

# Text Comparison

## Documents Compared

HPA I.pdf

HPA II.pdf

## Summary

36 word(s) added

156 word(s) deleted

1862 word(s) matched

9 block(s) matched

To see where the changes are, scroll down.

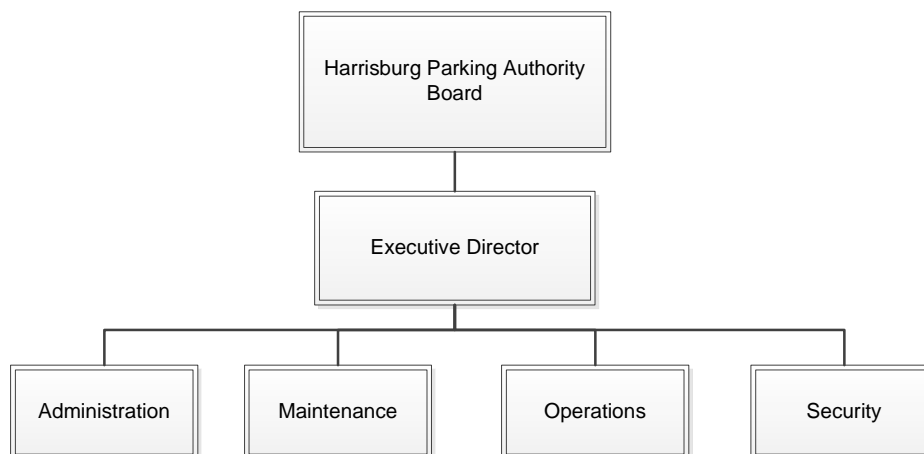
# Harrisburg Parking Authority

## Overview

HPA was incorporated in 1972 under the Pennsylvania Parking Authority Law of 1947. HPA is an agency and instrument of the City of Harrisburg that owns and operates parking facilities under agreement with the City. For financial purposes, it functions as an enterprise fund. The five-member HPA Board is appointed by the Mayor for five-year terms. The Mayor may also remove board members at will.

HPA operates 8,337 parking spaces in ~~nine~~ public parking garages and four surface lots (including City Island parking). HPA also maintains and collects revenue from over 1,200 parking meters in the City's on-street hourly parking meter system. The parking garages operated by HPA allow for both hourly and monthly parking. The HPA Board sets the parking rates in the garages and surface lots; the City Council sets the rates for the on-street parking meters.

The organizational structure of the HPA is depicted below.



The HPA Board appoints an Executive Director who manages the day-to-day operations of the HPA and has hiring authority for all 74 full- and part-time HPA employees. Staffing has risen from 59 full- and part-time employees in 2006 to the current level. The increases are due primarily to increases in Maintenance and Operations staff hired with the addition of the River Street and Front Street garages and bringing the Security function in-house. The HPA consists of four units: Administration, Maintenance, Operations and Security. Administration includes the financial functions, all HPA management and administrative support for the Executive Director. The Maintenance unit is responsible for the garages, lots and meters. The Operations unit includes all cashier functions at the garages. Security provides non-sworn guards and customer service representatives throughout the parking system.

