

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ITEM FOR INFORMATION

Subject: Parking Permit Rates for Fiscal Years 2018–2020

Background:

We plan an annual rate increase of two percent for each faculty and staff parking permit type for the next three fiscal years to support the parking and transportation plan. As a market reference, current permitted parking rates in city structures as set by the Ann Arbor Downtown Development Authority are approximately \$1,860 per year for general parking and \$2550 for reserved spaces. We continue to provide incentives for remote parking options for faculty and staff serviced by university transit and options in partnership with the Ann Arbor Area Transportation Authority.

Rates for fiscal years 2018–2020 are shown below.

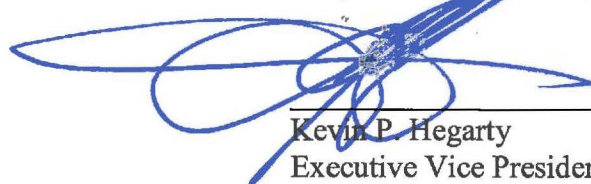
Annual Employee Parking Permit Costs Per Fiscal Year

Permit Type	FY2017 Rate	FY2018 Rate	FY2019 Rate	FY2020 Rate
Gold	\$1,774	\$1,809	\$1,845	\$1,882
Blue	\$722	\$736	\$751	\$766
Yellow	\$158	\$161	\$164	\$167
Orange	\$78	\$80	\$82	\$84
University Contribution	\$163	\$166	\$169	\$172

An increase in parking permit fees is necessary to provide funding for the parking system including operations, maintenance, and debt service for new construction. In addition, the parking system funds \$1 million per year to support the facility renewal plan for university unions and recreational sports.

In May 2013, we presented an item for information to the Board of Regents showing staff parking rate increases for fiscal years 2014–2017. Annual increases for 2014–2016 were 4.5 percent per year for gold and 2.5 percent per year for blue and university contribution. In fiscal year 2017, an increase of 3 percent for all permit categories was proposed in order to fund the parking and transportation strategic plan. Looking forward, we project the parking system can be financially solid with two percent annual increases.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer

April 2017