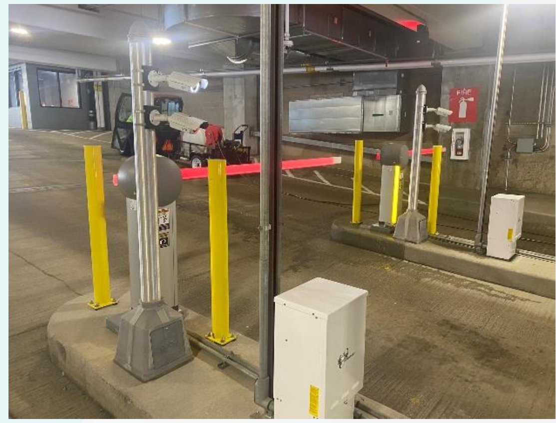


Parking System Evaluation and Rate Study

City of Rochester, Minnesota

July 2024

WALKER CONSULTANTS

July 25, 2024

Ia Xiong, PE, Transit and Parking Director
Noloan Schild, Parking Systems Manager
City of Rochester, Minnesota
4300 East River Road NE
Rochester, MN 55906

Re: *Parking System Evaluation and Rate Study*
Rochester, Minnesota
Walker Consultants Project # 21-005234.00

Dear Ia and Noloan:

Walker Consultants is pleased to submit this City of Rochester *Parking System Evaluation and Rate Study* for your review.

We appreciate the opportunity to serve you on this project. If you have any questions or comments, please do not hesitate to call.

Sincerely,

WALKER CONSULTANTS

Kevin White, AICP, CAPP
Parking and Mobility Consultant

Eric Haggett, LEED Green Associate
Director of Planning

Maxwell Holperin

Max Holperin
Analyst

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01 Executive Summary

1. Executive Summary

Walker Consultants ("Walker") was engaged to conduct a parking system evaluation and rate study for the City of Rochester ("the City"). Walker's work included an assessment of city-owned parking assets, policies, operations, and management, as well as developing a set of recommendations to serve as a work plan for the Rochester Transit and Parking Department ("the Department") over the next five years. The following work plan is intended to serve as a guiding document to support the City and downtown stakeholders in managing a dynamic parking system, given the new realities of post-COVID downtown living and working and significant planned downtown growth and investment.

Walker's review of current conditions (Section 3) focused on the existing state of Rochester's parking system, including on- and off-street parking assets and inventory, utilization and availability, parking rates and policies, residential parking permits, parking enforcement, and system wayfinding and communication. Walker also evaluated anticipated changes to the parking system and downtown, including the redevelopment of two surface lots and increased parking demand from upcoming development.

During the project, Walker and the City engaged with stakeholders (Section 4) by hosting four listening sessions with downtown business and community institution leaders and conducting a public survey that garnered nearly 800 responses. During the listening sessions, most attendees agreed that parking in the City ramps is usually available and convenient, noting that there is less availability during busy downtown events. Stakeholders urged the City to continue to offer free night and weekend parking and improve communication and signage. Respondents also noted that while most regular users of the City's parking understand how the system functions and where to find parking, it is valuable to consider facilitating the access experience for visitors and eventgoers to Rochester who rely on navigational guidance and easy-to-understand policies. Safety and aesthetic improvements were also identified as opportunities to revamp the downtown parking experience.

A review of eight other communities helped the project team understand how Rochester's parking rates, policies, and financial health compared to its peer cities (Section 5). Rochester has higher hourly and monthly parking rates than peers outside of the Twin Cities, but this is because several peers subsidize their parking systems from their tax levy, while parking system users entirely fund the operation of Rochester's parking system.

The financial health of the Parking Enterprise Fund ("PEF") was also examined (Section 6). The City of Rochester operates its public parking system as an enterprise fund, with revenues generated from parking fees covering operational costs and capital expenditures. 2023 the system generated approximately $7.3 million in revenue, primarily from off-street ramps, on-street metered spaces, and surface lots. With ongoing debt obligations, including $1.45 million annually until 2040 for Ramp 6, maintaining financial long-term sustainability hinges on future rate increases and/or sustained growth in parking demand. The current PEF balance is approximately $17.2 million. Still, with an identified need of $12.1 million for upcoming capital projects, careful financial management is essential to avoid falling below a reserve threshold comfortable for the Department.

Key Takeaways Summary

Key strengths, needs, and opportunities for the City's parking system identified through this process are summarized below.

Celebrating Success and Building Upon Foundations

- The Transit and Parking Department has maintained a robust financial position, positive net income, and a healthy Parking Enterprise Fund balance.
- Significant improvements in safety and cleanliness across parking ramps have been achieved through enhanced security and maintenance procedures.
- Increased engagement between City leadership and stakeholders has led to responsive actions like offering free parking during the holiday season and enhancing security measures.

Financial Stability and Strategic Investments

- While the PEF is projected to maintain a positive cash flow for the next several years, future capital needs and rising operational costs necessitate eventual changes to on-street and off-street parking rates.
- Several opportunities to diversify revenue streams were identified, which could help reduce the system's reliance on monthly parking contracts and the cost burden for downtown employees. However, shifting this cost burden would require reducing the subsidy for evening and weekend visitors to Rochester. Nearly 60% of transient parkers park in public ramps for free.

Operational Enhancements and Policy Adjustments

- Identified operational needs include recalibrating parking rates to optimize revenue, simplifying on-street parking regulations, and upgrading Parking Access and Revenue Control Systems ("PARCS") for improved efficiency.
- Strategies to enhance customer experience through improved facility aesthetics and streamlined curbside policies were also identified.

Stakeholder Engagement and Communications

- Emphasizing transparent communication and consistent branding is crucial for fostering positive community and business partnerships.
- Stakeholder engagement efforts are recommended to align policies with community needs and expectations.

Recommendations Summary

To ensure that the parking system remains flexible and adaptive to changing customer preferences, promotes downtown vibrancy, and remains financially sustainable, Walker recommends the City take the following actions over the noted timeframes.

Near-Term (Within 2 Years)

Personnel and Organization

- Develop an Enterprise Mission Statement that guides parking policies and programs.

Policies, Operations, Management, and System Finances

- Maintain current monthly lease parking rates for capital investments.
- Upgrade PARCS equipment and complete essential repairs in 2nd Street and Center Street ramps.
- Enhance parking ramp facilities with improved lighting, signage, and wayfinding.
- Modify on-street metered parking rates and time limits to simplify and incentivize turnover.
- Implement new ramp daily and hourly transient parking rate schedules.
- Phase out cash acceptance in ramps except at selected locations.
- Modify surface lot parking rate structures to streamline operations.
- Modify approach to curb space and loading zones.

Stakeholder Engagement, Communications, Marketing, and Wayfinding

- Apply consistent parking brand across all communications and signage.
- Enhance communications and marketing efforts to inform the public about parking options.
- Develop updated wayfinding signs and integrate with citywide signage.

Medium-Term (3 – 4 Years)

Policies, Operations, Management, and System Finances

- Review residential parking permit program costs and adjust fees accordingly.
- Explore flexible parking options and validation program reforms.
- Emphasize data-driven management and integrate new PARCS data into operations.
- Encourage online payment of parking tickets to streamline processes.
- Assess and potentially sell underperforming surface parking lots.
- Align hotel parking rates with regular ramp rates and adjust periodically.

Stakeholder Engagement, Communications, Marketing, and Wayfinding

- Coordinate with Mayo Clinic and other stakeholders to align parking strategies.
- Establish a Parking Task Force for ongoing feedback and strategic planning.
- Collaborate with Rochester Police Department on parking enforcement strategies.
- Maintain robust communications and marketing efforts to inform the public.

Long-Term Considerations (5+ Years)

Policies, Operations, Management, and System Finances:

- Monitor and adjust ramp lease rates based on financial projections.
- Explore additional revenue streams like demand-based pricing and event parking.
- Evaluate migration to pay-by-plate parking system for on-street parking.
- Prioritize efficient parking management and operations before expanding parking supply.
- Consider implementing a downtown parking ambassador program.

02 Background and Context

2. Background and Context

Walker Consultants ("Walker") has prepared previous rate studies for the **City of Rochester** ("*the City*") in 2008, 2017, and 2020. The 2020 study *did not* recommend increasing transient (i.e., hourly and daily parkers) or monthly lease parking rates. The study *recommended on-street meter rate and parking fine increases,* initially approved in 2017. Stemming from this 2020 study, citation rates, on-street meter rates, and residential permit rates were adjusted, but no ramp rate changes were made, partly due to the COVID-19 pandemic.

As a follow-up to these previous engagements, the City engaged Walker to conduct an evaluation and updated rate study for the **Rochester Transit and Parking Department** ("*the Department*"). As downtown Rochester navigates the realities of post-COVID downtown living and working, along with significant planned downtown growth and investment, a reevaluation of the City's parking system was deemed necessary. Important dynamics that have evolved over the past few years include office vacancy rates, commuting habits, events, nightlife destinations, the changing downtown landscape, the impacts of the Mayo Clinic, and the presence of downtown residents and visitors. The Department's staff administers **Rochester's Parking Enterprise Fund** ("*PEF*"). The PEF is comprised of revenue and non-revenue-generating entities ("business units"), which are defined as follows:

- Administration;
- Parking Ramps;
- Parking Lots;
- On-Street Metered Parking;
- Enforcement/Citations, and;
- Residential Permits.

To operate the City's public ramps and lots, a third-party parking management agreement (a contract that is administered and managed by the Department) exists with **SP Plus Corporation** ("*SP+*"). The Department and SP+ are charged with collecting and reconciling all parking-related revenue. Additionally, under the covenants of the PEF, the Fund cannot operate at an annual deficit.

In addition to a parking rate study and financial evaluation, this work included an assessment of City-owned parking inventory, policies, operations, and management, and the development of a set of recommendations to serve as the work plan for the Department over the next five years. Specifically, Walker worked in collaboration with Department staff to accomplish the following as part of this project:

- Review parking system operation and management and suggest improvements based on industry best practices;
- Engage with downtown residents, businesses, visitors, and stakeholders throughout;
- Recommend improvements for wayfinding, communication, marketing, customer service, and ease of using the parking system;
- Determine the financial and management implications of recommended system changes, and;
- Determine the financial impact on the PEF of potential capital repairs, demolitions, and/or replacements of older downtown ramps.

This report details the process, conclusions, and recommendations of this *Parking System Evaluation and Rate Study.*

03 Current Conditions

3. Current Conditions

In March 2024, the entity now known as the Rochester Transit and Parking Department was moved from a division of the city's Public Works Department into its own department within Rochester city government. As indicated in its name, the Department administers the city's parking and public transportation systems. This report specifically evaluates the following categories, although other Department responsibilities were considered during Walker's evaluation:

- Off-street parking ramps and surface lots
- On-street metered parking
- Residential permit parking
- Parking enforcement

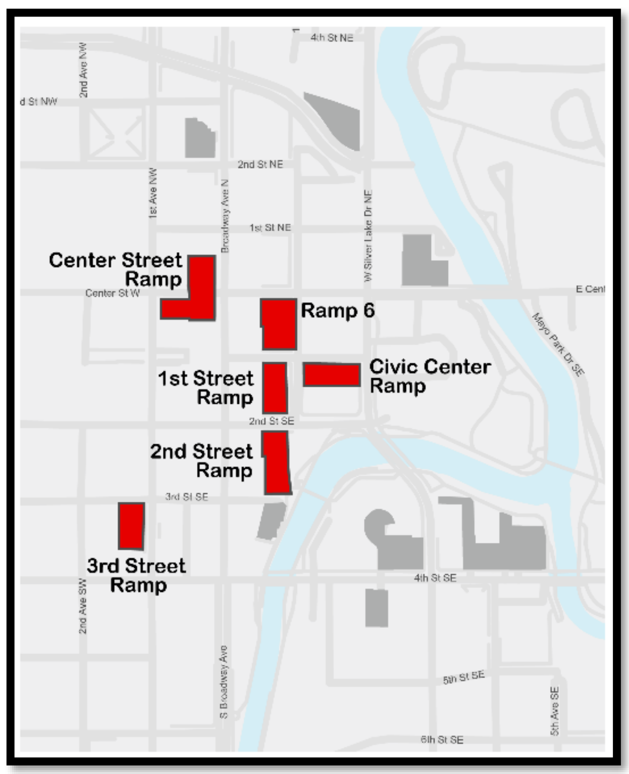
The beginning of this Current Conditions section describes the physical assets and parking rates. This is followed by Walker's review of parking utilization, policies, management practices, branding, and wayfinding. Finally, this section ends with a description of Walker's understanding of anticipated changes to the Downtown ecosystem, which were considered for financial modeling purposes.

Parking Assets and Rates

The City of Rochester owns and manages six public parking ramps and seven surface lots. There are approximately 3,500 parking spaces in the ramps and 900 spaces in the lots, totaling **4,400 downtown off-street parking spaces**. Approximately 1,400 monthly leases are sold for the parking ramps, with another 100 lease parkers in the surface lots. The ramps accommodate approximately 54,000 transient parking customers each month (including paid and free parking sessions), while the surface lots accommodate approximately 10,000 transient parking customers.

Since 2022, Rochester has contracted with national parking operator SP+ to manage the City's ramps and surface lots. SP+ is responsible for collecting and reconciling all parking-related revenue and meets with the City for a quarterly incentive performance review, in addition to routine operational coordination calls and meetings. SP+ and Department staff were both very forward and expedient when providing information and data for this project.

Figure 1: Parking Ramp Map



Parking Ramps

All six of the City's public ramps accommodate both monthly lease and transient parkers, including parkers with validations and event parkers. The ramps are concentrated in downtown Rochester, located within one block of Broadway Avenue. All ramps provide direct access to the City's skyway system. The ramps include:

- 2nd Street Ramp: Built in 1962, 405 stalls
- Center Street Ramp: Built in 1982, 391 stalls
- 1st Street Ramp: Built 1988, 533 stalls
- Civic Center Ramp: Built in 1993, 615 stalls
- 3rd Street Ramp: Built in 1999, 919 stalls
- Ramp 6: Built in 2019, 630 stalls

Parking Ramp Rates

All ramps have gated access and revenue control equipment. Under normal operations, transient parkers pull a ticket upon entry and pay upon exit. Various businesses offer validations, which a parker scans upon exiting the ramp. The hourly parking rate structure is the same for all parking ramps, while monthly lease rates vary somewhat from ramp to ramp.

The existing transient parking rate structure is shown below in **Figure 2**.

Figure 2: Parking Ramp Hourly Parking Rates (April 2024)

Duration	Current Charge
> 0 - 0.5 hours	$0.00
> 0.5 - 1.0 hours	$0.00
> 1 - 1.5 hours	$3.00
> 1.5 - 2.0 hours	$4.00
> 2.0 - 2.5 hours	$5.00
> 2.5 - 3.0 hours	$6.00
> 3.0 - 3.5 hours	$7.00
> 3.5 - 4.0 hours	$8.00
> 4.0 - 4.5 hours	$9.00
> 4.5 - 5.0 hours	$10.00
> 5.0 - 5.5 hours	$11.00
> 5.5 - 6.0 hours	$12.00
> 6 hours (Daily Max)	$14.00
12 - 24 Hours	$16.00
After 5 pm/weekends	$0.00

Source: City of Rochester, 2024

Several types of monthly leases are issued for the parking ramps. The most common type is a random (unassigned) lease that allows users access to a given ramp with spaces available on a first-come-first-served basis; these leases cannot be used for overnight parking. Overnight parking is permitted for holders of 24/7 random leases. The Civic Center has a nested lease-parking-only location on its rooftop, while the Second Street Ramp has some assigned 24/7 parking spaces.

Figure 3 shows the monthly parking rates by type of lease for each ramp. The Center Street Ramp, closer to the bustling Mayo Clinic area and primarily used for transient parking, has higher monthly parking rates. The Civic Center, farther from the downtown core than the surrounding parking ramps, offers a relatively discounted "flex" lease option.

Figure 3: Parking Ramp Monthly Lease Rates (April 2024)

Ramp	Rooftop	Random	Flex	24/7 Random	24/7 Assigned	24/7 Asssigned Commercial
Second Street Ramp	-	$154	-	$168	$173	$224
Center Street Ramp	-	$182	-	$192	-	$224
First Street Ramp	-	$154	-	$168	-	$224
Civic Center Ramp	$145	-	$140	-	-	$224
Third Street Ramp	-	$154	-	$168	-	$224
Ramp 6	-	$154	-	$168	-	-

Source: City of Rochester, 2024

SP+ sells and manages monthly parking leases. Customers may request a parking lease and manage their accounts on Parking.com, an SP+-developed online portal for parking management.

Electric Vehicle Charging

First Street Ramp, Third Street Ramp, Center Street Ramp, and Ramp 6 all have electric vehicle (EV) chargers available, with eight (8) plugs across the four ramps. A charge fee is in place for Ramp 6 and First Street Ramp, while charging in Third Street Ramp and Center Street Ramp is free.