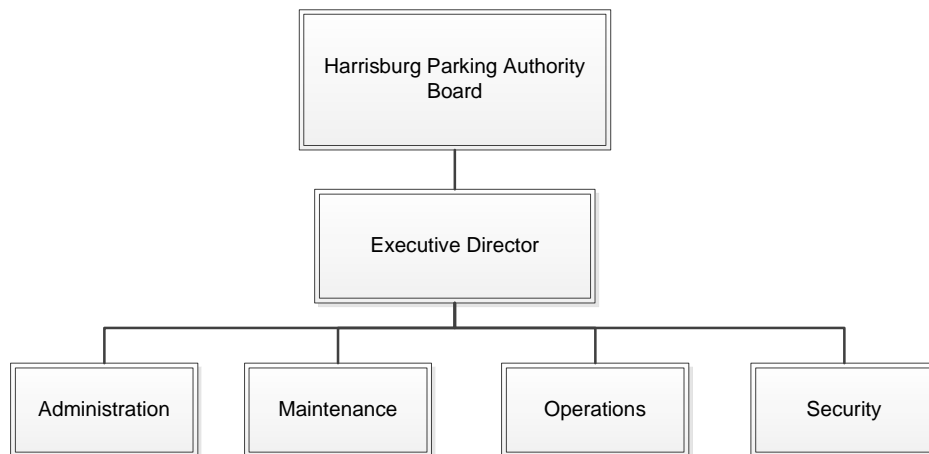
# Harrisburg Parking Authority

## Overview

HPA was incorporated in 1972 under the Pennsylvania Parking Authority Law of 1947. HPA is an agency and instrument of the City of Harrisburg that owns and operates parking facilities under agreement with the City. For financial purposes, it functions as an enterprise fund. The five-member HPA Board is appointed by the Mayor for five-year terms. The Mayor may also remove board members at will.

HPA operates 8,337 parking spaces in ten public parking garages and four surface lots (including City Island parking). HPA also maintains and collects revenue from over 1,200 parking meters in the City's on-street hourly parking meter system. The parking garages operated by HPA allow for both hourly and monthly parking. The HPA Board sets the parking rates in the garages and surface lots; the City Council sets the rates for the on-street parking meters.

The organizational structure of the HPA is depicted below.



The HPA Board appoints an Executive Director who manages the day-to-day operations of the HPA and has hiring authority for all 74 full- and part-time HPA employees. Staffing has risen from 59 full- and part-time employees in 2006 to the current level. The increases are due primarily to increases in Maintenance and Operations staff hired with the addition of the River Street and Front Street garages and bringing the Security function in-house. The HPA consists of four units: Administration, Maintenance, Operations and Security. Administration includes the financial functions, all HPA management and administrative support for the Executive Director. The Maintenance unit is responsible for the garages, lots and meters. The Operations unit includes all cashier functions at the garages. Security provides non-sworn guards and customer service representatives throughout the parking system.

## Other Resources

The HPA owns the garages at all its facilities. It also owns the land underneath its garages and lots with the exception of three garages (Walnut, Chestnut and Fifth Street garages and City Island facilities) which are owned by the City of Harrisburg. It collects fees at the rates listed in the table below.

### 2011 HPA Fee Structure

	Garages	City Island	Parking Meters	Lots
2 hours or less	\$ 5	N/A	N/A	N/A
3 hours or less	\$ 7	N/A	N/A	N/A
4 hours or less	\$ 8	N/A	N/A	N/A
5 hours or less	\$ 9	N/A	N/A	N/A
5 to 11 hours	\$16	N/A	N/A	N/A
11 to 24 hours	\$20	N/A	N/A	N/A
Monthly Non-Reserved	\$145	\$ 75	N/A	\$ 95
Monthly Reserved	\$190	N/A	N/A	N/A
All-Day Parking	N/A	\$ 5	N/A	N/A
Hourly Rate	N/A	N/A	\$1.00 - \$1.50	N/A

## Finances

Net operating revenue was budgeted at \$13,820,855 for 2010 and at \$14,504,336 for 2011. A breakdown of the 2011 budgeted revenue is included in the table below.

### 2011 Budgeted Parking Revenues

Category	Revenue
Monthly parking	\$8,771,292
Turnover parking	\$3,126,917
State	\$1,346,815
Meter revenues	\$1,190,000
Office rental	\$69,312
<b>Gross revenues</b>	<b>\$16,599,644</b>
Parking Tax receipts	(\$2,095,308)
<b>Net Operating Revenue</b>	<b>\$14,504,336</b>

Since 1985, the City has imposed for nonresidential parking lots (a) a tax of 15% on the consideration paid by patrons collected by the lot operators plus (b) an annual license fee of \$1 per space for lots on operators with more than 40 spaces. The parking gross receipts tax is paid directly to the City each year which then distributes a portion to the Coordinated Parking Fund as required by the Cooperation Agreement between the City, HPA and other entities. The operation of the Coordinated Parking Fund provides for necessary debt payments, fees and a transfer to the City that

## Other Resources

The HPA owns the garages at all its facilities. It also owns the land underneath its garages and lots with the exception of three garages (Walnut, Chestnut and Fifth Street garages and City Island facilities) which are owned by the City of Harrisburg. It collects fees at the rates listed in the table below.

