

Revised 1/25/12

Update on the Parking Management Plan

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Overview

- Green Build & Capital Improvement Program projects have caused extensive changes to parking lots, with considerable additional changes expected in the coming years
- Construction has significantly impacted parking revenues in FY 2012
- Through 12/31/11, parking revenue is \$2.0 million (12%) below budget
- Approximately 71% of the overall revenue variance (\$1.5 million) is from loss of short-term parking transactions at both Close-In (T1 & CT) and NTC/NTC2 (primarily from closure of T2)

Overview (cont.)

- Long-term NTC2 transactions are up, but the \$13 rate has cannibalized revenue from higher rate lots
- Valet continues to be a bright spot, exceeding budget by \$0.6 million
- Due to these impacts, Finance and Ground Transportation recognized the need to develop a strategy and plan of action for maximizing revenue
- Walker Parking, strategic parking consultants, were engaged to provide recommendations for consideration

Walker Parking Consultants

Walker Parking Consultants conducted a *Parking Market Assessment and Functional Design Review* to identify recommendations for:

- Parking rate strategies
- Product offerings
- Lot layout efficiencies
- Access controls

Recommendations are intended to improve gross parking revenue & optimize the product portfolio.

Walker Parking Guiding Principles

- Rate structure focuses on maximizing short-term parking near the terminals, while maximizing utilization of long-term and economy parking with staggered pricing remotely, that minimizes cannibalization of operating revenue
- Strategic rate changes can have a large potential benefit while having a minor impact to overall on-airport parking volume
- Rate changes should simplify the pricing rates & structure
- Rate changes should coincide with recommended branding & product recognition strategies

Walker Recommendations

- Implement rate changes (detail in later slide)
- Simplify and standardize names of parking products
 - Eliminate use of “NTC” name for parking lots
 - Use lot names of “Short-Term”, “Long-Term”, “Valet”, “Economy”, & “Premium”
 - Design communication plan with information about product availability and features
- Consider lot layout design changes to maximize spaces
- Create a partition between the Short-Term & Long-Term parking areas within the T2 (currently NTC) Lot

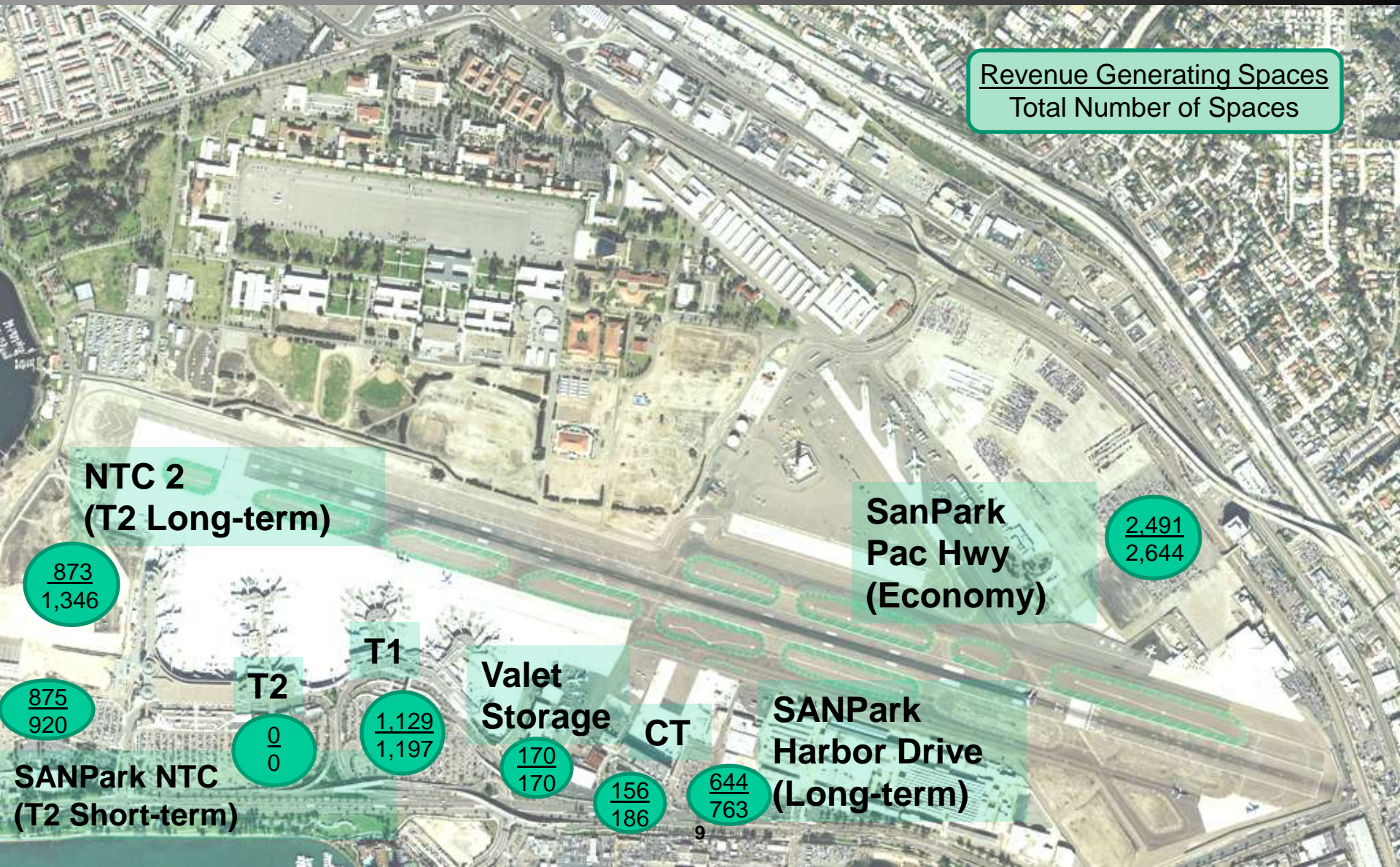
Walker Recommendations (cont.)

