



Fees and Charges Report

Date: April 7, 2025

To: Audit, Finance, and Enterprise Committee

Through: Christopher J. Brady, City Manager

From: Jeff McVay, Manager of Urban Transformation
Stefanie Monge, Downtown Transformation Project Manager

Subject: Office of Urban Transformant Update to Economic Development's
Schedule of Fees and Charges, Council District

Purpose and Recommendation

The Office of Urban Transformation is proposing changes to the Permitted Parking Rates in the Economic Development Schedule of Fees and Charges. If the proposed changes are approved by City Council, the fees and charges will be effective July 1, 2025.

Background

Administered by the Downtown Mesa Association (DMA), the City manages 1,034 permitted parking spaces across four parking garages and four surface parking lots within downtown Mesa. The last parking rate increase was implemented in Fiscal Year 2022/23, which increased rates between \$2 and \$4 per month. The previous rate change had been completed over 15 years prior.

Discussion

The proposed Permitted Parking Rates shown in Exhibit A include a \$5.00/month increase for all monthly permitted parking tiers. The increased Permitted Parking Rates would only be applicable to individual monthly parking permit users and would not be applicable to stand-alone parking license agreements currently in effect.

The demand for parking continues to increase due to the increased commercial activity, development activity and ASU enrollment. The proposed monthly Permitted Parking Rates better reflect the increased demand and the increased costs associated with managing downtown parking.

In comparison to our peer cities, the proposed Permitted Parking Rates continue to be extremely competitive. Monthly covered parking rates in downtown Phoenix range from \$50.00 to \$196.00. In downtown Tempe, the rates range from \$75.00 to \$125.00 per month, and in Scottsdale the rates range from \$55.00 to \$85.00 per month.

Methodology

An examination of comparable parking rates in peer cities determined that a monthly increase of \$5.00 was fair and reasonable.

Alternatives

Modify the Permitted Parking Rates to include a smaller or larger increase than recommended.

Make no changes to the Permitted Parking Rates.

Fiscal Impact

The proposed Permitted Parking Rates would generate approximately \$62,040 per year in additional parking revenue.

Coordinated With

The proposed Permitted Parking Rates were coordinated with the Downtown Mesa Association (DMA). The DMA supports the recommended Permitted Parking Rates.

Fees & Charges Schedule – Key

Heading Configuration

<u>Schedule of Fees & Charges</u>
Department
Contact Information
HEADING 1
HEADING 2
<i>Heading 3</i>
Description of Fee
Description of Fee 2

Font Indications

Font	Font Indications
Regular Font	Existing fee or language
Strikethrough	Fee or language will be deleted from the Fee Schedule
BOLD CAPS	Language is being added to Fee Schedule
Bold	New or increased Fee Amount

Schedule of Fees & Charges

Exhibit A – Economic Development

Department: City Manager’s Office

Description of Service	Current Fee Range	Proposed Fee Range	Unit	Total Fiscal Impact	Notes
<i>PERMITTED PARKING RATES*</i>					
Surface Parking	\$35.00	\$40.00		\$12,660.00	Assumes no change in the number of permits issued. Calculation based on 211 permits.
Garage (shaded)	\$45.00	\$50.00		\$41,160.00	Assumes no change in number of permits issued. Calculation based on 686 permits.
Garage (unshaded roof and below grade)	\$25.00	\$30.00		\$8,220.00	Assumes no change in number of permits issued. Calculation based on 137 permits.

Estimated Total Annual Fiscal Increase: \$62,040.00