Surface Parking Lots

The Department is responsible for seven downtown surface parking lots, totaling approximately 900 parking spaces. All lots are open to transient parkers, although transient parkers may not park in designated lease-only parking spaces. Rochester's downtown public parking lots include:

<u>Armory Lot:</u> 69 spaces

<u>Civic Center North Lot:</u> 188 spaces

<u>Civic Center South Lot:</u> 317 spaces

<u>Government Center Lot:</u> 138 spaces

<u>Government Center South Lot:</u> 66 spaces

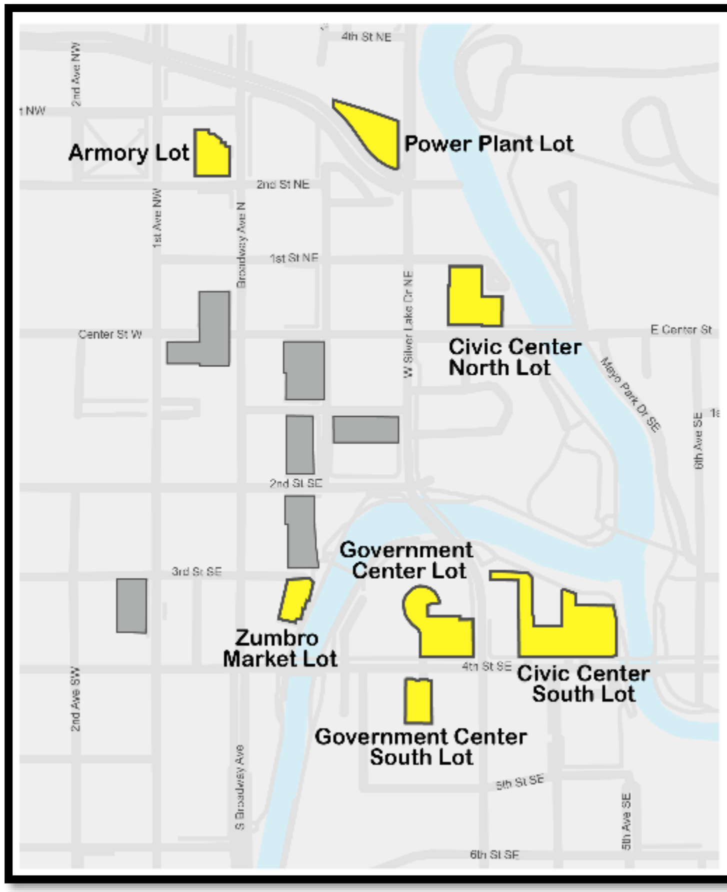
<u>Power Plant Lot:</u> 70 spaces

<u>Zumbro Market Lot:</u> 63 spaces

Surface Lot Parking Rates

Transient parking time limits in the City's surface lots range from 30 minutes to 10 hours, with payment required from 8 a.m. to 5 p.m. Monday - Friday. All the lots operate without gates; transient parkers are directed to pay at pay stations, meters, or via the City's mobile app (ParkMobile). Multi-space pay stations (T2 Systems) are located at the Armory Lot, Civic Center North Lot, Civic Center South Lot, and Government Center South Lot. The Zumbro Lot and Government Center Lot use single-space meters for payment. The Power Plant Lot has spaces for transient parkers in the center of the lot but only offers an honor box (cash-only) for transient parkers to pay. It is expected to be converted in the near future to accommodate monthly lease parkers only.

Figure 4: Parking Lot Map



Given the Zumbro Lot's prime location downtown, this facility offers shorter-duration 2-hour parking and the highest hourly parking rate of any City parking facility. The Government Center Lot offers 30-minute and 90-minute transient spaces for parkers who have business in the Government Center. Aside from the Zumbro Lot, the City's surface lots also offer 10-hour transient parking for longer-duration parkers who cannot or do not wish to purchase a monthly lease.

Figure 5 summarizes the key characteristics of the City's surface parking lots.

Figure 5: Surface Parking Lot Hourly Rates

Facility	Spaces	Current Time Limit	Current Rate	User Group
Armory Lot North Half	40	10 hour	$1.00/hour	Transient
Armory Lot South Half	29	90 minute	$1.00/hour	Transient
Civic Center North Lot	188	10 hour	$0.50/hour	Transient
Civic Center South Lot	317	10 hour	$0.50/hour	Contract, Transient
Government Center Lot Part 1	21	30 minute	$1.50/hour	Transient
Government Center Lot Part 2	117	90 minute	$2.00/hour	Transient
Government Center South Lot	66	10 hour	$1.00/hour	Transient
Power Plant Lot	70	10 hour	$4.00/day	Contract, Transient
Zumbro Market Lot	63	2 hour	$2.50/hour	Contract, Transient

Source: City of Rochester, 2024

Monthly parking leases are offered at three City-owned surface lots: the Civic Center South Lot, Power Plant Lot, and Zumbro Market Lot. As the farthest facility from the core of downtown, the Civic Center South Lot has the lowest lease rate, while the Zumbro Lot has the highest lease rate, given its location.

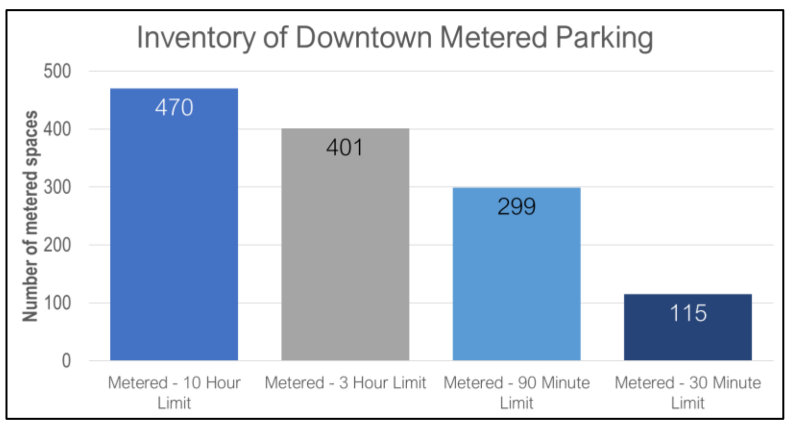
Along with parking ramps, SP+ also manages monthly surface lot leases.

On-Street Metered Parking

There are approximately 1,300 metered on-street parking spaces in downtown Rochester. These include a mix of time limits and rates, as shown in the below table and graph (**Figure 6**).

Figure 6: Parking Meter and Time Limit Inventory

Time Limit	Hourly Rate	Number of Spaces
30-minute spaces	$0.75/ half-hour	115
90-minute spaces	$2.00/ hour	299
3-hour spaces	$1.50/ hour	401
No limit / 10-hour spaces	$0.50/ hour	470



Source: City of Rochester, 2024

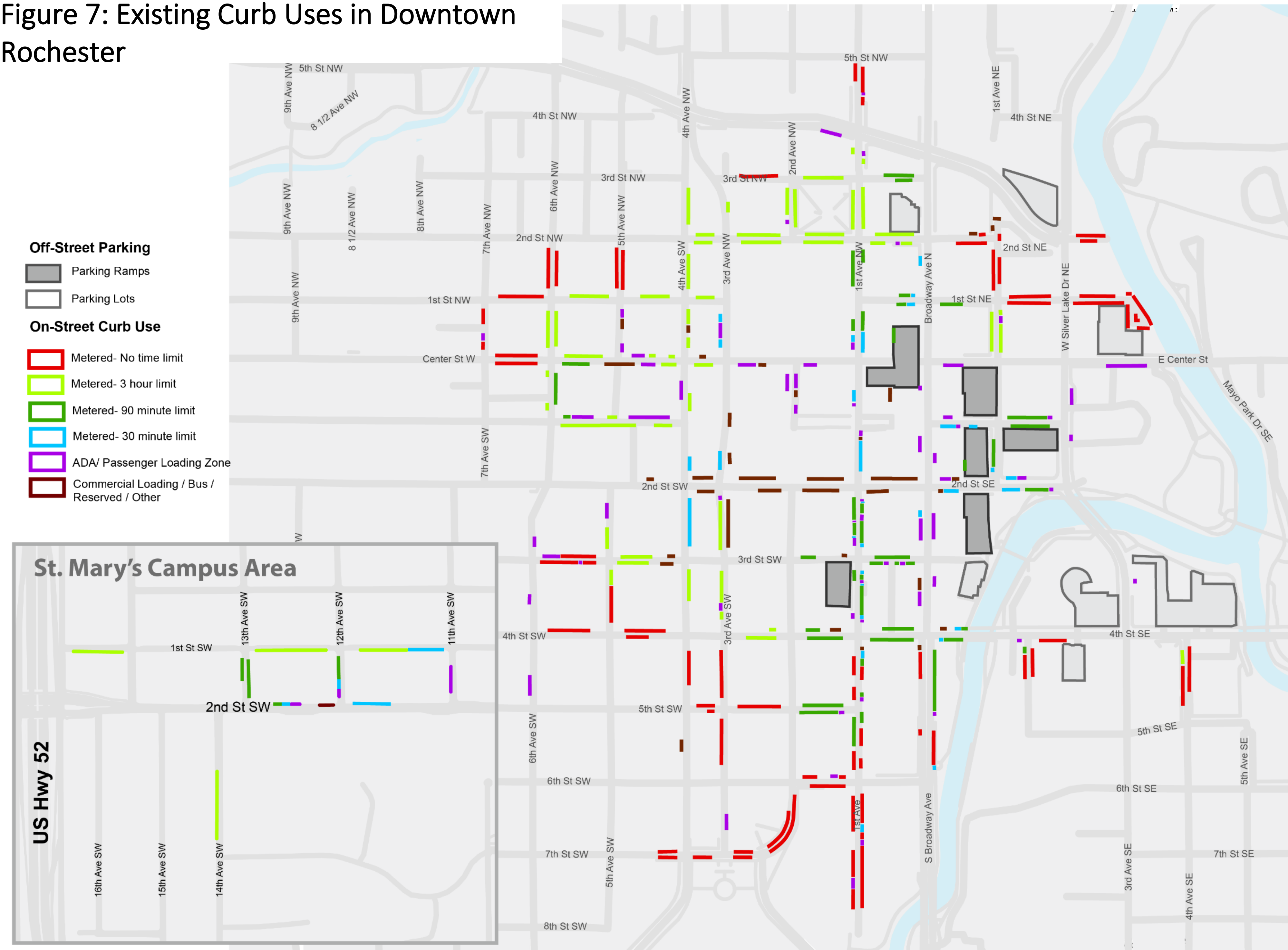
Currently, the Department is in the process of replacing all meters in the “core” downtown (30-min, 90-min, and 3-hour spaces) with IPS M5 “smart meters” that can process credit card payments and have built-in sensors to detect if a parking space is occupied. Meters in the no-time limit/10+ hour zones and those yet to be replaced in the “core” of downtown still use older Duncan parking meter models that only accept coins. Regardless of the physical meter technology, all on-street parking sessions can be paid through the City’s ParkMobile app.

The following map (**Figure 7**) shows existing curb uses, including time limits for metered parking spaces in downtown and the area west of St. Mary’s campus. The 30-minute and 90-minute meters are predominantly located around and immediately east of the Mayo Clinic. The 3-hour metered spaces are predominantly west of 2nd Avenue SW and north of Center Street. Finally, streets that form the periphery of the downtown area have meters without time limits and are marked as "10-hour parking." In addition to metered parking, various other types of parking restrictions are enforced in the downtown area. These include:

- Authorized Vehicle Only,
- Bus-Loading Only,
- Cab Stand,
- Disability Parking Only,
- Mayo Shuttle Loading Only,
- Passenger Commodity Loading Zone,
- Passenger Loading Zone,
- Passenger Loading Zone/Cab Stand,
- Passenger Loading Zone/Transportation Loading Zone,
- Transportation Loading Zone,
- Truck-Loading Only, and
- Truck or Passenger Loading Zone.

Taken together, these curb restrictions regulate approximately 270 parking spaces. These spaces are most heavily concentrated in the downtown core, on 1st Avenue, 2nd Street, Center Street, and Broadway Avenue.

Figure 7: Existing Curb Uses in Downtown Rochester



Policy and Operations Review

Walker reviewed the utilization and occupancy of Rochester's parking assets, monthly lease sales, enforcement procedures, and the parking communication, branding, and wayfinding environment in Rochester to better understand the system and help guide the team's recommendations for improving the system.

On-Street Parking Review

Between January and August 2023, 61 percent of meter revenue was collected through ParkMobile, 28 percent from coin payments, and 12 percent from credit cards paid through the "smart meters" or multi-space pilot meters.

The majority of on-street revenue comes from mobile payments.

According to ParkMobile transaction records, between January and September 2023, the average duration of a paid parking session for all meter types was approximately three (3) hours and 20 minutes. **Figure 8** shows average parking durations for parking sessions paid through the ParkMobile app. Note that this does not include payment at the meters themselves, which tend to have lower average duration transactions because of the ability to pay for short time periods with coins.

Figure 8: Average On-Street ParkMobile Parking Duration by Time Limit

Meter Type	Average Duration (hrs:min)
30 min	0:27
90 min	1:11
2 hour	1:21
3 hour	1:56
No Limit/ 10+ hr	6:26
Average	3:21

Source: Walker Consultants and ParkMobile, 2023

As expected, most parkers using the 30-minute spaces pay for the maximum allotted time, with an average paid duration of 30 minutes. There is only a 10-minute difference between average durations for the 90-minute and 2-hour spaces. Meanwhile, most parking sessions in the 10-hour spaces are used for workers who park all day, with the average parking duration close to six (6) hours and 30 minutes long.

Parking Occupancy and Utilization

Walker's review of Rochester's public parking system included a review of on-street and off-street occupancy, which measures, in percentage terms, how many spaces are unavailable at a given time on a given day. Walker also reviewed the use characteristics of each parking ramp to determine the percentage of users who were paid transients, free transients, validated customers, or monthly parkers.

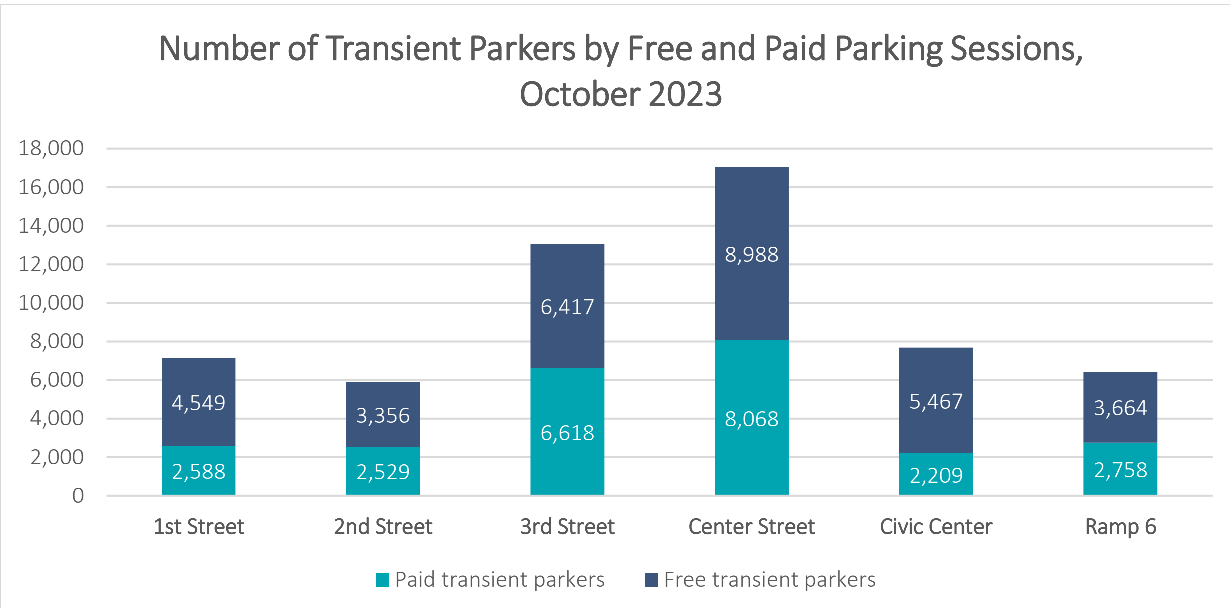
Off-Street Utilization

Transient Parking

Over 50,000 transient parkers use Rochester's parking ramps in an average month. Approximately 57 percent[1] **of transient parkers** park for free by either parking in the evening and weekend free period or exiting the ramp within one hour.

Figure 9 below shows the portion of paid and free transient parking sessions for each ramp in October 2023.

Figure 9: Parking Ramp Transient Users



Source: City of Rochester, 2023

Monthly Lease Parking

The following table (**Figure 10**) shows the average number of monthly leases sold for each ramp in the 2nd quarter of 2023 and the Department-assumed cap on leases for each ramp. In addition to the individual ramp lease accounts, the Rochester Police Department, SP+, and vendors conducting ramp maintenance have access cards to all ramps. As of May 2024, the Police Department had 40 access cards, SP+ had 31 cards, and vendors had 16 cards.

[1] The figure is based on the percent of free transient parking out of all transient parking sessions. Monthly lease parking sessions are not included.

Figure 10: Average Ramp Monthly Leases Sold, Q2 2023

Ramp	City Employee Leases	Market-Rate Leases	Cap
Second Street Ramp	12	166	230
Center Street Ramp	0	18	40
First Street Ramp	0	43	100
Civic Center Ramp	57	96	270
Third Street Ramp	0	543	700
Ramp 6	0	199	250
Total	**69**	**1,065**	**1,590**

Source: City of Rochester, 2023

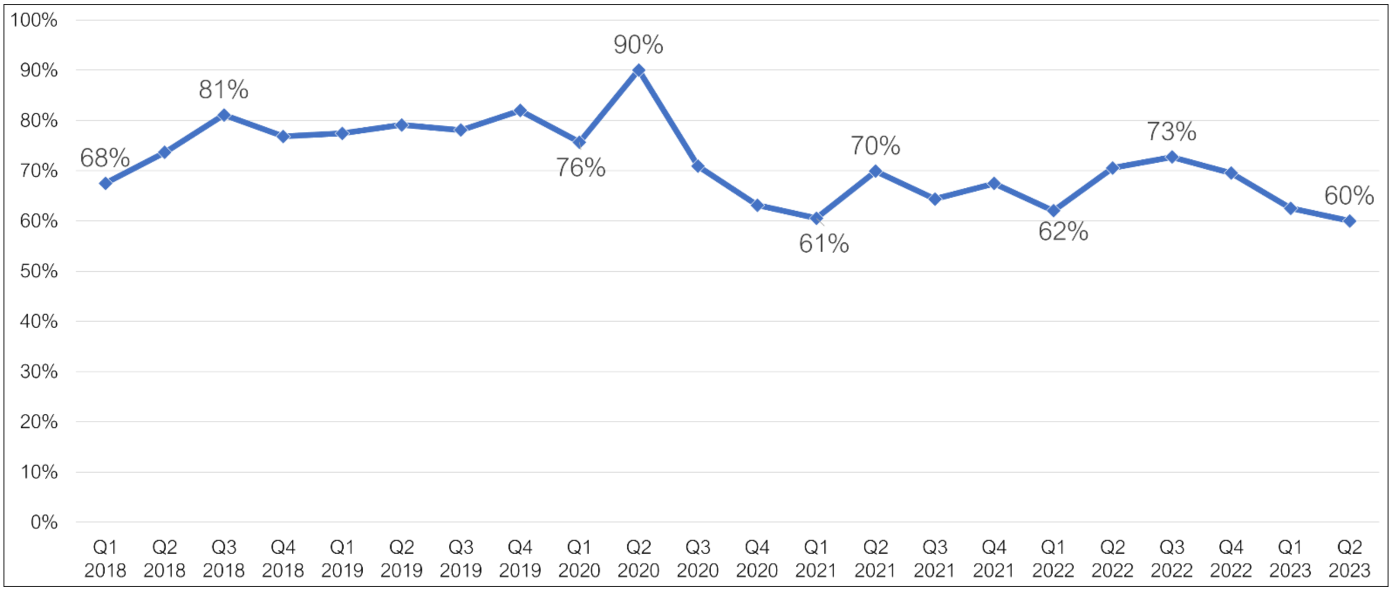
As is indicated in **Figure 10**, there is room to sell additional monthly leases at all City parking ramps, as no ramp has more lease sales than the cap. Like many parking facilities in urban centers, fewer monthly leases are now sold for the City's parking ramps than pre-COVID. While there is room to increase the number of monthly leases sold in the ramps, plans for future downtown development indicate significant growth in downtown workers that may, eventually, bump up against ramp capacity.