- Implement an on-line valet system with ticket tracking to provide enhanced:
 - revenue controls
 - audit features
 - reporting mechanisms

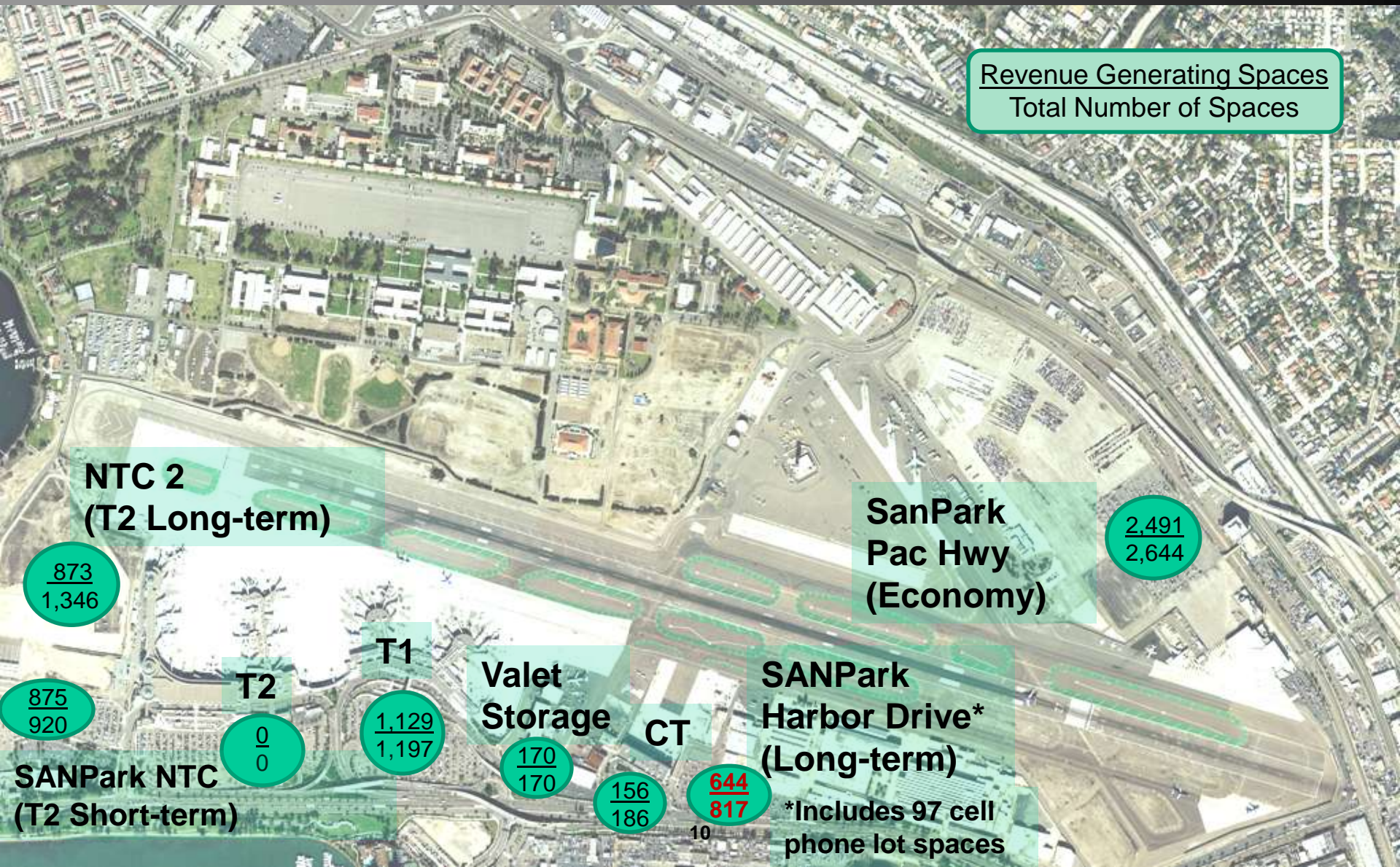
Walker Recommendations (cont.)