### 2011 HPA Fee Structure

	Garages	City Island	Parking Meters	Lots
2 hours or less	\$ 5	N/A	N/A	N/A
3 hours or less	\$ 7	N/A	N/A	N/A
4 hours or less	\$ 8	N/A	N/A	N/A
5 hours or less	\$ 9	N/A	N/A	N/A
5 to 11 hours	\$16	N/A	N/A	N/A
11 to 24 hours	\$20	N/A	N/A	N/A
Monthly Non-Reserved	\$145	\$ 75	N/A	\$ 95
Monthly Reserved	\$190	N/A	N/A	N/A
All-Day Parking	N/A	\$ 5	N/A	N/A
Hourly Rate	N/A	N/A	\$1.00 - \$1.50	N/A

## Finances

Net operating revenue was budgeted at \$13,820,855 for 2010 and at \$14,504,336 for 2011. A breakdown of the 2011 budgeted revenue is included in the table below.

### 2011 Budgeted Parking Revenues

Category	Revenue
Monthly parking	\$8,771,292
Turnover parking	\$3,126,917
State	\$1,346,815
Meter revenues	\$1,190,000
Office rental	\$69,312
<b>Gross revenues</b>	<b>\$16,599,644</b>
Parking Tax receipts	(\$2,095,308)
<b>Net Operating Revenue</b>	<b>\$14,504,336</b>

Since 1985, the City has imposed for nonresidential parking lots (a) a tax of 15% on the consideration paid by patrons collected by the lot operators plus (b) an annual license fee of \$1 per space for lots on operators with more than 40 spaces. The parking gross receipts tax is paid directly to the City each year which then distributes a portion to the Coordinated Parking Fund as required by the Cooperation Agreement between the City, HPA and other entities. The operation of the Coordinated Parking Fund provides for necessary debt payments, fees and a transfer to the City that

represents parking tax revenues and a portion of the excess of the HPA's net revenue. These amounts vary from year to year based on usage of the garages, lots and meters. The 2011 HPA budget includes a Coordinated Parking Fund total transfer of \$3,573,711 to the City. In addition to the Coordinated Parking Fund transfer, the City has budgeted for 2011 current parking gross receipts portion at \$887,000 and the current license fee is budgeted at \$12,900 for a total of \$899,900. As the table below shows, the actual amounts rose from 2006 through 2008, but the actual amount paid to the City has been decreasing since 2009.

### Coordinated Parking Fund Transfers to the City of Harrisburg

Category	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	% Growth
Harrisburg Parking Authority Coordinated Parking Fund	\$3,524,893	\$4,005,000	\$4,750,000	\$4,050,000	\$2,664,000	(24.4%)

HPA's capital items are subsidized by a replacement reserve fund which was implemented to provide capital reserves for major restoration and/or repair projects in the garages, lots and for meter replacements. Specific set aside amounts have been established for meters and each garage. Since 1990, the fund also provides payments of debt service.

Although there is no long term capital plan published by the HPA, major repairs and maintenance needs are evaluated each year based on an annual report conducted by Wilbur Smith Associates. The report includes a complete inspection of all structures. The reported 2011 major maintenance and repair needs total \$1,309,500 and include improvements to each garage. The largest items are: \$250,000 for the renovation and upgrading of elevators in the 7<sup>th</sup> Street garage; \$100,000 for a cooling tower work; \$75,000 for replacement of roof and air conditioners at the Walnut Street garage; and \$285,000 in structural repairs at the Chestnut Street garage.