On-Street Utilization

The Department collects occupancy data for its metered street parking and surface lots approximately every three months. Typically, parking agencies want to keep at least one available space open per block face so that parkers who need to visit a business on that block can easily find a space and park without needing to circle the block or park far away. Occupancy data is collected and analyzed because it informs the City's decisions related to the proper allocation of time limits and setting of parking rates in pursuit of this space availability goal.

Figure 11 shows the historic trend of on-street parking occupancy from 2018 to 2023.

Figure 11: Historic Street Occupancy at 11:00 a.m., 2018 to 2023



Source: City of Rochester, 2023

On-street occupancy in Rochester has historically trended between 60 percent and 90 percent, which is high compared to peer cities. The 90 percent peak occurred at the beginning of the COVID pandemic when there was little parking enforcement presence; downtown businesses requested the suspension of paid parking and other rules at on-street metered parking spaces, resulting in a spike in occupancy.

The following map (**Figure 12**) shows the distribution of parking occupancy in the downtown Rochester study area based on data gathered on June 14, 2023, at 11 a.m.

Figure 12: Parking Occupancy in Downtown Rochester, June 2023

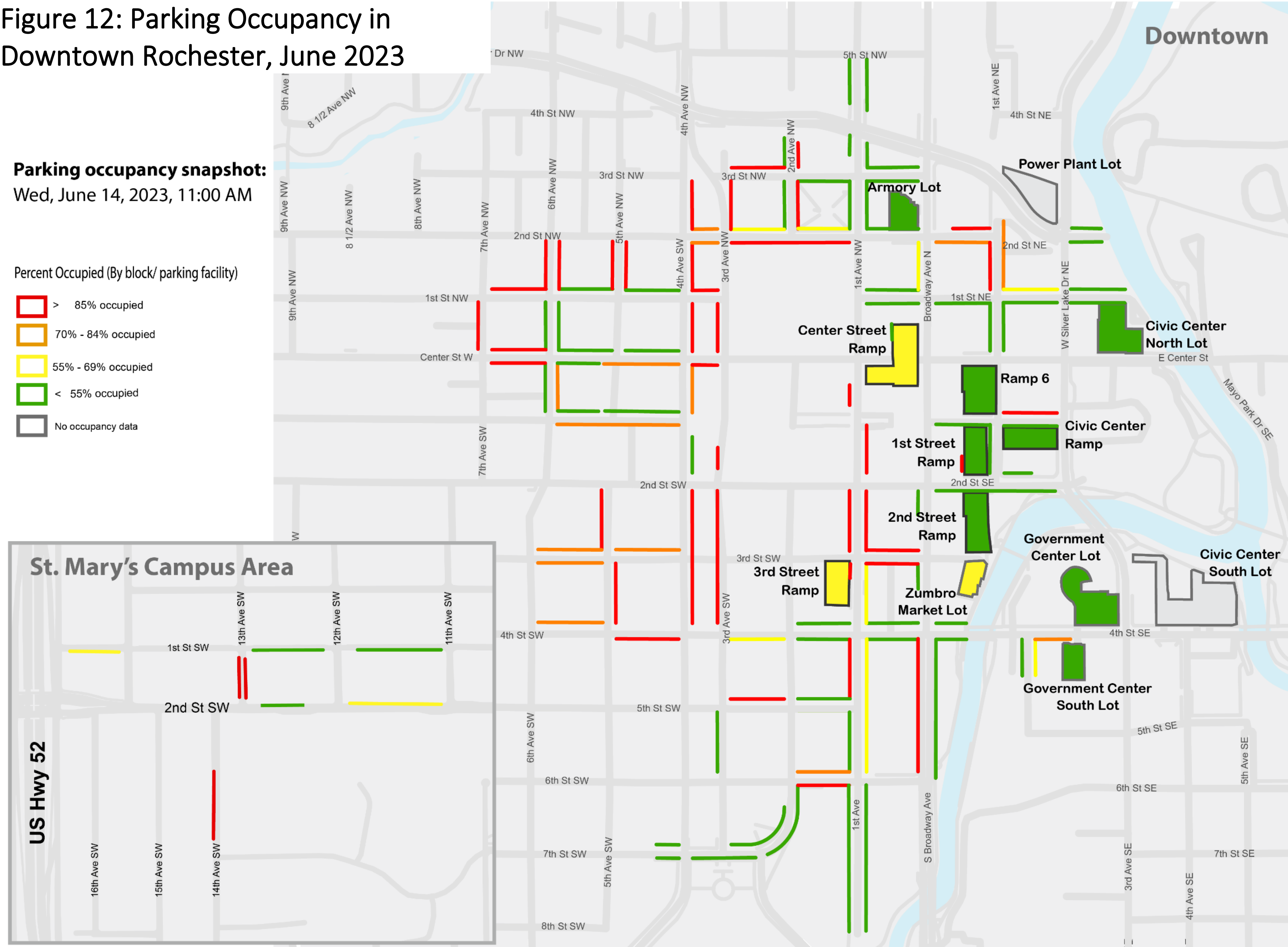


Figure 12 shows that parking activity is more heavily concentrated in some downtown areas than others. Overall, on-street parking occupancy was 60 percent, with approximately 480 available metered spaces. Three areas in particular experienced high on-street occupancy:

a. 30-minute and 90-minute meters directly surrounding the Mayo Clinic on 4th Avenue, 3rd Avenue, and 1st Avenue.
b. No-time-limit/10+ hour spaces adjacent to Mayo Clinic parking lots west of downtown, between 5th Avenue and 7th Avenue.
c. 10-hour and 90-minute parking spaces around the St. Mary's campus on 13th Avenue SW and 14th Avenue SW.

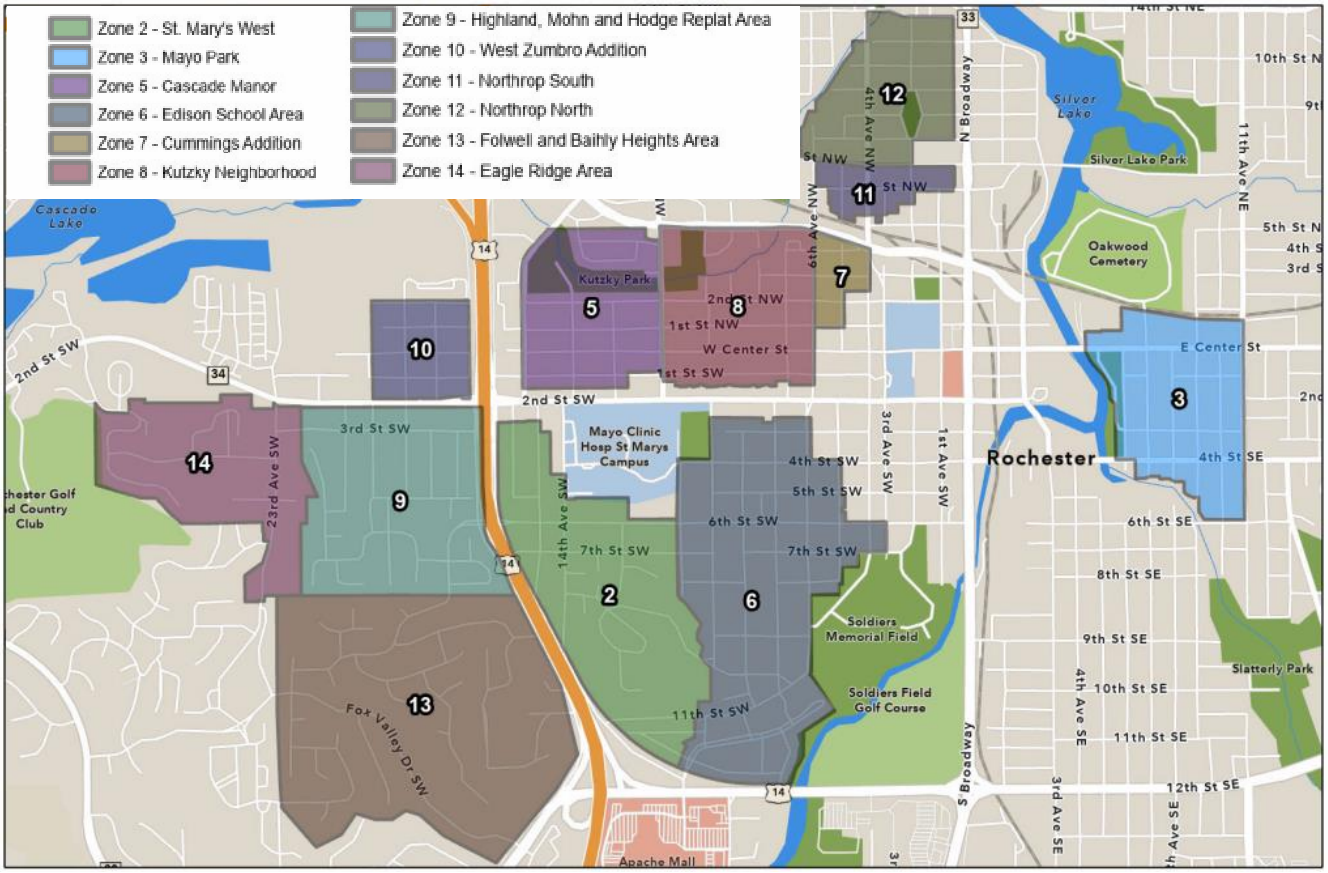
Surface lot occupancy was much lower than on-street, with an overall occupancy of 43 percent. The Zumbro Lot was the only surface lot with more than 50 percent utilized during this count, at 62 percent. This count did not include the Civic Center South Lot and the Power Plant Lot.

Meanwhile, the parking ramps were also just 43 percent occupied overall, with nearly 2,000 available parking spaces. The available parking spaces in the ramps represented more than four times (4x) the number of available on-street metered spaces. The map shows that the Center Street and 3rd Street Ramps experienced the most significant utilization, at 59 percent and 56 percent, respectively. The 1st Street Ramp had the lowest utilization, at only 12 percent. These represent typical parking occupancies in the downtown ramps and indicate that there is typically availability in the downtown parking ramps, especially when compared to on-street parking availability.

Residential Permit Parking

In addition to metered parking in the downtown area, the Department oversees the administration and enforcement of Rochester's Residential Parking Permit (RPP) program. Chapter 11-10 of the Rochester Municipal Code defines the criteria and procedures for designating RPP zones, issuance of permits, and enforcement of permits. Close to 1,000 permits are currently issued between 12 designated RPP zones, shown on the map in **Figure 13**. Zones 5, 6, and 8 have the most permits issued within them, each with over 200 permits. All other zones have fewer than 100 permits issued, including Zones 12, 13, and 14, each with fewer than ten permits.

Figure 13: Residential Permit Parking Zone Map



Source: City of Rochester, 2024

Residential parking permits are sold on a rolling basis at an annual cost of $33.00 per vehicle. They are sold to residents and employees of a dwelling/shop located on a street with residential parking restrictions on one or both sides. Temporary permits are available for 30 days at $10 per vehicle, sold to visitors of residences in the RPP zone.

When a person obtains a permit, they provide the City with their license plate number, which is used as the permit credential. Enforcement then scans license plates to determine if the parker has a valid permit for each residential permit-only restricted street.

Parking Enforcement

Parking is enforced by four full-time Parking Control Officers ("PCOs") employed through the Rochester Police Department. PCOs are responsible for enforcing both metered parking and parking on RPP-only streets. Approximately 25,000 parking citations are issued annually by PCOs, with the most frequent citations issued for Expired Meter violations (Code 71), followed by Residential Permit Parking violations (Code 86), Expired Registrations (Code 95), and parking in a No Parking Zone (Code 74). These four violations constitute nearly 90 percent of all citations issued. **Figure 14** lists all parking 57 parking citation types, along with their associated fine.

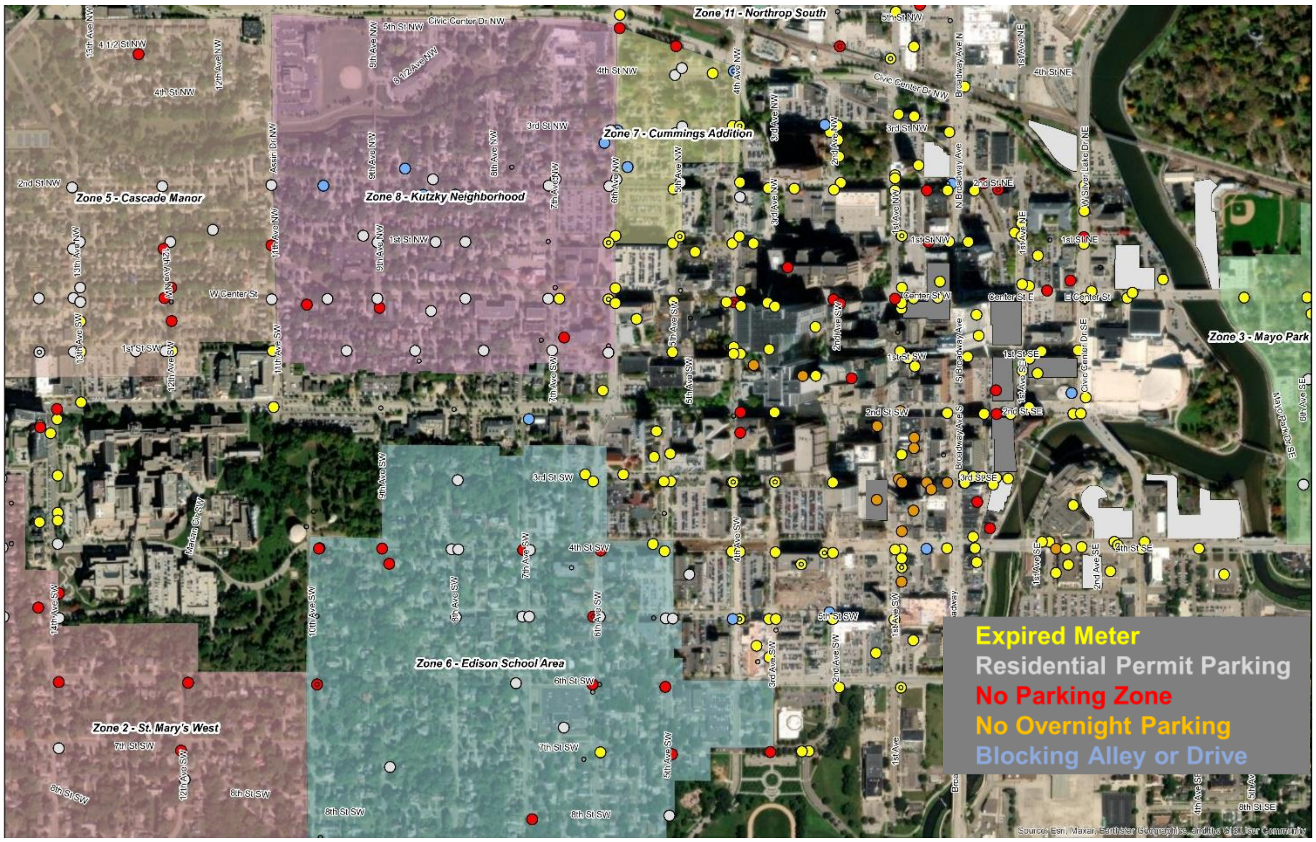
Figure 14: Rochester Parking Citations and Fines

Citation Code	Violation Type	Amount
71	Expired Meter	$28.00
72	Overtime	$35.00
73	24 Hour Parking	$35.00
74	No Parking Zone	$35.00
75	No Parking 2-6am	$35.00
76	Wrong Side of Street	$35.00
77	Double Parking- Prohibited Other	$35.00
78	Fire Hydrant within 10'	$41.00
79	Alley Parking	$35.00
80	Truck Loading Zone	$35.00
81	Snow Emergency	$112.00
82	Snow Removal/Street Mainenance	$35.00
83	Unlocked Ignition	$35.00
84	Disability parking	$197.00
85	Parallel Park (>12" From Curb)	$35.00
86	Residential Permit Park	$35.00
87	Parking on Grade (Brakes set wheels turned)	$35.00
88	One-way Street (>12" from curb)	$35.00
89	Parking on a Sidewalk	$35.00
90	50' of Railroad Crossing- Prohibited Stops	$35.00
91	Within 20' of Fire Station Drive-Prohbited Stops	$35.00
92	Along Side Street Excavation- Prohibited Stops	$35.00
93	Parking in Fire Lane	$35.00
94	Seasonal Parking Restrictions	$35.00
95	Exp Registration Display	$53.00
96	Parking Contrary to Police Officers Orders	$35.00
97	Within 5' or Blocking Alley or Drive	$35.00
98	Intersection- Prohibited Stops	$35.00
99	Double Parking- Trucks Loading 15 mins	$35.00
100	Municipal Parking Lots	$28.00
101	Within 10' of Mailbox- Prohibited Stops	$35.00
102	On a Crosswalk	$35.00
103	20' of Intersection Crosswalk- Prohibited Stops	$35.00
104	30' of Traffic Signal or Stop Sign- Prohibited Stops	$35.00
105	Parking in Bus Stop or Cab Stand	$35.00
106	Parking Prohibited- Private Parking	$35.00
107	Temporary Signs Prohibit Parking- Prohibited Stops	$35.00
108	Official Signs Prohibit Parking- Prohibited Stops	$35.00
109	Front Yard Parking	$35.00
110	Angle Parking (Within marked lines)	$35.00
111	Passenger Loading Zone (Not over 15 mins)	$35.00
112	Pass & Commodity Loading Zone Not Over 15 mins	$35.00
113	Vehicles Backed to Curb	$35.00
114	Vehicle for Sale on Street or Alley	$35.00
115	Vehicles with Trailer or Semi-Trailer	$35.00
116	Vehicles Transporting Explosives	$35.00
117	Trucks or Motor Homes over 23 Long or 8 Wide 1 hr	$35.00
118	Trucks Transporting Livestock- 1 hr	$35.00
119	Any Vehicles used for Advertising	$35.00
120	Removing Marks	$35.00
121	Parking Lots City Owned	$35.00
122	Temporary No Parking Zone	$35.00
123	Boats Trailers Dump Trucks- 1 hr	$35.00
124	Parallel Parking (Near right edge if no curb)	$35.00
125	In Bike Lane	$35.00
127	Disabled Cert Max 4 hours at Meters	$28.00
128	Restrictions on Primary Traffic Streets	$35.00

Source: City of Rochester, 2023

As shown in **Figure 15**, Expired Meter and No Parking Zone citations occur evenly throughout the metered parking area. Most RPP citations occur in Zones 5, 6, and 8, which are closest to downtown, and experience the most pressure from employees trying to park there for free. Finally, overnight parking violations occur most frequently in the southeast corner of downtown along 1st Avenue SW and 3rd Street SE, near a concentration of bars and restaurants.