- Administer a quarterly online parking patron survey
- Institute a parking loyalty program, online reservations, online discounts, & corporate parking packages

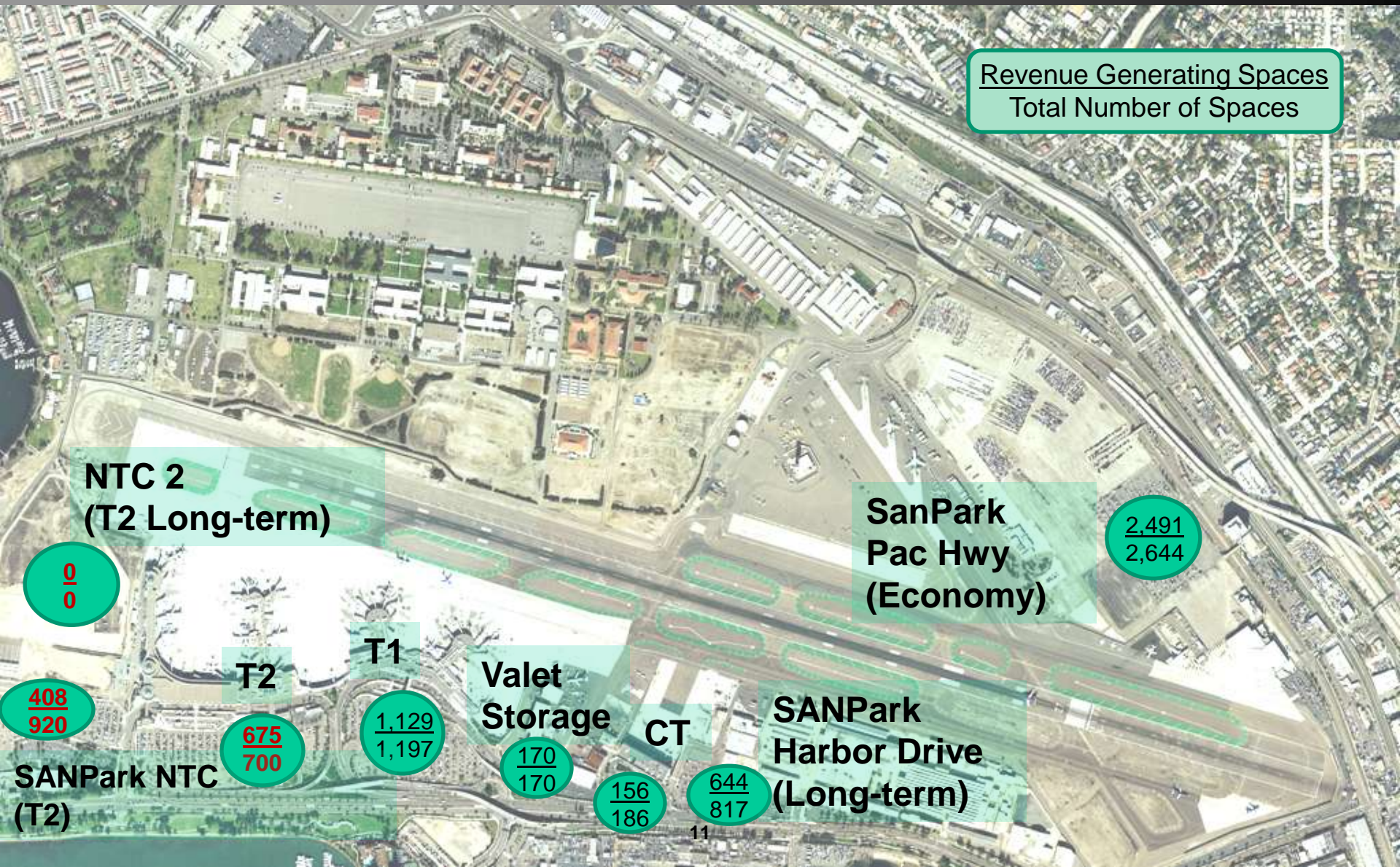
Lindbergh Field Parking (Dec. 2011 – Apr. 2012)