The HPA maintains a repair reserve fund; the 2010 funds available in that account were \$1,926,323 according to HPA reports. The repair reserve account balances vary from year to year, but the available funds have fallen by 37.3% over the review period. Debt service has increased by 26.2% since 2006, from \$6.8 million to \$8.6 million in 2010. For the period 2007 through 2010, HPA revenues increased by 22.2% while expenses rose 40.6% over the same period. Net revenues fell by 12.0% as a result. The Coordinated Parking Fund (CPF) contribution from all sources rose slightly during the 2007 – 2010 review period; expenses to the CPF were down by 5.3% for the period. The CPF provides the transfer funds from the HPA to the City; those transfer amounts fell by 24.4% during the review period, from \$4.0 million in 2007 to \$2.66 million in 2010.

Historical expenditures of the HPA are detailed in the tables below.

represents parking tax revenues and a portion of the excess of the HPA's net revenue. These amounts vary from year to year based on usage of the garages, lots and meters. The 2011 HPA budget includes a Coordinated Parking Fund total transfer of \$3,573,711 to the City. In addition to the Coordinated Parking Fund transfer, the City has budgeted for 2011 current parking gross receipts portion at \$887,000 and the current license fee is budgeted at \$12,900 for a total of \$899,900. As the table below shows, the actual amounts rose from 2006 through 2008, but the actual amount paid to the City has been decreasing since 2009.

### Coordinated Parking Fund Transfers to the City of Harrisburg

Category	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	% Growth
Harrisburg Parking Authority Coordinated Parking Fund	\$3,524,893	\$4,005,000	\$4,750,000	\$4,050,000	\$2,664,000	(24.4%)

HPA's capital items are subsidized by a replacement reserve fund which was implemented to provide capital reserves for major restoration and/or repair projects in the garages, lots and for meter replacements. Specific set aside amounts have been established for meters and each garage. Since 1990, the fund also provides payments of debt service.

Although there is no long term capital plan published by the HPA, major repairs and maintenance needs are evaluated each year based on an annual report conducted by Wilbur Smith Associates. The report includes a complete inspection of all structures. The reported 2011 major maintenance and repair needs total \$1,309,500 and include improvements to each garage. The largest items are: \$250,000 for the renovation and upgrading of elevators in the 7<sup>th</sup> Street garage; \$100,000 for a cooling tower work; \$75,000 for replacement of roof and air conditioners at the Walnut Street garage; and \$285,000 in structural repairs at the Chestnut Street garage.

The HPA maintains a repair reserve fund; the 2010 funds available in that account were \$1,926,323 according to HPA reports. The repair reserve account balances vary from year to year, but the available funds have fallen by 37.3% over the review period. Debt service has increased by 26.2% since 2006, from \$6.8 million to \$8.6 million in 2010. For the period 2007 through 2010, HPA revenues increased by 22.2% while expenses rose 40.6% over the same period. Net revenues fell by 12.0% as a result. The Coordinated Parking Fund (CPF) contribution from all sources rose slightly during the 2007 – 2010 review period; expenses to the CPF were down by 5.3% for the period. The CPF provides the transfer funds from the HPA to the City; those transfer amounts fell by 24.4% during the review period, from \$4.0 million in 2007 to \$2.66 million in 2010.

Historical expenditures of the HPA are detailed in the tables below.



## Harrisburg Parking Authority - Historical Expenditures

Category	2007 Actual	2008 Actual	2009 Actual	2010 Actual	% Growth
Total Revenues	\$11,801,485	\$14,687,855	\$14,892,019	\$14,416,591	22.2%
Total Expenses	\$7,659,274	\$9,896,494	\$10,142,511	\$10,770,844	40.6%
Surplus/(Deficit)	\$4,142,211	\$4,791,361	\$4,749,508	\$3,645,747	(12.0%)
<b>Coordinated Parking Fund (CPF)</b>					
Total Contributions	\$6,491,739	\$8,247,536	\$7,204,163	\$6,560,721	1.1%
Total Expenses	\$6,662,925	\$7,787,257	\$7,347,458	\$6,308,406	(5.3%)
Surplus/(Deficit)	(\$171,186)	\$460,279	(\$143,295)	\$252,314	247.4%