Figure 15: Locations of Top Five Parking Citations Issued (excluding Expired Registration), 6.6.23 to 8.14.23



Source: City of Rochester and Walker Consultants, 2023

Parking Communications, Branding, and Wayfinding

The Department's communication with the public comes through media engagement, its website, facility signage, branding, and customer service provided by SP+. The Transit and Parking Department often utilizes the City's Communication Department when creating materials and press releases for the public; this team helped promote the public survey for this project. Walker acknowledges that Rochester already has a homepage for parking hosted within the City's website, which includes information and links related to locating on- and off-street parking, disability parking, understanding parking rates and how to find monthly lease parking, how to use the ParkMobile app, and how to pay a parking ticket.

At present, the Department does have a distinct Rochester Public Parking brand, but the brand is not propagated throughout all signage and digital and print communications associated with the parking system. Instead, most entrances to the public parking ramps have a sign with the ramp name and a blue "P" sign. However, Walker notes a lack of consistency in these signs, including inconsistent placement of the "P" either above, below, or to one side of the sign. Only the marquee entrance sign to the 3rd Street Ramp (far right in the below images) indicates that it is a Rochester public parking ramp. In contrast, the signs at the entrances to the other ramps indicate only that these are public parking facilities, not that they are City-owned and operated facilities. Additionally, wayfinding signage within parking ramps is inconsistent, indicating that signage is not regularly updated in a coordinated manner.

Figure 16: Ramp Entrance Signage

Source: Walker Consultants, 2023

Walker also observed several locations within the downtown core, particularly along Broadway Avenue, where it is unclear where to find off-street parking. This can lead to increased traffic downtown as vehicles are more likely to circle for parking to find either an on-street parking space (which is very limited on Broadway itself) or an off-street ramp.

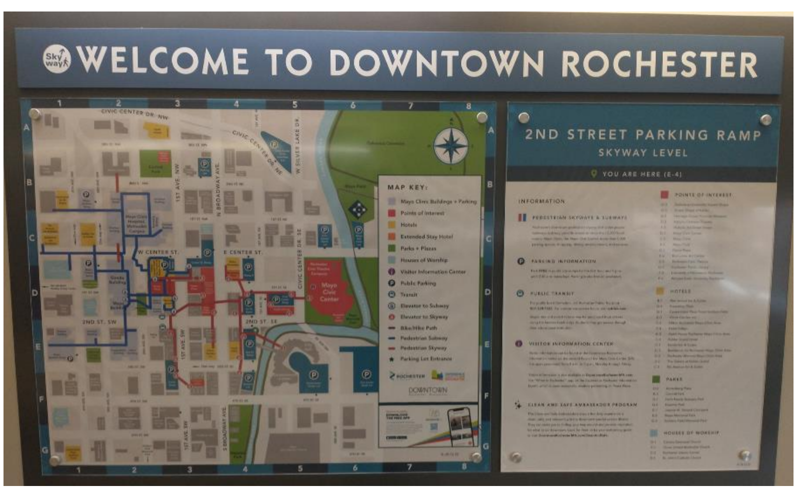
Inconsistent off-street parking facility and wayfinding signage can confuse users about parking rules and regulations. For example, it is difficult to distinguish the difference (if any) in which vehicle types are permitted to park in a *15-minute Passenger Loading Zone* versus a *Passenger Commodity Loading* Zone.

Figure 17: Parking Restriction Signage

Source: Walker Consultants, 2024

Aside from vehicular signage, pedestrian signage helps pedestrians navigate between parking locations and popular downtown destinations. The project team did not observe any coordinated pedestrian signage system on the street, although Walker observed more signs within the skyway system. Signs are located throughout the skyway system and elevator and stairway lobbies, directing foot traffic between parking ramps and other destinations within the city.

Figure 18: Downtown Rochester Wayfinding Map for Skyway Users



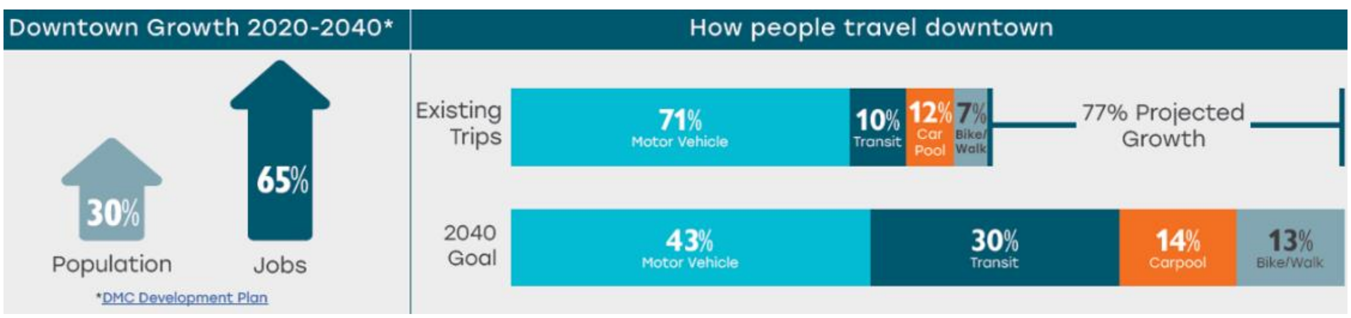
Source: Walker Consultants, 2023

Anticipated Changes to the Downtown Ecosystem

Walker understands that significant development is slated to occur in Rochester over the next few years. The most significant development is a $5 billion investment as part of Destination Medical Center's **Bold.Forward.Unbound.** initiative. Plans for this investment include adding thousands of additional workers downtown, attracting more visitors to Rochester, and providing more amenities to Mayo Clinic patients and downtown residents.

The DMC has already accomplished several projects in coordination with the City of Rochester, including developing pedestrian walkways and renovating historic sites. Development of Discovery Walk, a linear parkway along 2nd Avenue SW, is underway. Expansion of the Mayo Clinic and supporting businesses will ramp up significantly over the next few years, and several new residential buildings are being planned to accommodate the growing workforce. While the exact phasing and scope of these developments remain uncertain, the DMC projects that downtown employment will grow 65 percent by 2040, and the downtown resident population will grow by 30 percent (**Figure 19**).

Figure 19: Projected Downtown Development and Commute Mode



Source: DMC Development Plan, 2019

Along with the DMC's ***Unbound*** initiative, three parking facilities are expected to be directly impacted by redevelopment:

Civic Center North Parking Lot

- Expected to undergo redevelopment within three years.
- The most recent proposal is to develop 335 apartment units on site.
- Redevelopment would result in a loss of 188 public parking spaces.

Civic Center South Parking Lot

- Part of Riverfront East Small Area Plan.
- Expected to undergo redevelopment within three years.
- Scope and scale of development TBD.
- Redevelopment would result in a loss of 317 parking spaces.

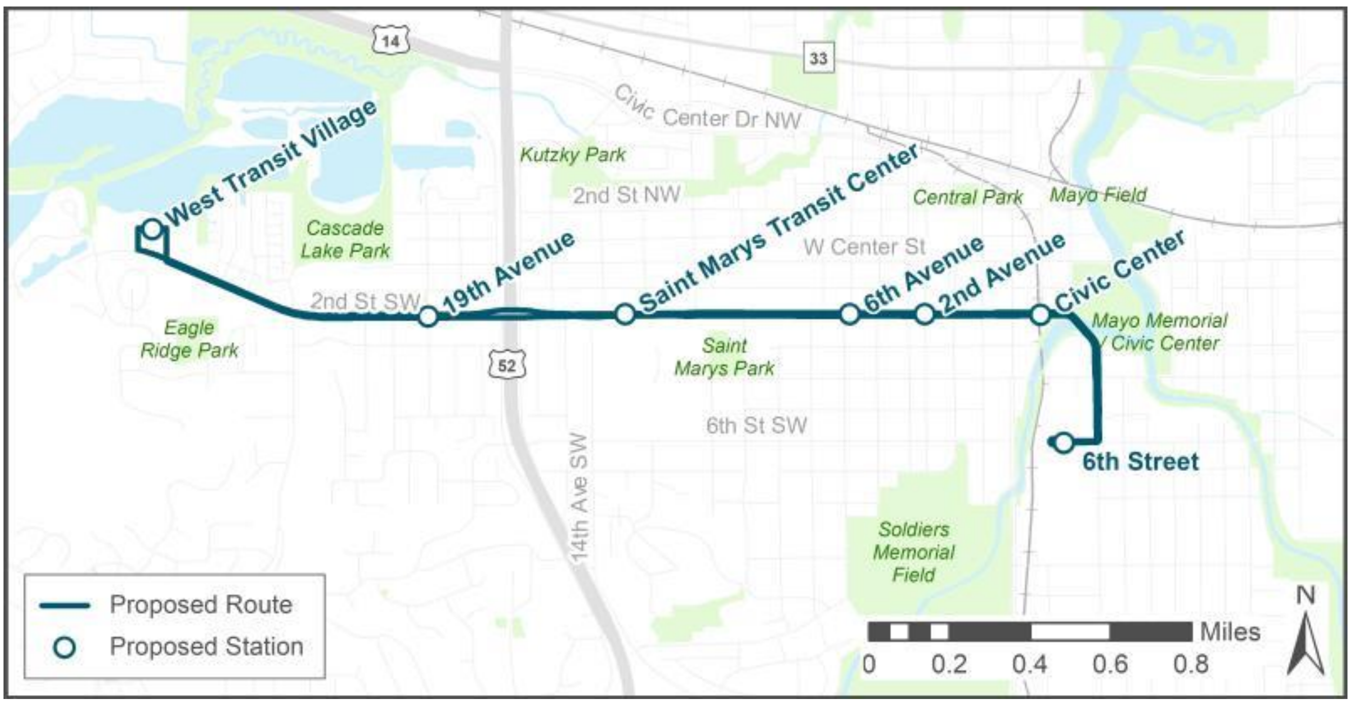
2nd Street Parking Ramp

- Part of Riverfront West Small Area Plan.
- Expected to undergo redevelopment within ten years.

- Scope and scale of development TBD.
- The ramp would be demolished, and a potential new parking structure would be built to accommodate redevelopment.

The City has been anticipating employment and downtown population growth over a multi-year planning period, and the Transit and Parking Department is ramping up its public transportation and satellite park-and-ride capacity in advance of these developments and changes to the parking system. Rochester's first bus rapid transit ("BRT") route (called "Link") is under development and will open in 2026 to connect the downtown, the St. Mary's campus, the Waterfront Southeast redevelopment area, and the West Transit Village mobility hub (**Figure 20**). Highlights of Link will include frequent 5-minute service during peak times and 10-minute service throughout the day, as well as fare-free service and expanded bus shelters with real-time signage. This project is intended to be a catalyst to improve service for the rest of the public transit network, which will further link with park-and-ride to reduce the impact of vehicular traffic downtown.

Figure 20: Proposed Link Route



Source: City of Rochester, 2024

04 Stakeholder Engagement

4. Stakeholder Engagement

Public and community engagement was essential to developing the *Parking System Evaluation and Rate Study*. The input received helped guide specific strategies and fostered responsive solutions that better reflected the overall vision for downtown Rochester. To have the most accessible outreach and engagement process, engagement for this Plan included in-person stakeholder listening sessions, a virtual roundtable, and an online public survey.

The three listening sessions were held in the morning and afternoon on Wednesday, November 1, 2023, and a virtual session was held on Friday, November 3, 2023. Invitees included members of the Downtown Task Force and leaders of community institutions. During these roundtables, the project team heard from over 20 participants, including property owners, business owners, nonprofit and community organization leaders, and political leaders.

Additionally, Walker coordinated with the Transit and the Planning Department and the City of Rochester's Communications team to develop, release, and promote an online public survey. The survey was available online via the City's connection with Polco. Over 3,000 Rochester Polco subscribers were alerted about its availability when it was released in October 2023. The City also publicized the survey through a press release, and several news outlets also publicized it. The survey was open for 30 days in October and November 2023 and garnered 780 unique responses.

The following section details the findings of the public engagement process.

Listening Session Findings

Several themes emerged through the four in-person and virtual stakeholder listening sessions. Most attendees agreed that parking in the City ramps is usually available and convenient, with the caveat that there is an availability crunch during busy downtown events. Many attendees expressed how their business or organization benefitted from the free parking offered at night and during weekends and their desire for the City to continue this offering. One of the main challenges expressed by customers and visitors is a need for more communication and signage directing them toward nearby parking ramps. One of the ideas that repeatedly arose was for the City to conduct a coordinated communication and marketing campaign.

While the participants of the listening sessions did not unanimously agree on prioritizing different modes of transportation in the downtown ecosystem, most attendees agreed that it is important to offer transportation and parking options that include all user groups, particularly people with limited mobility.

The following is a more detailed list of common strengths that were identified with the parking system:

- ***Skyway*** access.
- ***Free*** nights and weekends.
- Free if parking is under one hour.
- Free parking encourages downtown business.
- Lots of downtown parking supply in ramps.
- Parking is ***affordable*** compared to the Twin Cities.
- Technology in Ramp 6 and 3rd Street Ramp is easy to use.

- Ramps have gotten ***cleaner*** with new management.

Stakeholders also expressed several challenges for this Plan to address:

- ***Education*** about where parking is available.
- Ramp ***safety*** perceptions.
- Traffic congestion during rush hour.
- Lack of on-street parking around St. Mary's campus.
- Availability is not guaranteed in front of the destination; you may have to walk a block away.
- Availability crunch during ***events***.
- Spaces not kept for lease parkers during events.
- Ten-hour on-street spaces typically not available – occupied by employees all day.
- Signage about seasonal parking changes is unclear/missing.
- People don't know whether ramps are public.
- Concerned about ***the impact of the new Mayo development and residential development*** on parking.
- ***First-hour free*** is confusing if staying longer than one hour.
- Meter ***payment options*** are confusing.

Finally, the listening sessions brought out a variety of potential ideas and desires for how to improve the parking system downtown:

- ***Mobile*** and pre-payment options in ramps.
- Initiatives to encourage traveling downtown by alternative travel modes (a.k.a. Transportation Demand Management).
- Coordinated ***communication*** campaign through social media, emailing, website, and signs.
- Better ***wayfinding and signage*** program.
- Consider other uses of ***curb space*** besides parking, like bike lanes and deliveries.
- Add long-term parking options south and west of downtown.
- Modernize/upgrade ***equipment*** in ramps.
- Provide ***information*** about parking options for event visitors.
- More ***ADA parking*** in ramps near skyways and ADA signage.
- Discounted parking for downtown employees.
- Bike lockers and shower/changing rooms.

Public Survey Findings

Who Did We Hear from?

Of the 780 survey respondents, 5 percent self-identified as downtown residents, 86 percent lived in Rochester or neighboring communities, and 9 percent were occasional or frequent downtown visitors. The most common residential ZIP codes of survey participants were 55901 (33 percent), 55902 (23 percent), 55906 (18 percent), and 55904 (14 percent). About 28 percent of respondents said they visit downtown most days or every day, 56 percent visit a few times per week or month, and 10 percent visit a few times yearly.

Existing Parking Activities

The survey asked about current parking activities as a baseline for the project team to understand how potential policies and management strategies will impact parking behavior. Most respondents (52 percent) typically park at a public parking ramp, with on-street parking the second most popular location (18 percent).

Forty percent of people who come downtown to shop said that they park for less than 1 hour, and over 80 percent park for less than 2 hours. Only 12 percent of dining patrons stay less than 1 hour, but over 70 percent stay less than 2 hours. Event parkers are most likely to be parked in the 2-3 hour window (42 percent), with about 30 percent staying less than 2 hours and 30 percent staying more than 3 hours. Altogether, this indicates that most transient parking activity (i.e., shoppers and dining patrons) takes place between one hour and two hours, highlighting a need to continue to manage on-street parking in a way that incentivizes high turnover but also offers flexibility to park on the street for up to three hours.

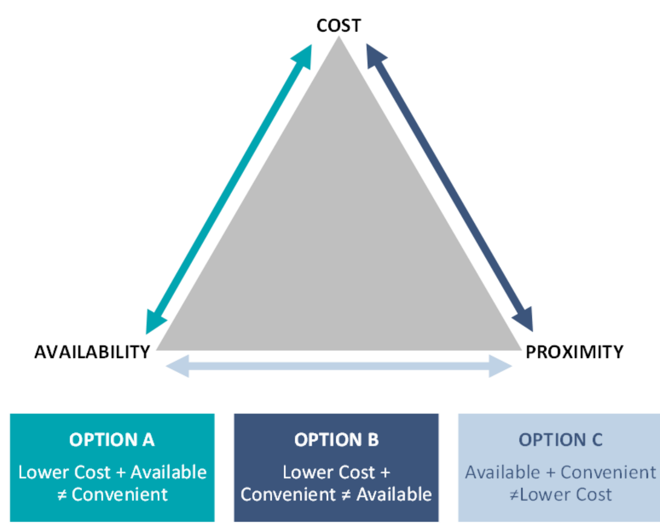
Over two-thirds of respondents answered that they could always or usually find parking in their preferred location.