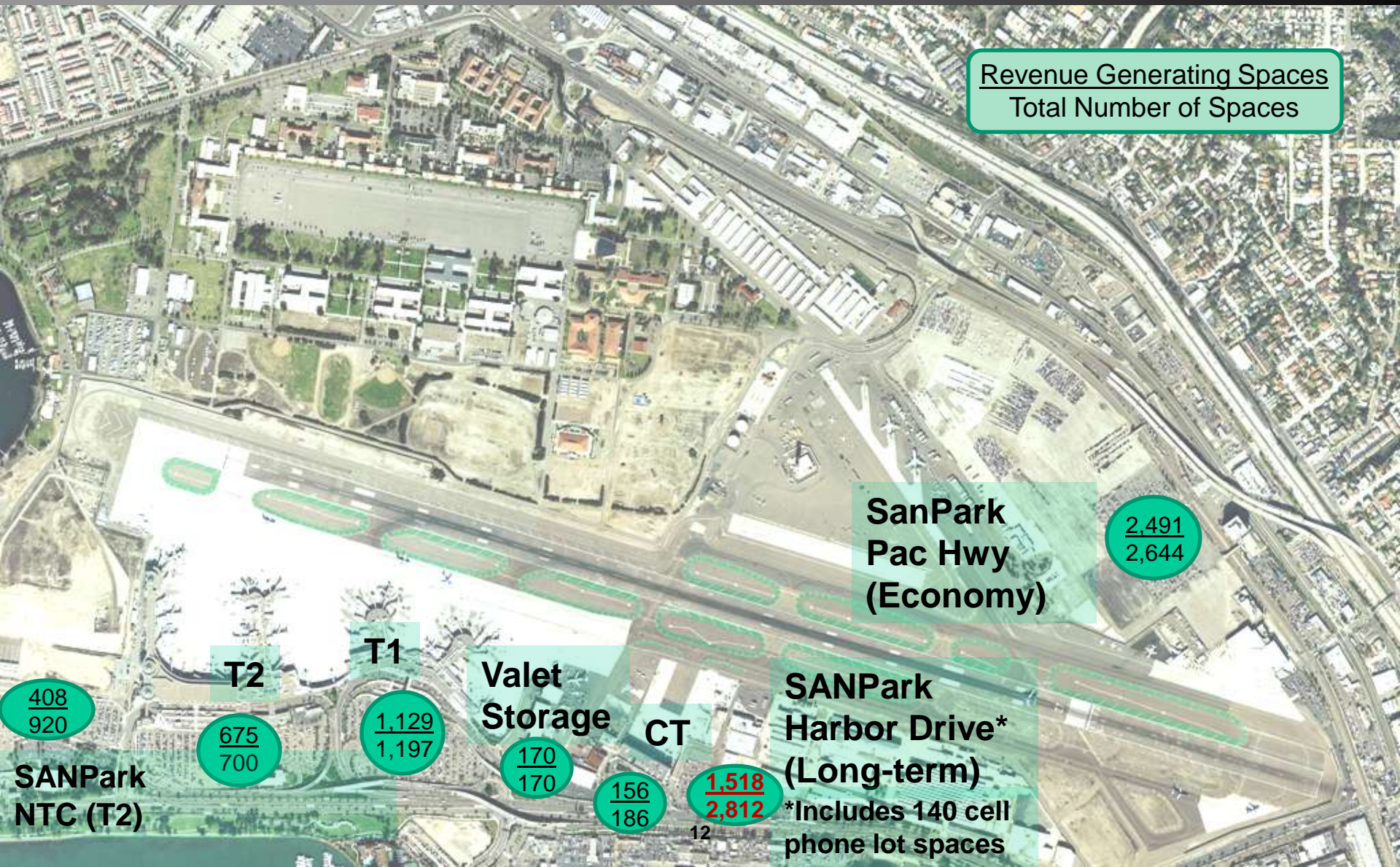
Lindbergh Field Parking (May 2012 – Sep. 2012)



