

Alan Marsh

Evan Yassky

Rahsheem Holland

Jeff Watson

Keith Hines

Katie Musgrove

Michael Piehler

Gordon Merklein

## Transportation and Parking

Cheryl Stout

Wil Steen

Cha'ssem Anderson

Abigail Hall

Candace Lindo