When asked about familiarity with the City's free parking at night after 5 p.m. and on weekends, nearly all respondents were aware (90 percent) or somewhat aware of it (9 percent). However, fewer people were familiar with the City's offering of free one-hour parking in the ramps, with only 71 percent aware and 17 percent somewhat aware.

Parking Preferences

In setting parking rates, fees, and associated time limits, the best practice is to manage parking demand by pricing the most convenient and desirable parking spaces higher than less convenient parking locations. This practice is best represented by the "parking triangle" (**Figure 21**) of cost, availability, and proximity (convenience).

Figure 21: Parking Management Triangle



Parking customers want the following when seeking parking:

1. They want it to be free;
2. They want it to be always available;
3. They want it to be convenient or proximate to their destination.

Although two of the three criteria can be met simultaneously in a thriving urban environment such as downtown Rochester, it is impossible to meet all three simultaneously.

When asked to allocate points between **parking preferences**, including being able to park close to their destination, finding an available space quickly, feeling confident that parking will be available, feeling safe when parking and walking to the destination, knowing where to park, and having free and/or cheap parking, the category with the highest point allocation was "***parking close to my destination***," closely followed by "***free and/or cheap parking.***" ***"Finding an available space quickly"*** was voted as less important. Walker's interpretation of this question is that downtown parkers are willing to circle for parking if necessary as long as the parking is relatively inexpensive and close to the person's destination.

Open-Ended Comments

The survey also asked respondents to share ideas about improving downtown Rochester's parking experience. As expected, many comments relate to wanting free parking, desiring a safer parking experience, and building more parking facilities. However, many comments countered this by expressing a desire for parking to remain user-funded, avoid overbuilding parking, and focus on multimodal transportation solutions.

05 Review of Peer Cities

5. Review of Peer Cities

When examining a city or institution's parking operations, planners often consider how other cities or institutions in the same region operate their parking systems. For this *Parking System Evaluation and Rate Study*, Walker researched eight peer municipalities, including their on-street rates, time limits, and enforcement hours; off-street hourly, daily, and monthly rates, and hours when payment is required; and system finances.

The cities were selected based on geographic proximity to Rochester, population density, and having a dense urban core with a high institutional presence. Peer cities included (from least to most populated) La Crosse, WI; Green Bay, WI; Cedar Rapids, IA; Sioux Falls, SD; Des Moines, IA; Madison, WI; St. Paul, MN; and Minneapolis, MN. Rochester stands out among its peers because of the impact of the Mayo Clinic on downtown, resulting in higher parking demand in downtown Rochester relative to most peers of its population, which is why larger cities were included.

On-Street Parking Peer Review

The following table compares Rochester's on-street parking rates, time limits, and hours of paid parking enforcement with the eight peer cities examined.

Figure 22: On-Street Parking Peer Review Summary

City	Population	On-Street Hourly Rate (Min)	On-Street Hourly Rate (Max)	On-Street Event Rate (Max)	On-Street Time Limits	On-Street Enforcement Hours
Rochester, MN	119,732	$0.50	$2.00	N/A	30 mins, 90 mins, 3 hr, 10 hr	Mon- Fri 8am- 5pm
Minneapolis, MN	425,091	$0.50	$3.00	$6.00	1, 2, 4, 10 hours	Daily 8am - 10pm
St. Paul, MN	309,751	$0.75	$2.25	$3.75	No limit, 30 mins, 2 hr, 4 hr	Mon- Sat 8am- 10pm
Madison, WI	265,447	$1.10	$2.00	N/A	25 min, 30 min, 1 hr, 2 hr, 3 hr, 10 hr	Mon- Sat 8am- 6pm
Des Moines, IA	213,545	$0.25	$1.75	Rates are $1.75 in	4 hr, 12 hour	Mon- Fri 9am- 9pm
Sioux Falls, SD	189,258	$1.00	$1.25	N/A	--	Mon- Fri 9am- 5pm
Cedar Rapids, IA	136,512	$1.00	$1.00	N/A	30 min, 1 hr, 2 hr, 4 hr, 10 hr	Mon- Fri 9am-5pm
Green Bay, WI	107,083	$0.95	$0.95	N/A	--	Mon- Fri 8am- 6pm
La Crosse, WI	52,505	$1.00	$1.00	N/A	No limit	Mon- Fri 9am- 6pm

Source: City websites, 2024

As shown above, Rochester's on-street parking rates are comparable to those of its peers. The maximum rate in Rochester is $2.00 per hour, less than in the Twin Cities but the same as in Madison. Like these other cities, Rochester also offers a discounted meter rate for all-day parking in the downtown periphery. The Twin Cities charge a special event rate during sporting and other events, while Rochester and other cities do not.

Rochester's on-street time limits are unique among its peers—some of the cities examined have a 30-minute time limit option, but none have a 90-minute time limit. Additionally, some peer cities only have one or two on-street time limits, while Rochester has four. Rochester only charges for metered parking on weekdays during standard business hours, while Madison and the Twin Cities charge for on-street parking on Saturdays. Most peers charge for parking until 6 p.m., and some charge even later in the evening.

Off-Street Parking Peer Review

Rochester has six parking ramps, which is approximately average among the peer cities. Based on the project team's experience, Rochester's parking ramps have generally been more highly utilized since the COVID-19 pandemic than those in some peer cities. This is likely the result of more people returning to work in person in downtown Rochester versus the peer cities (potentially due to the high proportion of healthcare jobs in downtown Rochester).

The following table compares the hourly and daily (transient) parking rates, any discounts for parking in the evening or on weekends, and monthly lease parking rates in Rochester's parking ramps versus parking ramps in the peer municipalities.

Figure 23: Off-Street Ramp Parking Peer Review Summary

City	Population	Number of Ramps	Hourly Ramp Rates	Max Daily Ramp Rates	Discounts for Night or Weekends?	Ramp Unreserved Parking Lease Rates	Ramp 24/7 Lease Rates	Ramp Reserved Lease Rates
Rochester, MN	119,732	6	$2.00; first hour free	$16.00	Free nights/ weekends	$154 - $182	$168 - $192	$173
Minneapolis, MN	425,091	13	Depends on length of stay	$5.00 - $18.00	None	$70 - $265	$70 - $265	$215 - $235
St. Paul, MN	309,751	8	Depends on length of stay	$16.00 - $28.00	$13 flat rate after 5pm	Primarily business contracts- N/A		
Madison, WI	265,447	6	$0.80 - $1.80	$14.00 - $28.00	$8 max per night and/or weekend	$92 - $180	$140 - $250	None
Des Moines, IA	213,545	8	$1.00	$10.00	Free Sundays	$55 - $85	$55 - $85	$160
Sioux Falls, SD	189,258	4	$1.50	$12.00	Free nights/ weekends	$62 - $87	$62 - $87	$93 - $130
Cedar Rapids, IA	136,512	7	$0.75; some with first hour free	$6.00	Free nights/ weeeknds	$55 - $85	$55 - $85	$110
Green Bay, WI	107,083	4	$0.85 - $1.10	$8.50 - $11.00	Free nights/ weekends	$74 - $84	$74 - $84	None
La Crosse, WI	52,505	5	$1.00	$8.00	Free nights/ weekends	$40 - $50	$40 - $50	None

Source: City websites, 2024

Rochester's hourly parking rate of $2.00/hour is higher than peer cities outside the Twin Cities. However, Rochester is the only city aside from Cedar Rapids that offers a free hour of parking (Cedar Rapids offers the first hour free to all parkers, while Rochester only provides it to vehicles exiting within one hour). Rochester's daily maximum rate for transient parkers is $16.00 (occurs after 12 hours of parking), which is less than Minneapolis, St. Paul, and Madison but higher than other peers.

Rochester is comparable to La Crosse, Green Bay, Cedar Rapids, and Sioux Falls, offering free evening and weekend parking. Des Moines charges for parking on Saturdays but provides free parking on Sundays. Madison and St. Paul have reduced rates for parking in the evenings and on weekends. Minneapolis parking ramps do not offer any discounts, so parking rates are the same 24/7.

Rochester's maximum monthly non-reserved, non-24/7 parking rate is $182 at the Center Street Ramp, $154 at four other ramps, and $145 for Civic Center Ramp rooftop spaces. This is less than the maximum monthly rate charged in Minneapolis and Madison, although both peer cities offer reduced parking rates in ramps on the periphery of their downtowns. However, these rates are not necessarily comparable since Rochester has no parking ramps outside of its downtown core. When its surface lots are included, Rochester has a similar range of more affordable parking options as Minneapolis and Madison.

Rochester sells separate leases, allowing 24/7 access to a parking ramp. In other peer cities besides Madison and the Twin Cities, a monthly lease is the same as a 24/7 lease. Rochester also sells reserved parking spaces in the 2nd Street Ramp for $173, much less expensive than a reserved space in Minneapolis. Finally, Madison sells overnight-only leases (which can be used between 6 p.m. to 7 a.m. weeknights and all weekends), which Rochester does not offer.

System Finance Structure Peer Review

Rochester's parking system is operated as an enterprise fund, which functions like a business where revenues must cover expenses and debt payments. The parking system is completely user-funded and does not rely on the City's general fund or tax levy. The parking systems of Minneapolis, Madison, Des Moines, Sioux Falls, Cedar Rapids, and La Crosse all operate as enterprise funds. However, Des Moines, Cedar Rapids, and La Crosse have recently relied on general funds or tax-increment financing (TIF) revenue to supplement their enterprise funds. Green Bay is a special revenue fund separate from the general fund, which, like an enterprise fund, is user-funded. St. Paul's off-street parking is managed as an enterprise fund by the Housing and Redevelopment Authority. The St. Paul system is not entirely user-funded and relies on TIF revenue to pay for operating expenses and some federal funding for capital improvement projects.

Of the peers examined, only Minneapolis, Madison, Green Bay, and Sioux Falls are similarly user-funded and do not rely on an outside funding source.

Conclusion

Rochester's hourly and monthly parking rates are generally higher than its peers (except for the Twin Cities); however, it is important to note that several peers subsidize the parking system with general funds, while Rochester is entirely user-funded. Other cities do not have the need that Rochester does to ensure that rates are set in a way that generates sufficient revenue to cover operating expenses, repairs, and debt service. Two ramps in Rochester (Center Street and 2nd Street) are over 40 years old, with associated higher maintenance and repair costs. Additionally, Rochester is unique for its high density of downtown institutions, which require a significant amount of curb space dedicated to loading, bus and shuttle services, and bike lanes to support the large volume of people accessing downtown, which limits on-street parking options. While users might observe that Rochester's parking rates are higher than La Crosse or Cedar Rapids, they may not be aware of the unique operating challenges and financial realities that Rochester faces.

Therefore, although a peer review can help municipalities understand their peers' positions regarding metered, hourly off-street, and monthly lease parking rates, this information should not be used as the sole justification for a city's rate-setting policy. The following section describes the PEF's finances, a critical component in future rate setting.

06 Parking Enterprise Finances

6. Parking Enterprise Finances

The City's public parking system is operated as an enterprise fund, meaning that revenues generated by the system must pay for the costs of operating and maintaining the system. As a result, the users who park in the City's various parking ramps and surface lots, on-street metered spaces, and residential permit parking areas fund the City's parking operation.

Historically, parking user fees have been sufficient to fully fund the parking operation while allowing the PEF to accumulate a healthy balance. However, the Department expects upcoming capital projects to significantly decrease the Fund balance over the next 2+ years. While the PEF is not in imminent danger of becoming financially unsustainable, without future parking rate increases and/or continued growth in parking demand, the cost to operate and maintain the City's parking assets is expected to exceed the revenue generated by the system within the next ten years.

The following sections summarize the PEF's historical financial performance and describe factors impacting future system performance to provide context for the recommendations presented later in this Plan.

Parking System Revenue

Off-street parking ramps and on-street metered parking spaces generate most of the revenue generated by the City's public parking system. However, as shown in **Figure 24**, the system also generates revenue from several other sources.

Figure 24: Sources of Revenue to the Parking Enterprise Fund

Off-Street Ramps and Lots

- Contract parking
- Public transient parking
- Bike locker leases
- Hotel & business validation programs
- EV Chargers

On-Street Parking

- On-street metered parking
- Enforcement citations
- Residential permits

Source: City of Rochester and Walker Consultants, 2024

In 2023, the City's parking ramps generated approximately 70 percent of total parking system revenue, on-street metered parking and parking citations accounted for roughly 24 percent of revenue, and surface parking lots generated approximately 6 percent of revenue. Systemwide, the City's parking operation generated roughly $7.3 million in operating revenue in 2023.

When comparing recent parking system performance with the performance of the system before the pandemic, a few interesting data points stand out:

- Revenue from monthly parkers is still below pre-Covid levels.
- Meter revenue in both surface lots and on-street has fully recovered and exceeds pre-Covid levels.
- The parking system generated 4 percent less revenue in 2023 than in 2019, the system's highest revenue year ever; compared with 2018, the system generated a little less than 1 percent less revenue in 2023.

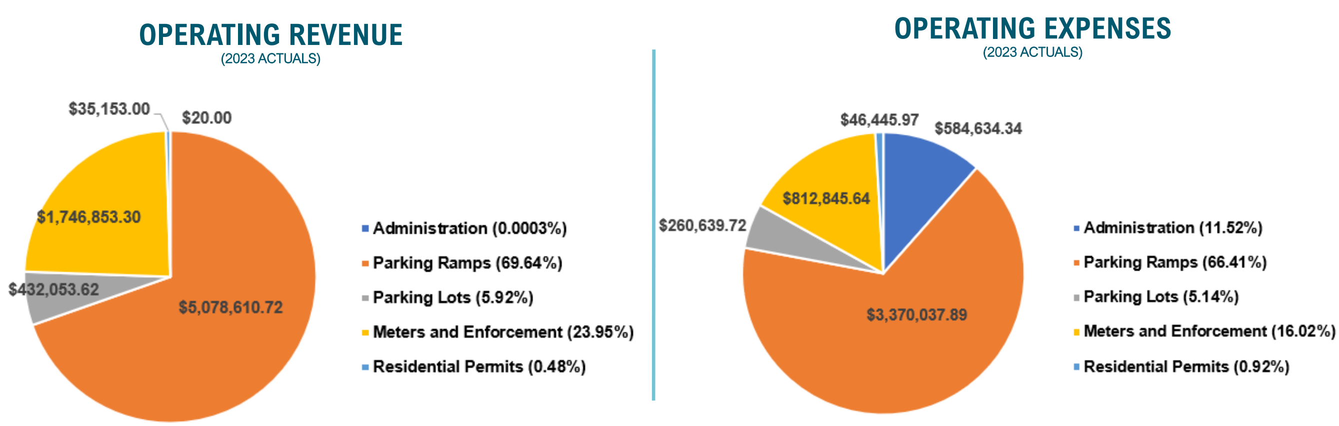
The City of Rochester's public parking system has recovered well from the pandemic's impacts, especially compared with similar cities.

In addition to the near complete recovery in system revenues from pandemic lows, significant new development associated with the Mayo Clinic has the potential to positively impact the City's parking system. Based on known development plans, the Mayo Clinic will bring significantly more employees downtown than can be accommodated by its planned new parking capacity. While transit improvements are intended to satisfy some of this new demand, Mayo Clinic parking demand is expected to continue impacting the City's parking system, with potential future revenue growth.

Parking System Expenses

While the City's public parking system generates significant revenue from user fees, it is costly to build, operate, and maintain parking. In 2023, the Department spent approximately $5.1 million to operate the parking system. Figure 25 illustrates the proportion of operating revenue generated by each parking system operating business unit in 2023 compared to the expenses incurred. Parking ramps represent a significant majority of both operating expenses and revenue.

Figure 25: Parking Enterprise Fund 2023 Operating Revenues and Expenses



Source: City of Rochester, 2024

In addition to operating costs, the PEF pays approximately $1.45 million per year in debt service associated with the construction of Ramp 6; these payments are scheduled to continue through 2040.

Historical Financial Performance of the Parking System

Since 2015, the City's public parking system has generated positive net operating income yearly. When accounting for debt service payments associated with Ramp 6, an annual shortfall only occurred in 2020; the lack of demand caused by the pandemic and operational changes aimed at supporting downtown businesses significantly reduced parking system revenue in 2020 and 2021. **Figure 26** presents the net operating income the public parking system generated after debt service payments each year since 2015.

Figure 26: Annual Net Operating Income after Debt Service, 2015-2023

2015	2016	2017	2018	2019	2020	2021	2022	2023
$3,140,300	$3,294,800	$3,537,000	$2,670,522	$1,413,831	($225,032)	$145,107	$1,453,718	$765,069

Source: City of Rochester, 2024

As shown in **Figure 26**, despite the significant revenue that the parking system generates, the costs associated with operating the system and repaying debt mean that the system generated less than $800,000 in net operating income after debt service in 2023. With significant capital projects expected in the next few years, as well as the ongoing capital repairs and maintenance needs of structured parking facilities, periodic equipment replacement, and other capital needs, it will be necessary for the Department to use a portion of the PEF's cash reserves to help pay some of these costs.

Parking Enterprise Fund Balance and Expected Capital Needs

As of April 2024, the City of Rochester's PEF balance was approximately $17.2 million. However, the City has identified roughly $12.1 million in capital projects that will be necessary over the next six years. With the Department identifying a PEF balance of $8 million as the minimum level that would be considered sufficient, these identified projects have the potential to drop the Fund balance to an undesirable level.

Figure 27 illustrates the capital projects identified by the City for completion in the next six years.

Figure 27: Identified Capital Improvement Projects 2024 - 2030

- 2nd Street Ramp Repairs: **$2.4M** (2024 – 2025)
- Center Street Ramp Repairs: **$4.1M** (2024 – 2025)
- New PARCS equipment: **$1.9M** (2024)
- Ramp aesthetic improvements: **$1.1M** (next four years)
- Other CIP projects: **$2.6M** (next six years)

$12.1M needed for capital improvement projects through 2030.

Source: City of Rochester, Walker Consultants, 2024.