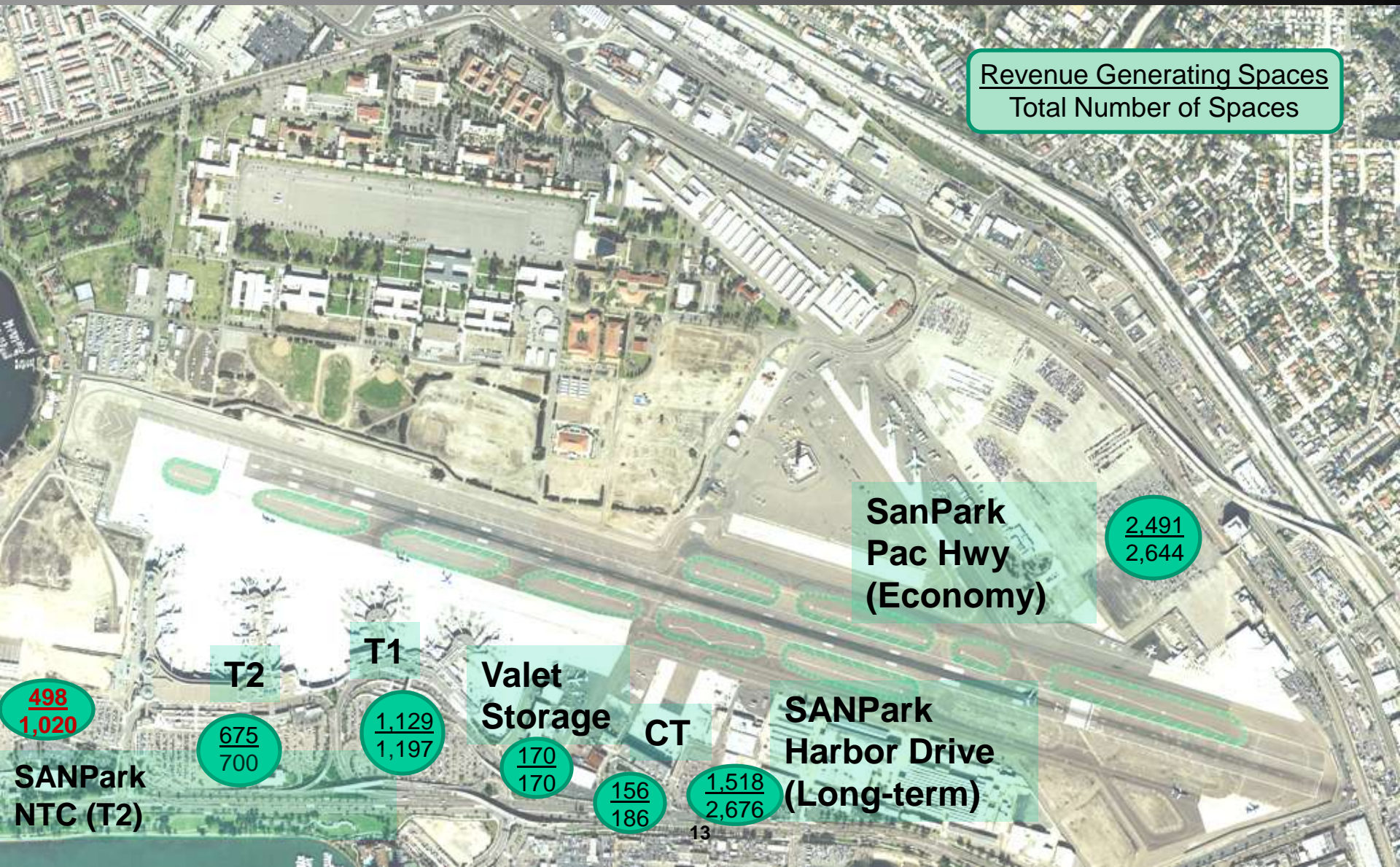
Lindbergh Field Parking (Oct. 2012)