## Harrisburg Parking Authority - Debt Service Expenditures

Category	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	% Growth
Debt Service Interest and Principal Paid	\$6,832,670	\$7,757,099	\$7,204,912	\$7,887,259	\$8,625,784	26.2%
Repair Reserve Account	\$0	\$3,074,506	\$2,416,485	\$2,284,776	\$1,926,323	(37.3%)

## Assessment

During the review period, HPA revenues peaked in 2008 and have dropped off during the recent recession. Parking is subject to the elasticity of demand as unemployment has risen and incomes have dropped. HPA has worked to keep its operating expenses down although authorized staffing levels have risen. Debt service payments and other maintenance must continue to be paid regardless of the revenue shortfall.

As noted above, HPA contracts for an annual report and evaluation conducted by Wilbur Smith Associates. The purpose of this work is to: advise and recommend maintenance, repair and operation of the system for the upcoming fiscal year; evaluate maintenance of capital items; advise HPA of the capital investments needed for the next fiscal year; and recommend any rate adjustments. Rates for garages and lots have generally increased every two to three years, with the latest rate adjustments occurring in 2011. The HPA Board has the authority to increase rates for all of the parking garages and lots, including City Island. The City Council has the authority to increase the rate of the parking tax and fees, rates, hours of operation and fines for parking meters.

~~HPA has provided the City with two proposals for raising revenues through parking meter fees. The first proposal~~ increases the on-street parking meter rates in all areas by \$1/hour. In the downtown central business district and the area surrounding the Capitol, that amount is recommend to be increased from \$1.50/hour to \$2.50/hour. At all other meters, this increase would raise rates from \$1/hour to \$2/hour. The City Council has been presented this ordinance (Bill 32 of 2010) but has not acted on it. It is currently in the Budget and Finance Committee for review.

## Harrisburg Parking Authority - Historical Expenditures

Category	2007 Actual	2008 Actual	2009 Actual	2010 Actual	% Growth
Total Revenues	\$11,801,485	\$14,687,855	\$14,892,019	\$14,416,591	22.2%
Total Expenses	\$7,659,274	\$9,896,494	\$10,142,511	\$10,770,844	40.6%
Surplus/(Deficit)	\$4,142,211	\$4,791,361	\$4,749,508	\$3,645,747	(12.0%)
<b>Coordinated Parking Fund (CPF)</b>					
Total Contributions	\$6,491,739	\$8,247,536	\$7,204,163	\$6,560,721	1.1%
Total Expenses	\$6,662,925	\$7,787,257	\$7,347,458	\$6,308,406	(5.3%)
Surplus/(Deficit)	(\$171,186)	\$460,279	(\$143,295)	\$252,314	247.4%

## Harrisburg Parking Authority - Debt Service Expenditures

Category	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	% Growth
Debt Service Interest and Principal Paid	\$6,832,670	\$7,757,099	\$7,204,912	\$7,887,259	\$8,625,784	26.2%
Repair Reserve Account	\$0	\$3,074,506	\$2,416,485	\$2,284,776	\$1,926,323	(37.3%)

## Assessment

During the review period, HPA revenues peaked in 2008 and have dropped off during the recent recession. Parking is subject to the elasticity of demand as unemployment has risen and incomes have dropped. HPA has worked to keep its operating expenses down although authorized staffing levels have risen. Debt service payments and other maintenance must continue to be paid regardless of the revenue shortfall.

As noted above, HPA contracts for an annual report and evaluation conducted by Wilbur Smith Associates. The purpose of this work is to: advise and recommend maintenance, repair and operation of the system for the upcoming fiscal year; evaluate maintenance of capital items; advise HPA of the capital investments needed for the next fiscal year; and recommend any rate adjustments. Rates for garages and lots have generally increased every two to three years, with the latest rate adjustments occurring in 2011. The HPA Board has the authority to increase rates for all of the parking garages and lots, including City Island. The City Council has the authority to increase the rate of the parking tax and fees, rates, hours of operation and fines for parking meters.