07 Key Takeaways and Strategic Focus Areas

7. Key Takeaways and Strategic Focus Areas

The following section details the key takeaways from the work performed throughout this study. This diagnostic work included system and policy review, data analysis, financial modeling, stakeholder engagement, staff coordination, and peer review. The following needs, issues, and opportunities represent the key takeaways from this project and serve as the basis for Walker's recommendations, which are detailed in Section 7.

Celebrating Recent Successes and Building Upon a Solid Foundation

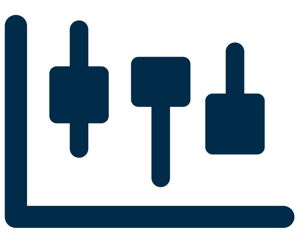
As the Department looks to the future, it is essential to celebrate recent achievements and build upon the most successful parts of the parking system and organization. Notable successes of the parking system and the Transit and Parking Department since the 2020 Rate Study was completed include the following:

- Maintenance of a healthy financial position, including positive net income and overall Fund balance;
- Contracted operating services with a new parking contractor (SP+);
- Improved safety and cleanliness in ramps by obtaining Security Services to monitor ramps overnight;
- Implemented procedures in ramps for maintenance tracking, regular cleaning, facility inspections, low point drain logs, HVAC preventative maintenance, and ADA button testing;
- Increased engagement with City leadership and the downtown business and stakeholder community, which has resulted in:
    - Use of contingency funds to offer 2-hour free parking in ramps during the 2023 holiday shopping season as requested by the local business community,
    - Hiring a security firm to increase security presence in ramps and
- Updated the City's residential permit parking ordinance.

The Department has established a strong foundation of daily operations, safety, maintenance, facility due diligence, customer service, planning, and financial stability that will be the backbone for future success.

Policies, Operations, Management, and System Finances

Stability in the Near-Term but Longer-Term Action Needed: Despite the significant existing PEF balance, the system's capital needs and the ever-increasing cost of operations are expected to strain the PEF's financial position in the future. For this reason, the City must continue monitoring the system's economic performance as it implements the recommended operational enhancements included herein. No monthly lease rate changes are projected in the near term, but minor adjustments to on-street meter rates and off-street ramp transient rates are needed.



Sustainable Plan for All Business Units: The PEF's parking operating expenses have generally increased with growing labor, materials, and supplies costs. Additionally, capital expenses are mounting in the form of necessary repairs on the City's parking ramps. Beyond capital repair expenditures budgeted in the adopted Six-Year Capital Improvements Plan, there are a host of other capital investments into the parking facilities that need to be made that have been deferred in recent years: new parking access revenue control systems equipment, painting, wayfinding, and aesthetic repairs. The PEF requires a clear and sustainable financial and budgetary plan for all business units, including appropriate budgeting for critical structural repairs and non-structural facility enhancements (e.g., painting and signage) that promote customer service and quality. The system must keep a healthy Fund balance and generate substantial revenue to cover annual operating expenses and necessary long-term investments.

Subsidized Parking and Diversity of Revenue Streams: The future revenue picture is uncertain, as the PEF has historically relied heavily on monthly lease parking revenue to bolster the Fund. A primary reason for this is long-standing policies that provide subsidized (free) parking at certain times. Analysis indicates that free one-hour ramp parking, free evenings, and free weekend parking result in nearly 60 percent of transient parkers using the parking ramps without paying, equating to over 300,000 "free exits" annually. This represents a significant amount of foregone revenue.

Other legacy policies, such as discounted parking rates to hotels and weekend and evening parkers, often benefit out-of-town and event visitors. Offering subsidies and discounts limits the Department's ability to generate additional revenue. It forces the PEF to make up revenue from other users, mainly from downtown residents and employees who purchase monthly leases. Feedback from these user groups indicates perceptions that monthly lease rates are too high and not conducive to an attractive downtown working environment.

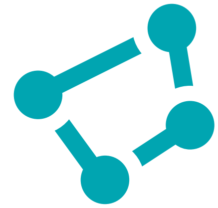
Monthly lease parking revenue depends heavily on commuting demands and the future of downtown as a place to live, work, and play. To continue supporting the PEF without overly burdening monthly parkers, the Department must explore revenue diversification to supplement existing revenue streams.

Recalibrated On-Street and Off-Street Parking Rate Structure: Best practices dictate that parking on-street for a few hours should be more expensive than parking for the same period in an off-street facility. On-street parking is the most convenient, so market economics suggest this asset should be priced at a premium. Establishing such a pricing regime incentivizes those parking for more than a few hours to park in off-street facilities, saving valuable on-street spaces for higher turnover parking needs. The on-street and off-street parking rate structure in Rochester needs to be recalibrated so that it is more expensive to park on-street than in the ramps for a comparable period.

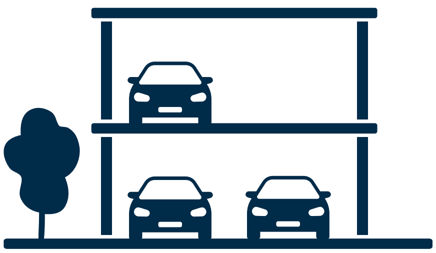
Simplification of On-Street Parking Time Limits: The current on-street time limits and rate bands generate user confusion. Simplifying and consolidating on-street time limits will streamline the City's operations as the enforcement entity and help customers better understand parking options and rules.

Enhanced and Flexible Options for Off-Street Lease Parkers: System review and stakeholder engagement indicate the need for more diversified, customer-friendly, and flexible options for regular and/or monthly lease parkers. This includes providing lease parking options for employees who commute to downtown Rochester regularly but may come during off-hours and/or on certain days due to work demands and in-office/work-from-home schedules. Some of these employees desire lower-cost alternatives to daily or monthly lease parking. Furthermore, parking options that better cater to downtown residents are needed as demand from this user group grows.

Coordinated Management of Curb Space: Current on-street parking and curb space management is spread across different entities within the Transit and Parking Department, the Public Works Department, and the Police Department. This includes on-street parking payment collection, metered parking enforcement, residential permit parking, curb zones, and permitting of curb uses. The Transit and Parking Department would benefit from deliberate coordination of all curb management activities with other city departments in alignment with the direction and strategic vision of the Department. This ensures that the management of on-street parking and curb space is aligned with the direction and priorities of the off-street parking system, and of the city as a whole.

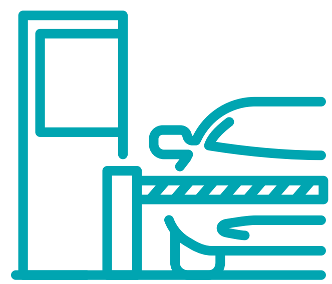


Technology and Infrastructure



Diligent Facility Maintenance: Several major capital repair needs have been identified in the 2nd Street Ramp and the Center Street Ramp, among others. Necessary repairs have been noted, and funds have been allocated in the adopted Six-Year Capital Improvements Plan. However, the current 6-year CIP allocations do not cover all anticipated costs. The Department must continue to conduct regular conditions assessments, budget for ongoing repairs, and execute repairs in the years to come for the continued health of the system's facilities.

Aging Parking Access and Revenue Control Systems (PARCS): Outside of Ramp 6 and the 3rd Street Ramp, the gated parking access and revenue control systems in the City's parking ramps are at or near functional obsolescence. Due to equipment age, updates cannot be made on specific systems. Current equipment causes customer service frustrations, wastes staff time, and limits the ability of the parking operator to employ best management practices. These include generating robust user and system data to inform data-driven management of the ramps and offering specific new parking products to accommodate user demand, including flexible commuter parking options and advanced reservations. Walker recognizes that this process is underway at the time of this writing. PARCS replacement has been budgeted, and funds have been encumbered for upgrades.



Improved Aesthetics and Customer Experience: The City's public parking ramps need investment to improve aesthetics, customer comfort, convenience, and service. This includes investment into painting, lighting, graphics, wayfinding, doors, flooring, and overall aesthetics and customer experience. Such investment enhances the customer experience, positively promotes the parking brand, and helps to generate system revenue. In recent years, these investments have been deferred in favor of capital expenditures for more immediate structural repairs, but they now need to be made a priority, which the Department recognizes.

Asset Light Approach and Extension of LPR Enforcement: Current on-street parking operations include using single-space meters and ParkMobile for payment collection and visual and mobile LPR for enforcement. No immediate changes to the on-street parking system are warranted. However, over time, the Department should evaluate the potential of and consider a transition to a pay-by-plate parking system operated by multi-space pay stations and enforced exclusively with mobile LPR. This "asset light" approach gives the City more "tools in the toolbox," such as enforcing meter feeding/time limit violations more easily and considering the transition to a progressive parking rate structure. Making this transition would enhance the efficiency of staff time spent on payment collection, maintenance, and enforcement and unlock the full capabilities of mobile LPR; the current use of mobile LPR is limited to enforcing residential parking permit areas and employee parking areas.

Stakeholder Engagement, Communications, Marketing, and Wayfinding

The following are essential focus areas for the Department as it modifies current policies and navigates the evolving downtown landscape brought on by changes led by the City of Rochester and Mayo Clinic.

Transparency and Proactive Engagement with Stakeholders: Proactive and transparent engagement and communication with the public and community stakeholders are critical for the Department to move forward. This includes regular communications with the general public, including offering formal platforms for engagement with key community stakeholders (Task Force, Mayo Clinic, Chamber of Commerce, Experience Rochester, Rochester Downtown Alliance, etc.) to help promote operational decisions. This will also provide a structure for the Department to receive community feedback on certain operational decisions and provide an avenue for consistent reporting of PEF activities and metrics. Goals should include being open and transparent with parking customers and the community and engaging with customers to create a shared understanding of the PEF, how it functions, why it exists, and its essential role. Finally, a critical objective is to create transparency about parking rates, system parking revenues and expenses, and how funds flow into and out of the PEF.

Dedicated Communications and Marketing Resources: Clear, proactive, and regular communication is critical to a successful parking operation. This includes communicating system rules and regulations, changes, and successes. The Transit and Parking Department currently leverages communications assistance from other City departments. Still, it would benefit from dedicated resources to develop and execute a communications and marketing strategy for the parking system across all digital and print media, signage, and other outlets, primarily as it works to transform itself over the coming years.

Consistent Deployment of Clear, Recognizable Parking Brand, and Message: Some users report being confused and uncertain about the on-street and off-street parking rules and regulations and where they can park. Some users have indicated that they do not know or recognize which facilities are City of Rochester public parking facilities. Others have suggested that they were unaware of the free parking offered in the City's parking ramps for the first hour or on nights and weekends. Without this information, users fill the gaps with their perceptions and assumptions about the parking system, which are sometimes harmful and frustrating.

ROCHESTER PUBLIC PARKING

ROCHESTER PUBLIC TRANSIT

The Transit and Parking Department and the City of Rochester have a clear brand and strong foundation for communications. However, the parking brand is not consistently deployed throughout all digital and print communications and system signage. The established parking brand should permeate all customer-facing outlets in the coming years. Messaging should emphasize the Department's pursuit of simplifying parking rules and regulations in the name of customer service and compliance. The Rochester public parking brand should generate brand recognition, positive perception, and trust in the public parking system among customers.

Wayfinding and Communications Strategy: This item is closely linked with a clear, recognizable parking brand and message. Lack of information or clarity about where to park, how to pay, and rules and regulations can be a significant barrier to a well-functioning parking system. Rochester has a clear need and opportunity to improve the user experience by improving how information is provided, reimagining wayfinding, disseminating information on rules and regulations, facilitating payment collection, and connecting customers to resources and destinations. A clear, intuitive, consistent brand, communications, and marketing plan are needed across the entire parking system to orient the system with the user in mind.

07 Recommendations and Implementation Action Plan

8. Recommendations and Implementation Action Plan

The following section outlines Walker's recommendations for the Rochester Transit and Parking Department over the next five years based on the system evaluation, peer review, and stakeholder input. Recommendations are intended to serve as the organizational work plan, guiding operations and strategy.

Recommendations are separated into near-term (approximately within the next two years), medium-term (within 3 - 4 years), and long-term (5+ years).

Framing the Recommendations: Parking System Financials

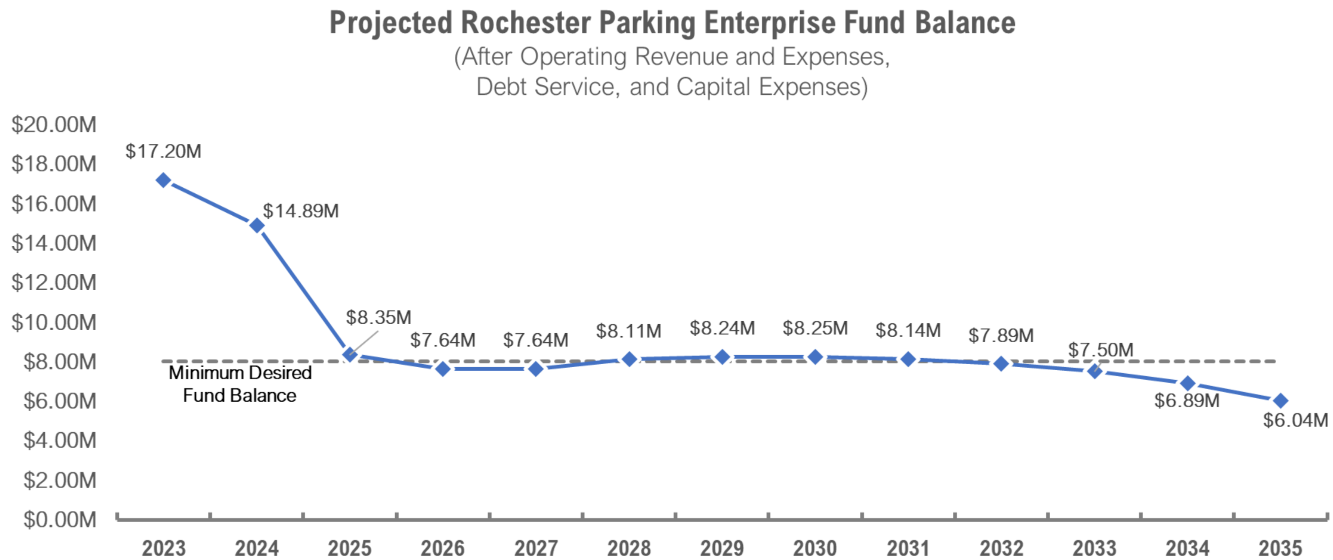
As noted in Section 6, tapping into the current PEF balance ensures necessary capital improvements can be completed without an immediate need to increase the cost of monthly lease parking; increases may be required in the future, but immediate increases do not appear necessary. Based on Walker's assessment of the financial impacts of implementing the near-term recommendations, the parking system's Fund balance is anticipated to remain near or above the City's identified $8 million threshold, **even as the unrestricted Fund balance is tapped to make the necessary capital improvements described in Section 6.** However, Walker's analysis indicates that the City may need to make minor adjustments to on-street meter rates and off-street transient rates by 2027 to maintain the Fund balance above this threshold. Additionally, these rate adjustments are necessary for the City to achieve the identified operational objectives, including simplifying the on-street rate structure and re-calibrating hourly parking rates so that it is more expensive to park on-street in the core of downtown for short-term stays than it is to park in off-street ramps.

Because actual system performance is likely to differ from Walker's estimates, the Department must remain nimble and adjust its plans/rate changes based on actual system performance, unforeseen costs, shifts in demand, and other factors.

Figure 28 depicts the projected unrestricted PEF balance through 2035. Projections assume only the realignment of off-street transient rates and the simplification of the parking meter rate structures recommended in this plan; no changes to monthly lease rates or other rates have been assumed.

While the city, and downtown in particular, are expected to experience significant growth, Rochester intends to leverage public transit and micro-mobility improvements to keep the number of commuters arriving by vehicle relatively flat. For this reason, these projections assume a modest 1 percent annual growth in parking activity in the City's public parking ramps over the next ten years.

Figure 28: Projected Rochester Parking Enterprise Fund Balance



Source: Walker Consultants and City of Rochester, 2024

Near-Term Recommendations (Within the Next 2 Years)

Personnel and Organization

Develop an Enterprise Mission Statement: It is recommended that a mission statement be adopted for the parking division of the Transit and Parking Department. The mission statement should frame goals and objectives and serve as a guidepost for ongoing work. Parking policies, duties, and programs should be consistent with the mission statement, and the mission statement should be supported across all City departments. This mission statement should be central to public relations and communications campaigns for implementing programs and initiatives.

Walker notes that the parking division had two key goals, related tactics, and performance metrics, while it was a division of Public Works. The two goals were to increase the utilization of parking facilities and improve the efficiency and reliability of parking operations. Now that it is independent of the Public Works Department, the parking division should reassess these goals and how they fit within the new organizational mission. The inclusion of objectives like managing parking efficiently to promote customer service, access and quality of life, downtown vibrancy, and economic development is recommended in the mission statement.

