



Receive & File
from the Department of Community Planning & Economic Development

Date: November 18, 2014

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: Review of the Midtown Global Market Validated Parking Grant

Recommendation: Receive and File

Previous Directives: (1) On December 13, 2013, the City Council approved up to \$115,000 in grant funds from the Local Contributions Fund to pay validated parking receipts for Midtown Global Market customers for 21 months (April 2013- December 2014). (2) On December 13, 2013, The City Council directed CPED staff to report back to the Community Development Committee on the parking validation billing total at the end of September 2014. (3) On July 20, 2007, the City Council accepted and appropriated \$490,000, awarded by the Hennepin County Board, to pay for the operation of a validated parking system at the Midtown Global Market.

Department Information

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Presenters in Committee: Rebecca Parrell, Senior Project Coordinator

Background

In 2007, the Hennepin County Board of Commissioners acknowledged that there was insufficient free public parking near the Midtown Global Market and provided the market with a \$490,000 grant to fund the operation of a validated parking system for market customers. At the same time the Board awarded the market a \$210,000 grant for installing parking signage. The \$490,000 paid validated parking invoices for five-and-a-half years, from October 2007 to March 2013, when the funds were fully depleted. Over the course of those 66 months, the average monthly validation charge was \$7,425, resulting in an average annual total of about \$90,000. The validation structure for this time period is shown in the following table.

Table 1. Original Validated Parking Ticket Rate Structure (Oct. 2007-March 2013)

Time Period	Charge	Payment Source
0-15 min (M-F)	\$0.00	Ryan absorbs loss
up to 1 hr (M-F)	\$0.75	County Validation
up to 2 hrs (M-F)	\$2.00	County Validation
up to 3 hrs (M-F)	\$3.25	County Validation
0-3 hrs (weekends)	\$0.00	Ryan absorbs loss
3-8 hrs (everyday)	\$1.25/hr	Customer

After the county funds were expended, the City Council approved a grant of up to \$115,000 to pay the first hour of validated parking tickets, valued at no more than \$1.00 each, from April 2013 through December 2014. The funding source identified for the grant was flexible dollars generated by ramp revenues flowing to the City under the terms of the Midtown Exchange redevelopment agreement. As requested by Council motion, this report updates the City Council on the use of the grant funds.

The Midtown Global Market and Ryan Companies (as owners of the parking ramp) changed the validation structure to provide validated parking consistent with the Council’s approved grant. The revised validated parking rate structure reduced the validation time from three hours down to one-and-a-half hours (as shown in Table 2 below).

Table 2. Revised Validated Parking Ticket Rate Structure (April 2013 - Current)

Time Period	Total Charge	Payment Source
1-60 min (M-F)	\$1.00	City Validation
61-90 min (M-F)	\$0.00	Ryan absorbs loss
1-90 min (weekends)	\$0.00	Ryan absorbs loss
91 min – 24 hrs (everyday)	\$1.75-\$12.00	Customer

For the first 18 months covered by the City grant, through September 30, 2014, the validation program has paid out \$89,317. The average monthly charge was approximately \$5,000, resulting in an average annual total of about \$60,000. The projection for the final three months of the grant period is for the market to use a total of \$105,000-\$110,000 of the approved \$115,000 maximum.

At this time the Market does not have a source identified to continue the validated parking program in 2015; however, the market owners continue to believe it is a critical component to encouraging shopping at the market. Shoppers are especially unlikely to pay for parking for grocery shopping. To continue the validated parking program, the Midtown Global Market owners- the Neighborhood Development Center and the Cultural Wellness Center- along with the market’s Board of Directors hope to find assistance again this year to fund validated parking tickets.