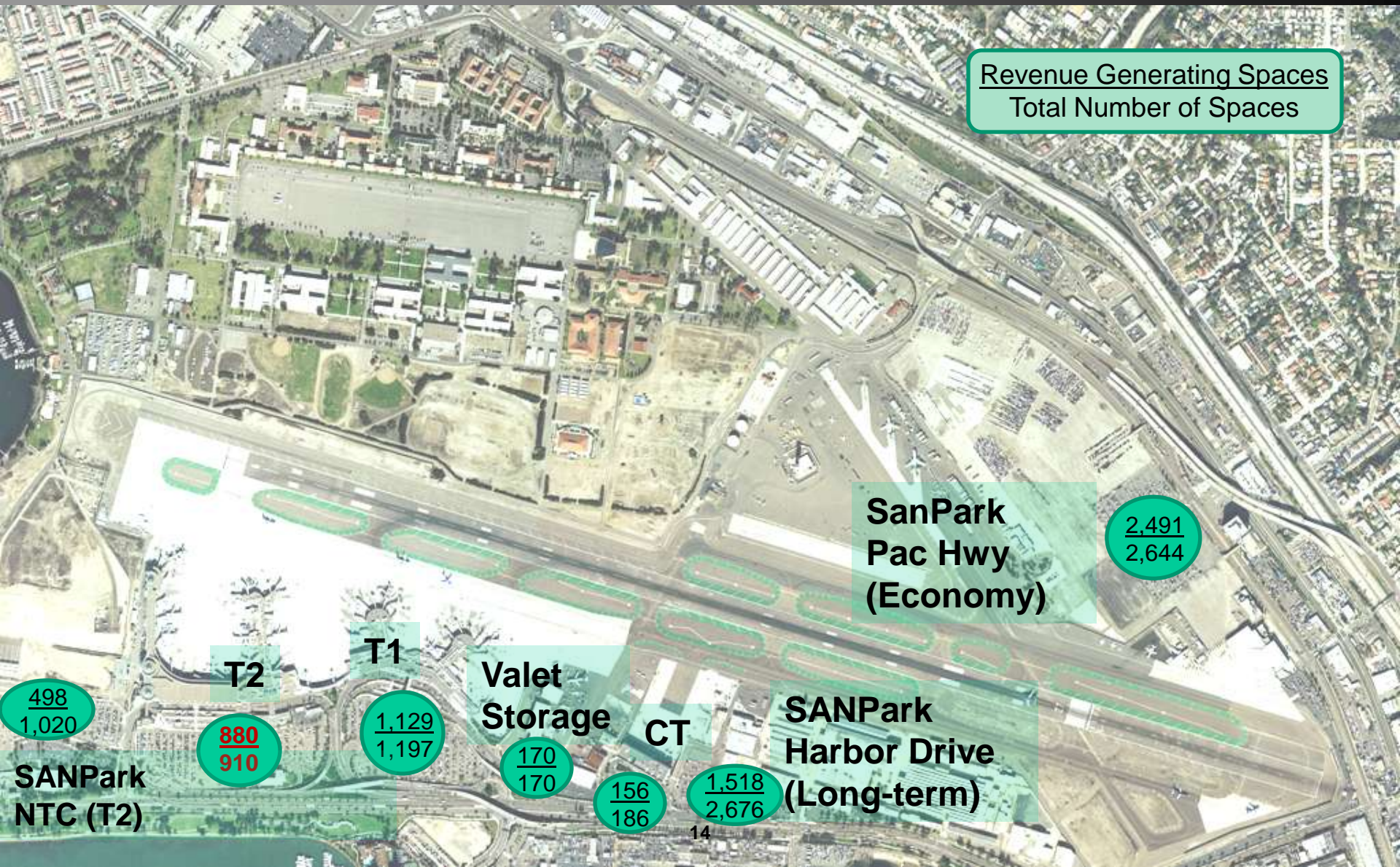
Lindbergh Field Parking (Nov. 2012 – Dec. 2012)