Policies, Operations, Management, and System Finances

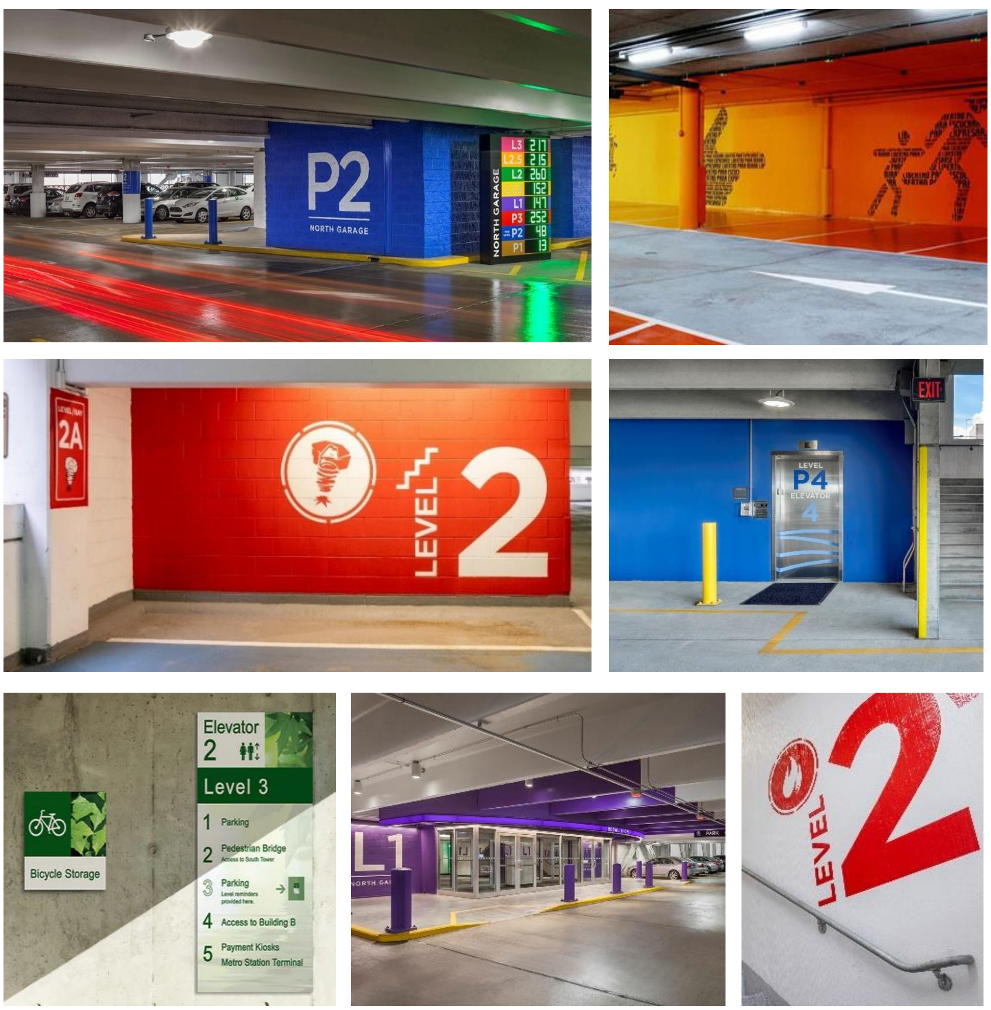
Hold Current Monthly Lease Parking Rates Steady While Making Necessary System Capital Investments: It is recommended that the Department leverage the existing unrestricted PEF balance to make the $12.1 million in stated capital repairs and improvements (described in Section 5) and upgrade current PARCS equipment (funds have already been allocated and approved for PARCS upgrades) in upcoming years.

Section 5 of this report outlines the essential findings and conclusions of Walker's financial analysis completed as part of this system evaluation. Analysis suggests that the current total unrestricted PEF balance of over $17 million means that the parking system can and should hold parking rates at their current levels in the immediate future while beginning the process of making essential capital repairs, equipment upgrades, and wayfinding and customer experience upgrades across public ramps. After assessing the condition and establishing a remedy plan, the Department should complete necessary repairs in the 2nd Street Ramp and Center Street Ramp to extend the useful life of both facilities, as committed in the six-year Capital Improvements Plan adopted in 2023.

The Department should finalize a plan for and pursue enhancements to the parking ramps and lots in the near term. Enhancements include improved lighting, paint, color, graphics, signage, and wayfinding elements that enhance the customer experience and drive system performance. The PEF may be able to offset these expenditures due to expense savings accrued from upgraded technology and other efficiencies and/or due to increased revenues from more deliberate system management.

The images in **Figure 29** depict examples of graphics and wayfinding enhancements that can be made to enhance customer comfort and experience.

Figure 29: Examples of Parking Ramp Aesthetic Improvements



Modify On-Street Metered Parking Time Limits and Rates: The Department should pursue modifying on-street metered parking rates and time limits as recommended herein, including making any necessary ordinance changes. A key objective of charging for parking is to incentivize parking behaviors and discourage long-term parking in desirable areas. Many cities, including Rochester, use meter pricing and posted time limits to prevent undesired long-term parking in desirable on-street areas. However, Rochester's on-street time limits are confusing and shorter than necessary for many parking customers. Rochester can continue to encourage turnover of parking spaces while increasing time limits by relying on pricing mechanisms.

Existing metered parking time limits and rates should be replaced with a 3-hour time limit at $2.00 per hour and a "No Time Limit" area at $0.50 per hour. The "No Time Limit" metered parking area should be refined to ensure alignment with departmental branding and communications. One potential name is "Economy Parking."

These recommendations strive to simplify the system for customers and the Department and SP+ as the operators, better manage short-term parking demand downtown, and re-calibrate the system so that it is more expensive to park in scarce and proximate on-street areas for short-term stays (3 hours or less) than to park in off-street ramps (which is consistent with market economics and best practices).

Figure 30 below depicts the recommended simplified on-street rate schedule and time limits.

Figure 30: Recommended On-Street Metered Parking Rate Schedule and Time Limits

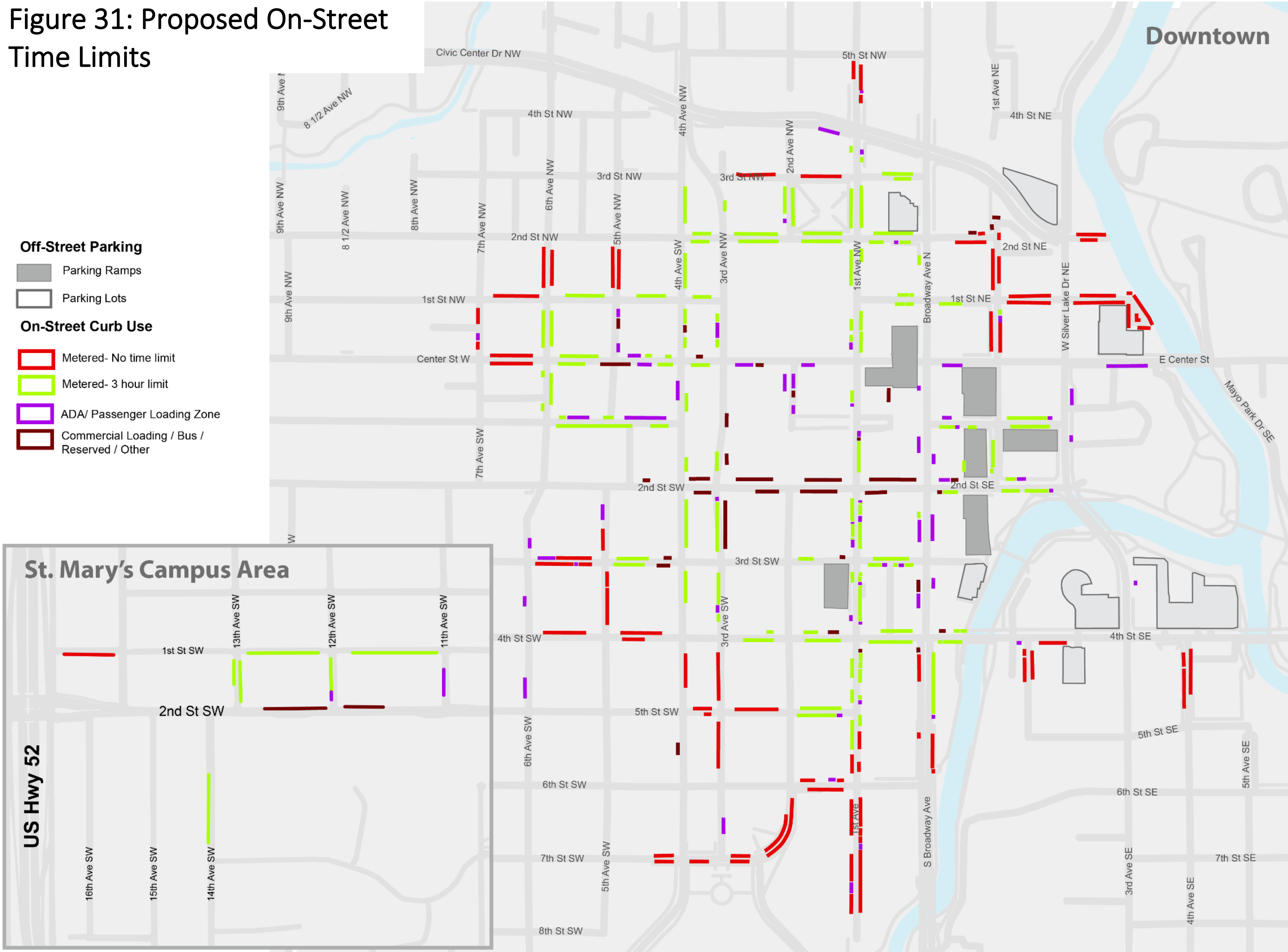
Meter Time Limit	Current	Proposed
30 min	$0.75/half hour	Eliminate
90 min	$2.00/hour	Eliminate
3 hour	$1.50/hour	$2.00/hour
No Time Limit (overnight restrictions still apply; paid parking enforcement is 8 am - 5 pm)	$0.50/hour	$0.50/hour

Source: Walker Consultants, 2024

Implementing this recommendation should involve communicating and engaging with stakeholders, garnering formal City Council approval, drafting and adopting the necessary changes to City ordinances, and planning the logistics of program transition. Logistically, implementing this recommendation will include equipment and signage changes (e.g., single space meters allowing for 10-minute grace periods to be deployed in core areas and deliberately promoted) and staffing, operations, and enforcement changes. Close monitoring, management, and staff training in conjunction with the roll-out of the new policy will be necessary. Consideration should be given to implementing a "soft launch" of enforcement of the new parking program with grace periods, warnings, and frequent and widespread communications.

Figure 31 below indicates the recommended locations for placement of the new metered time limits.

Figure 31: Proposed On-Street Time Limits



Implement New Ramp Daily and Hourly Transient Parking Rate Schedule: The Department should modify daily and hourly transient parking rates as recommended herein, including making any necessary ordinance changes. Implementation should involve communicating and engaging with stakeholders, garnering formal City Council approval, drafting and adopting the required changes to City ordinances, and planning the logistics of program transition, including equipment and signage changes, staffing, and operations. Changes should be made after new PARCS equipment is implemented and is "live." No changes to monthly ramp lease rates are recommended in the near or medium terms.

Figure 32 presents the recommended daily/hourly public parking ramp rate schedule compared to the existing transient rate schedule.

Figure 32: Recommended Parking Ramp Public Daily and Hourly Transient Parking Rate Schedule

Duration	Current Charge	Proposed Charge
> 0 - 0.5 hours	$ -	$ -
> 0.5 - 1.0 hours	$ -	$ -
> 1 - 1.5 hours	$ 3.00	$ 2.00
> 1.5 - 2.0 hours	$ 4.00	$ 3.00
> 2.0 - 2.5 hours	$ 5.00	$ 4.00
> 2.5 - 3.0 hours	$ 6.00	$ 5.00
> 3.0 - 3.5 hours	$ 7.00	$ 6.00
> 3.5 - 4.0 hours	$ 8.00	$ 7.00
> 4.0 - 4.5 hours	$ 9.00	$ 8.00
> 4.5 - 5.0 hours	$ 10.00	$ 10.00
> 5.0 - 5.5 hours	$ 11.00	$ 12.00
> 5.5 - 6.0 hours	$ 12.00	$ 14.00
> 6 hours (Daily Max)	$ 14.00	$ 16.00
12 - 24 Hours	$ 16.00	$ 18.00
After 5 pm/weekends	$ -	$ -

Source: Walker Consultants, 2024

It is important to note that under this rate structure, all parkers get the first hour free, not just those who enter and exit the ramps in under one hour.

Migrate Away from Cash Acceptance in Ramps Except at Select Locations: Consistent with implementing new gated PARCS equipment, remove all cash acceptance in ramps except at select pay-on-foot machines within ramp stairwells and lobbies.

Modify Surface Lot Hourly/Daily Parking Rate Schedule: The Department should adopt a modified daily/hourly rate structure for public surface parking lots as shown in **Figure 33.** The table depicts the existing and recommended surface lot parking rate schedule, which is meant to simplify operations and the customer experience.

Figure 33: Recommended Surface Parking Lot Public Transient Rate Schedule

	Existing		Proposed	
Facility	Time Limit	Rate	Time Limit	Rate
Armory Lot North Half	10 hour	$1.00/hour	10 hour	$1.00/hour
Armory Lot South Half	90 minute	$1.00/hour		
Civic Center North Lot	10 hour	$0.50/hour	10 hour	$0.50/hour
Civic Center South Lot	10 hour	$0.50/hour	10 hour	$0.50/hour
Government Center Lot Part 1	30 minute	$1.50/hour	3 hour	$1.00/hour
Government Center Lot Part 2	90 minute	$2.00/hour		
Government Center South Lot	10 hour	$1.00/hour	10 hour	$0.50/hour
Power Plant Lot	10 hour	$4.00/day (paybox)	10 hour	$0.50/hour
Zumbro Market Lot	2 hour	$2.50/hour	2 hour	$2.50/hour

Source: Walker Consultants, 2024

Modify Approach to Curb Space and Curb Loading Zones:

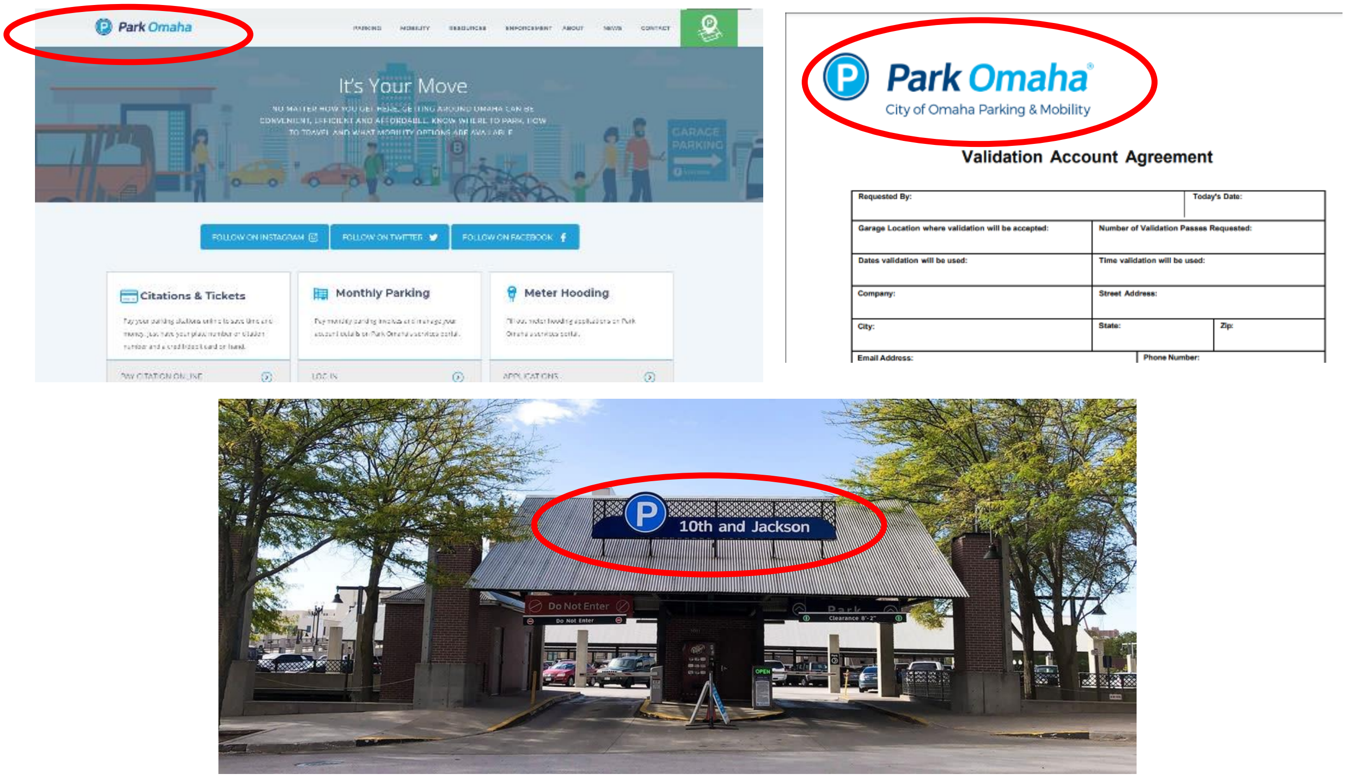
Based on demand and need, seek opportunities to repurpose on-street parking spaces in favor of curbside “parklets,” bicycle parking, street dining, and other uses. These features add richness and vibrancy to urban spaces and should be monetized appropriately to compensate the City for the loss of metered parking revenue.

It is recommended that all existing curb loading zones and categories be consolidated into two categories: “Truck Loading Zones” and “Passenger and Commodity Loading Zones.” No changes are suggested to the current Truck Loading Zones. All existing sub-categories of passenger and commodity loading zones (cab stand, transportation loading zone, truck or passenger loading zone) should be eliminated. All loading zones that are not Truck Loading Zones should be branded “Passenger and Commodity Loading Zones” with appropriate signage that indicates pick-up and drop-off activity only for a maximum stay not to exceed 15 minutes. The same rules should be applied to cabs and other transportation network companies (“TNCs”), where they are not permitted to idle for longer than 15 minutes in Passenger and Commodity Loading Zones or risk being ticketed. The City should begin this process in year 2 with the plan to finish implementation in year 3. Applicable ordinance changes and signage upgrades will be required.

Stakeholder Engagement, Communications, Marketing, and Wayfinding

Consistently Apply Current Parking Brand: Walker recommends leveraging and propagating the existing City and Department parking brand across the entire system, applying it consistently across all signage and digital and print communications materials. Consistently applying the parking brand and messaging will create customer awareness, recognition, and trust.

Figure 34: Example of Consistent Branding Across Entire Parking System (ParkOmaha)



Source: ParkOmaha, 2023

Evaluate and Deploy Communications and Marketing Resources: Walker recommends that the Department leverage existing City financial and staff resources (securing new resources where necessary) for ongoing departmental communications and marketing. Transparency, brand recognition, and a clear message are critical components of successful municipal parking systems, especially ones that are changing. **The goal of this effort should be to communicate parking options for downtown visitors, businesses, residents, and employees and create transparency into how the Rochester PEF works and what the Department provides for the city and downtown visitors.**

The Department should finalize ongoing stakeholder engagement, communications, and marketing plans to achieve desired outcomes over the next five years. This includes upgrading and refreshing the existing parking system website to include parking and transit information so individuals can review and compare their transportation and parking options. EV charging information in city parking facilities should also be added to the website.

The Department should consider outsourcing certain communications and marketing activities to supplement the work of City staff as necessary. In addition to bolstering the website, the Department should develop updated maps, marketing, and informational videos and leverage digital and print media marketing, ensuring brand identity and recognition permeate all physical and digital assets. The deployment of communications should be timed with PARCS upgrades, cosmetic upgrades to the ramps, and implementation of other system changes.