Two proposals for raising revenues through parking meter fees have been developed. The first proposal, developed by the City, increases the on-street parking meter rates in all areas by \$1/hour. In the downtown central business district and the area surrounding the Capitol, that amount is recommend to be increased from \$1.50/hour to \$2.50/hour. At all other meters, this increase would raise rates from \$1/hour to \$2/hour. The City Council has been presented this ordinance (Bill 32 of 2010) but has not acted on it. It is currently in the Budget and Finance Committee for review.

~~HPA also~~ proposed to the City that meters be added in the Uptown area. This is an area where parking demand is high and is a likely next location for on-street meters. HPA is prepared to install meters as soon as authorized by the City of Harrisburg.

The Administration Department has developed a proposal (Bill 31 of 2010) to increase the Parking Tax from 15% to 20%. This proposal is estimated to add approximately one-third additional revenue without additional associated expense. As of the drafting of this Recovery Plan, City Council has not acted on this proposal, and an enabling ordinance is currently in the Budget and Finance Committee.

~~It would be advisable for the HPA to initiate a parking utilization study since such a study has not been conducted since 2003. The HPA did not have revenue data available for any of the initiatives detailed below. Without a recent parking study or revenue data, the Act 47 Coordinator has estimated additional revenue based on general assumptions. Any time parking fees are raised or charged for the first time, it is difficult to predict the amount of revenue. Frequently, parkers temporarily find alternatives for a period of time before migrating back to the same area. The City and HPA should closely monitor parking revenue after implementation of each initiative and adjust the revenue estimates accordingly with actual numbers.~~

## Initiatives

HPA should work closely with the Administration Department and City Council to increase the gross receipts tax on parking.

<b>HPA01.</b>	<del>Adopt increase</del> the parking gross receipts tax from 15% to 20%	
	<b>Target outcome:</b>	Increased revenue
	<b>Five year financial impact:</b>	Not available
	<b>Responsible party:</b>	City Council

At the time this Recovery Plan was drafted, pending legislation was before the City Council regarding an increase to the gross receipts tax. The City shall adopt and implement this increase in the gross receipts parking tax to 20%. This tax is currently levied at 15%. Increasing the rate is one way that funds can be collected to help defray the costs of providing public services to those that work in the City of Harrisburg. The tax is estimated to yield \$2,833,331 over a five year period. This is in addition to the revenue currently received for this tax. This additional revenue has already been included in the Act 47 Coordinator's projected revenues for the City.

[HPA](#) proposed to the City that meters be added in the Uptown area. This is an area where parking demand is high and is a likely next location for on-street meters. HPA is prepared to install meters as soon as authorized by the City of Harrisburg.

The Administration Department has developed a proposal (Bill 31 of 2010) to increase the Parking Tax from 15% to 20%. This proposal is estimated to add approximately one-third additional revenue without additional associated expense. As of the drafting of this Recovery Plan, City Council has not acted on this proposal, and an enabling ordinance is currently in the Budget and Finance Committee.

## Initiatives

HPA should work closely with the Administration Department and City Council to increase the gross receipts tax on parking.

<b>HPA01.</b>	<b><u>Increase</u> the parking gross receipts tax from 15% to 20%</b>	
	<b>Target outcome:</b>	Increased revenue
	<b>Five year financial impact:</b>	Not available
	<b>Responsible party:</b>	City Council

At the time this Recovery Plan was drafted, pending legislation was before the City Council regarding an increase to the gross receipts tax. The City shall adopt and implement this increase in the gross receipts parking tax to 20%. This tax is currently levied at 15%. Increasing the rate is one way that funds can be collected to help defray the costs of providing public services to those that work in the City of Harrisburg. The tax is estimated to yield \$2,833,331 over a five year period. This is in addition to the revenue currently received for this tax. This additional revenue has already been included in the Act 47 Coordinator's projected revenues for the City.