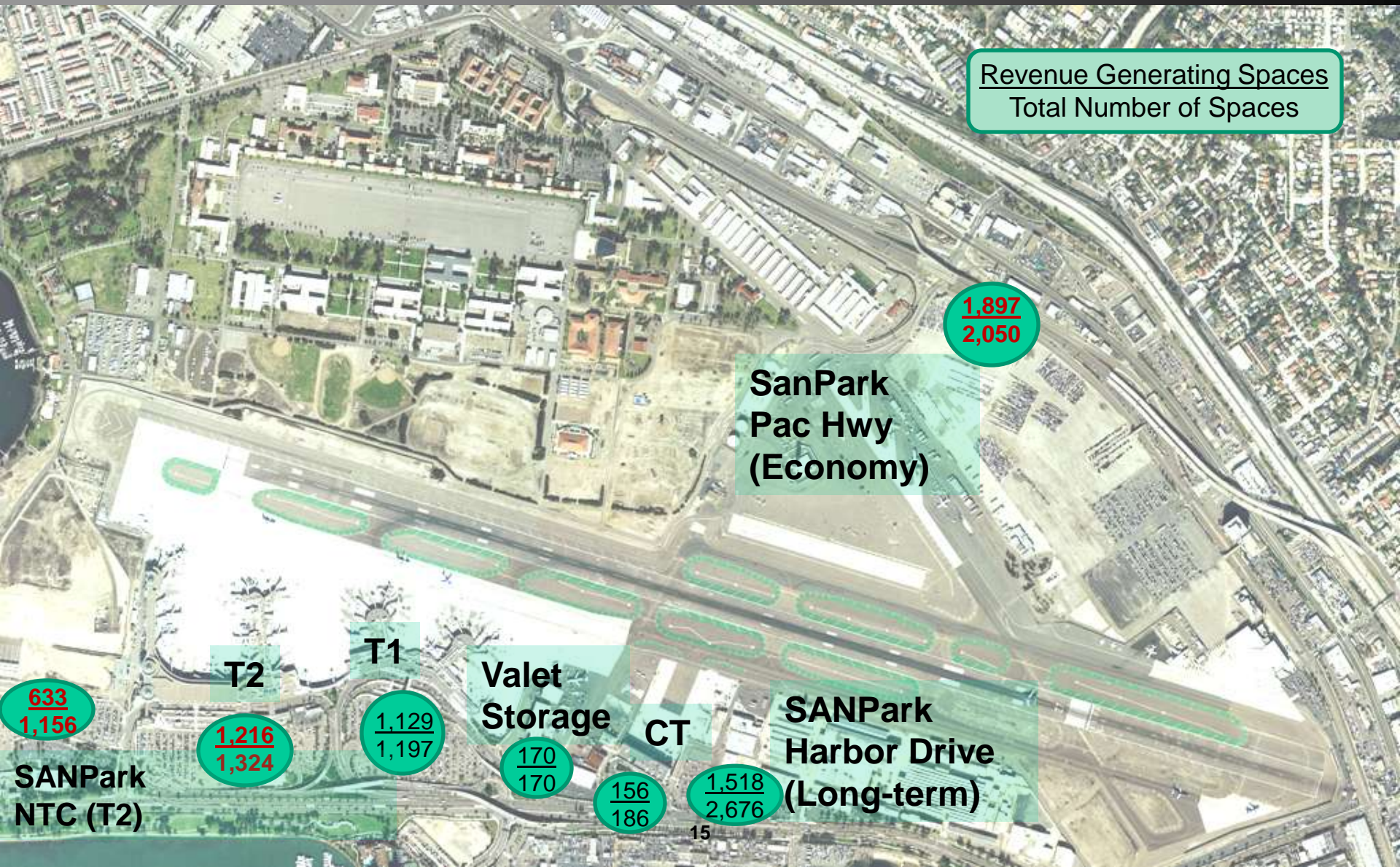
Lindbergh Field Parking (Jan. 2013 – Feb. 2013)