The Department should leverage the parking operator and third-party vendors (aided by new integrations offered by the new PARCS) to market and advertise amenities and services like pre-paid/advanced parking reservations and EV charging.

Develop Sign Inventory and Pursue a Plan for Upgrades: The Department should conduct an inventory of existing signs and develop a plan for upgrades consistent with broader City of Rochester signage and wayfinding. Focus should be placed on simplification and enhancing customer understanding and wayfinding. The parking brand and wayfinding should be integrated with the broader downtown wayfinding program. Signage and wayfinding upgrades must be coordinated with other City departments and will likely extend beyond the first two years.

Develop a Template for Ongoing Annual Reporting and Publish the First Annual Parking Enterprise Report: The report should cover news and updates, capital projects, customer and community impact, performance metrics that can be compared year-over-year, operations, parking system utilization, and overall financials (e.g., Fund balance). It should emphasize transparency, customer service, customer options, and a goal of customer compliance with parking rules and regulations over punitive enforcement measures.

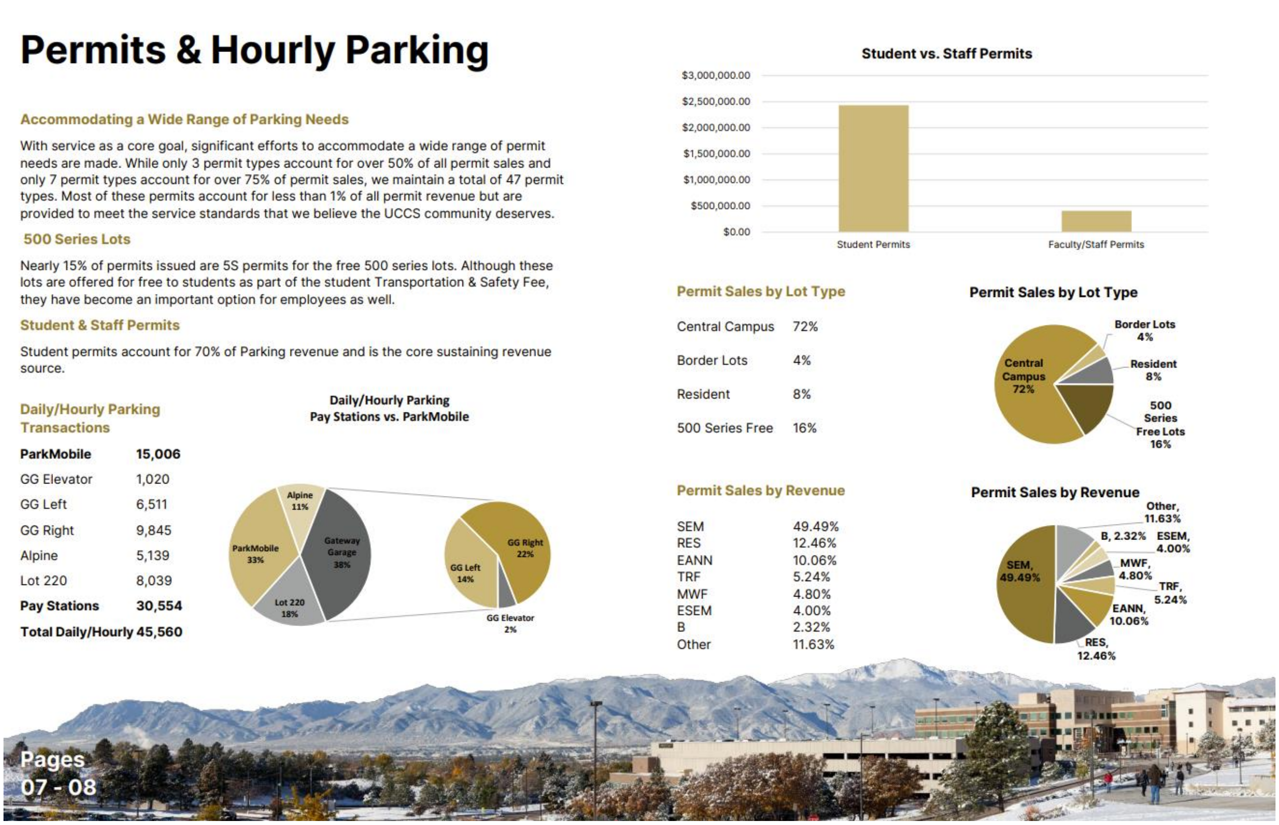
Key performance metrics for inclusion in the annual report may include the following:

- On-Street Parking
    - Revenue: daily, monthly, annually
    - Revenue per space
    - Revenue per transaction
    - Parking sessions: overall, by meter, by app vs. coin vs. credit card
    - Parked hours: overall, by meter, by app vs. coin vs. credit card
    - Parked hours per space
    - Payment compliance
    - Parking occupancy – average, time of day, day of week, zone
    - Parking length-of-stay/turnover
    - Total expenses
    - Expenses per space
    - Expenses by type: hardware, software, enforcement
    - Citations issued by type
    - Citations collected overall, by route, by space/area
    - Trends year-over-year
- Off-Street Parking
    - Occupancy and occupancy by user type
    - Revenue: daily, monthly, annually, by facility, by monthly lease type
    - Revenue per space
    - Leases sold
    - Monthly lease parker behavior
    - Tickets by rate band
    - Revenue by rate band
    - Cars parked

- Expenses by facility, space, and overall
- Expenses by type: personnel, repair & maintenance, utilities, supplies, cleaning
- Revenue growth vs. expense growth
- Trends year-over-year

Figure 35 exemplifies a brief annual parking report that stakeholders can use for public communication and planning. The entire University of Colorado—Colorado Springs report is available here.

Figure 35: Example of an Annual Parking Report (University of Colorado- Colorado Springs)



Source: University of Colorado- Colorado Springs, 2022

Medium-Term Recommendations (3 – 4 Years)

Policies, Operations, Management, and System Finances

Evaluate Residential Parking Permit Program Administration Expenses: The residential parking permit program was recently overhauled for efficiency and simplification. This plan recommends evaluating the costs to administer the current program, including enforcement costs. As warranted, initiate a process to modify permit fees to better align with expenses so the system pays for itself. Consider a graduated fee structure for every permitted vehicle after the first two (2) vehicles for each household.

Consider Flex Parking Options: After the new gated PARCS is operational, work with the parking operator, the Parking Task Force, and applicable stakeholders to evaluate for implementation one or more parking products that cater to commuters (and those seeking less expensive, more flexible parking options) and offer flexibility in using and paying for monthly parking leases. It is recommended that the Department consider a reloadable debit-style parking card that users can load with funds that the PARCS debits with each use. The City of Minneapolis has such a program integrated with its SKIDATA PARCS. This option should offer a price point with a daily average rate less than the daily rate paid by transient parkers but more than the daily average of those with a monthly lease. This option could benefit those who park downtown sporadically and seek less expensive options than a full monthly lease. Options should be evaluated in year 2, with potential implementation in year 3.

Pursue Validation Program Reform: As existing contracts expire and are renegotiated, evaluate all existing validation accounts and agreements in collaboration with the parking operator. Work to renegotiate existing agreements with entities where possible. Strive for current market rates on all validations. Additionally, work to establish formal validation agreements with entities that do not currently have formal contracts. Leverage new PARCS equipment to streamline validation processes for the operator, Transit and Parking Department staff, and validation customers, moving users to digital validation tools.

Emphasize Data-Driven Management: In year 2, work with the parking operator to develop a plan for how data will be extracted from the new PARCS and leveraged to achieve long-term goals of efficiency, customer service, and financial performance. Begin implementing this plan once the new PARCS equipment is installed and operational. Data points should be integrated into the system's key performance indicators, the system's annual report, and financial reporting.

Encourage More Online Payment of Parking Tickets: Parkers receiving a citation in Rochester can pay their fine online or in person. It is recommended that an additional fee be assessed to violators who pay their citations in person. Adding a fee for in-person citation payment will inspire more people to pay online, positively impacting the Fund and reducing the dangers associated with people showing up in person to pay their citations. If a $3 fee is added for in-person payment, it will likely result in a more significant shift to online payment.

Right-Size Surface Parking Lot Inventory: Currently, the City's paid surface parking lots earn, on average, $450/space/year. The Power Plant Lot and Civic Center South generate the least revenue per space (approximately $170/space/year), while the Zumbro Lot generates the highest revenue per space at $1,200/space/year. Civic Center North Lot produces $1.62/per square foot/ year, and Civic Center South Lot produces $0.53/per square foot per year, much less than rents produced by any other land use type. For this reason, the City should seek opportunities to sell existing surface parking lots, especially the Civic Center North and South Lots (contemplated for development as part of the Riverfront Small Area Plan).

Increase Hotel Parking Rates to Match Regular Ramp Transient Rates: The Department should continue to engage stakeholders to evaluate policies and programs related to hotel parking and potential modifications and improvements that could be made. Currently, hotels in downtown Rochester receive a discounted rate of $11 per vehicle for guest parking in the City's ramps, well below the $16 per 24 hours paid by regular transient parkers. Also, the hotels charge their guests more than the 24-hour rate charged to a transient parker. Finally, the last increase to the rate paid by hotels was in 2013-2014, when the rate increased from $10 to the current $11.

For the above reasons, it is recommended that the Department increase the rate paid by downtown hotels for overnight guest parking to match the all-day parking rate paid by regular transient customers. The increased rates could be phased over three years to allow the hotels time to adjust. Additionally, as transient parking rates rise in the future, the rate hotels pay for overnight guest parkers should be increased to match.

Stakeholder Engagement, Communications, Marketing, and Wayfinding

Coordinate and Engage with Mayo Clinic: The City should seek ongoing collaboration with Mayo Clinic to ensure that the entities are aligned in the provision and management of parking and that neither entity overbuilds parking or charges rates that dilute the market. Monthly meetings should be held to coordinate operational needs and potentially facilitate interim parking for Mayo employees as Mayo ramps go offline. Additionally, quarterly meetings should be held to coordinate strategic planning between Mayo and City parking systems, especially during the earlier phases of the ***Unbound*** implementation.

Re-Establish Parking Task Force: Re-establish a Parking Task Force that meets at least twice yearly with City parking staff. The task force should include key downtown stakeholders, including the Mayo Clinic, business and community leaders, Experience Rochester, and the University of Minnesota Rochester. The purpose of the Task Force will be to learn about and provide feedback on new initiatives and help identify opportunities and partnerships advantageous to downtown business, economic development, and parking interests.

Collaborate with Rochester Police Department to Align Strategic Enforcement Direction: Enforcement officers are often the only direct personal contact that the public has with the on-street parking system. Parking Division staff should deliberately engage with Rochester Police Department leadership overseeing parking enforcement to ensure alignment with the goals and strategic vision of the downtown Rochester parking system, including promoting turnover, compliance, and customer service. This is particularly important during periods when changes are made to the system.

Emphasize Ongoing Communications and Marketing: Communicate program details and host community meetings to communicate changes, reasons for changes, and options. Place deliberate ongoing focus on communications, marketing, and customer service, including securing ongoing commitment to communications and marketing resources for the Department.

Overhaul Surface Parking Lot Operations: Transition all off-street parking lots not slated for development to a pay-by-plate system involving customer payment via multi-space pay stations. Multi-space pay stations can be integrated with existing mobile LPR, a virtual permit management system, and the citation management system software. All existing single-space meters and pay boxes should be removed from these facilities during this transition. Transient and monthly lease parkers should be blended with no assigned or numbered spaces in these facilities. All payments would be made via the mobile app or the multi-space meters, with the customer's license plate used as the credential.

This system can be used as a "pilot" to evaluate the potential of a full roll-out of a pay-by-plate system across the entire on-street parking system.

Long-Term Considerations (5+ Years)

Monitor and Adjust Off-Street Ramp Lease Rates: Evaluate increases to parking ramp monthly lease rates based on forecasts of annual net operating income and anticipated capital repair and maintenance needs of the system, considering the need to maintain a desired minimum Fund balance. The Department should conduct internal evaluations regularly, and an external review should be performed as part of an updated parking rate study in the next 3 – 5 years. Lease rate changes (and any rate changes) should only be made as necessary to maintain the desired minimum Fund balance while fully funding the operation's needs. Changes to monthly lease rates should be examined in conjunction with their relationship to transient and on-street meter rates.

Explore Other Untapped and Underutilized Revenue Streams: In addition to the validation and hotel parking reforms recommended for the medium-term, it is recommended that the Department evaluate, at the time of the following rate study, the needs, merits, community readiness, and feasibility of implementing one or more of the following revenue streams which are currently unrealized:

- Demand-based transient parking rates in the public ramps so that the most popular ramps are priced higher than the less-utilized facilities.
- Event parking opportunities, including charging flat event rates for all transient parkers during select hours on designated event days, even if these fall during the evenings and weekends.
- Eliminating free parking in the ramps after 5:00 p.m. and on weekends; reduced or flat rates could be charged during these periods.

Evaluate and Consider Migration to Pay-By-Plate On-Street Parking Enforced with Mobile LPR: Explore the merits and user readiness of transitioning to an on-street parking system using multi-space meters, pay-by-plate parking, and LPR enforcement (mobile LPR enforcement could integrate with the City's current residential permit parking permitting and enforcement practices). Analysis should include a total cost/benefit evaluation for staff time, equipment replacement costs, etc. Among other benefits, this would simplify enforcement procedures and better calibrate on-street rates, policies, and parking behaviors. Such a pay-by-plate system would allow the City to consider moving to a progressively priced rate structure for on-street metered parking, where hourly metered parking rates can escalate at set intervals beyond posted time limits. Progressively priced on-street parking programs require customers to enter vehicle license plates during initiated parking sessions to understand parking duration.

Monitor Parking Needs and Prioritize Efficient Management and Operations: With proper technology, calibrated policy, and appropriate operations, off-street lots and ramps can comfortably operate at utilization levels approaching 90 percent; on-street parking can operate efficiently at 85 percent utilization. Efficient policies, best practice operations, and modern technology are recommended as the priorities for implementation before any new parking supply is contemplated.

To assess parking supply needs, metrics should be tracked and communicated over time as conditions change and further development occurs. Based on the data collected, the Department should seek opportunities to right-size the on-street and off-street parking system (i.e., shrinking and expanding paid/managed parking footprint where appropriate) to achieve desired revenue, utilization, land use/urban form, and customer service goals and metrics.

Explore Downtown Parking Ambassador Program: Technical challenges aside, many issues with parking equipment and technology stem from the public's lack of comfort or familiarity with parking systems, particularly during peak times, with parking in ramps, and with using payment systems. Surmounting this challenge is two-fold. The first is providing communication and information resources. The second is an in-person presence to serve as an "ambassador" to the community and provide guidance and information about parking and other attractions and activities.

An ambassador approach to parking management and enforcement can help promote a safe, progressive, customer-focused, and dynamic downtown experience. Ambassadors can also serve parking enforcement purposes. Typical responsibilities of ambassadors include:

- Greet visitors and offer customer service;
- Help direct or walk people back to their parked vehicles.
- Be a friendly face in response to many people's initial interaction with the city;
- Give accurate directions to visitors and direct visitors to destinations;
- Provide information and explain local traffic and parking regulations to seek voluntary compliance;
- Distribute city brochures and maps related to parking;
- Identify and relay pertinent information on public area conditions needing action; and
- Provide a presence to deter criminal or other inappropriate activity.

The Department should consider a parking ambassador program and place on-site staff at surface lots, in the ramps, and near the on-street kiosks during peak periods and events. The goal is to speed up the parking payment process and create a safe and positive customer parking and visiting experience.

Recommendation Summary

The above-identified strategies strive to improve customer service, efficiency, and access in downtown Rochester while contributing to downtown economic development and promoting the PEF's ongoing operation as a self-sustaining entity.

Figure 36 includes all recommendations summarized in an Implementation Action Plan.

Figure 36
City of Rochester Parking Evaluation and Rate Study
Implementation Action Plan
2024

	Recommendation	Near-Tem Recommendations (Within the Next 2 Years)	Medium-Tem Recommendations (3 - 4 Years)	Long-Term Considerations (5+ Years)
Personnel and Organization				
1	Develop an Enterprise Mission Statement	■		
Policies, Operations, Management, and System Finances				
2	Hold Current Monthly Lease Parking Rates Steady While Making Necessary System Capital Investments	■		
3	Modify On-Street Metered Parking Time Limits and Rates	■		
4	Implement New Ramp Daily and Hourly Transient Parking Rate Schedule	■		
5	Migrate Away from Cash Acceptance in Ramps Except at Select Locations	■		
6	Modify Surface Lot Hourly/Daily Parking Rate Schedule	■		
7	Modify Approach to Curb Space and Curb Loading Zones	■		
8	Evaluate Residential Parking Permit Program Administration Expenses		■	
9	Consider Flex Parking Options		■	
10	Pursue Validation Program Reform		■	
11	Emphasize Data-Driven Management		■	
12	Encourage More Online Payment of Parking Tickets:		■	
13	Right-Size Surface Parking Lot Inventory		■	
14	Increase Hotel Parking Rates to Match Regular Ramp Transient Rates		■	
15	Monitor and Adjust Off-Street Ramp Lease Rates			■
16	Explore Other Untapped and Underutilized Revenue Streams			■
17	Evaluate and Consider Migration to Pay-By-Plate On-Street Parking Enforced with Mobile LPR			■
18	Monitor Parking Needs and Prioritize Efficient Management and Operations			■
19	Explore Downtown Parking Ambassador Program			■
Stakeholder Engagement, Communications, Marketing, and Wayfinding				
20	Consistently Apply Current Parking Brand	■		
21	Evaluate and Deploy Communications and Marketing Resources	■		
22	Develop Sign Inventory and Pursue a Plan for Upgrades	■		
23	Develop a Template for Ongoing Annual Reporting and Publish the First Annual Parking Enterprise Report	■		
24	Coordinate and Engage with Key Stakeholders		■	
25	Re-Establish Parking Task Force		■	
26	Collaborate with Rochester Police Department to Align Strategic Enforcement Direction		■	
27	Emphasize Ongoing Communications and Marketing		■	
28	Overhaul Surface Parking Lot Operations		■	

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