Lindbergh Field Parking (Mar. 2013 – Apr. 2013)



Lindbergh Field Parking (May 2013)



Recommendations

Finance has vetted the Walker Parking Consultants recommendations with relevant Authority staff and advocates the following:

Terminal 2 / NTC / NTC2

Immediately:

- Rename NTC lot to “Terminal 2 – Short-Term”
- Rename NTC2 lot to “Terminal 2 – Long-Term”

Apron Lot Closure, T2 Reopening (Fall 2012):

- Need to analyze optimal T2 offering for short-term and long-term options

Rate Changes: Short-Term

(T1, T2, CT)

	Current Rate	Walker Recommendation (FY13)	Finance Recommendation (Immediate)
0-30 Minutes	\$ 2.00	No change	No change
30-60 Minutes	4.00	No change	No change
1-1.5 Hours	6.00	\$ 7.00	No change
1.5-2 Hours	8.00	9.00	No change
2-2.5 Hours	10.00	11.00	No change
2.5-3 Hours	12.00	13.00	No change
3-3.5 Hours	14.00	14.00	No change
3.5-4 Hours	16.00	17.00	No change
4-4.5 Hours	18.00	19.00	No change
4.5-5 Hours	20.00	21.00	No change
5-7 Hours	21.00	28.00	\$ 26.00
7-24 Hours	21.00	28.00	28.00
Thereafter (per day)	\$ 26.00	\$ 28.00	\$ 28.00

Rate Changes: Valet

	Current Rate	Walker Recommendation (FY13)	Finance Recommendation (Immediate)
Daily	\$ 34.00	\$ 35.00	\$ 36.00

Rate Changes: Long-Term (T2, Harbor Drive)

	Current Rate	Walker Rec (Immediate)	Finance Rec (Immediate)	Walker Rec (FY13)	Finance Rec (FY13)*
Daily	\$ 13.00 (NTC2) \$ 17.00 (Harbor Drive)	\$ 17.00 (T2 Long-Term & Harbor Drive)	\$ 17.00	\$ 18.00	\$ 18.00

* FY13 increase to \$18/day is recommended when NTC2 is closed and when (or if) it is optimal to have T2 lot partitioned into long-term and short-term areas

Rate Changes: Economy

(Pacific Highway)

	Current Rate	Walker Recommendation (FY13)	Finance Recommendation
Daily	\$ 11.00	No Change	No Change

Future Implementation

Finance Recommendation	Comment
Corporate Parking Packages	Staff to identify who will sell & who will administer program
Customer Survey	Collaboration needed between Marketing, Ground Transportation, and Business Planning departments to determine cost, responsibilities & method
Communication Plan <i>(Includes rebranding lots to Long-Term, Short-Term, Economy, Premium, & Valet and eliminating the NTC name.)</i>	Must educate consumers on product features & availability. Need Marketing's leadership on type of communications. Will utilize cost/benefit analysis for significant expenditures (e.g. radio/billboard, etc.)
Parking Lot Layout Efficiency for NTC & T1	Need cost/benefit analysis

Potential Future Implementation

Additional Planning/Analysis Needed

Finance Recommendation	Comment
Parking Loyalty Program	Need to perform cost/benefit analysis & to identify responsible parties for development and administration of the program
Online Reservations/Online Discounts	Need to perform cost/benefit analysis & to identify responsible parties for development and administration of the program
Premium Parking (E.g. covered parking, reserved spaces, car washes, etc.)	Collaboration needed between Marketing, Ground Transportation, Finance and Business Planning departments to define premium offerings and to determine responsibilities & method. Cost/benefit analysis needed.



Questions?