



Commercial Parking Program FY2015-2016

A Report to the Texas Legislature
and
Legislative Budget Board
December 2016

Texas Facilities Commission

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★ Planning and administering facilities in service to the State of Texas ★

This report is submitted by the Texas Facilities Commission (TFC) in accordance with Texas Government Code, Subchapter E, Section 2165.2035(e) describing the effectiveness of the after-hours parking program administered by the agency. For additional information, please contact Laura Hall, Program Supervisor, Parking and Special Events at: laura.hall@tfc.state.tx.us and (512) 463-8848 or Maya Ingram, Director of External Communications, at: maya.ingram@tfc.state.tx.us and (512) 963-1788.

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I. After-Hours Parking Program Revenue and Statistics

After-Hours Parking Administration

Texas Government Code, § 2165.2035 instructs the Texas Facilities Commission (TFC) to maximize the use of state-owned parking facilities for afterhours usage at locations where TFC determines are appropriate for commercial use. Additionally, Section (c) and (d) of Texas Government Code § 2165.2035 allows TFC to contract with a private vendor to manage the commercial use of state-owned parking facilities on behalf of TFC. Revenues generated under the program can be used to cover any TFC costs associated with the lease of the parking facilities. Any excess funds are deposited to the General Revenue (GR) Fund.

During the Fiscal Year (FY) 2015-2016 Biennium reporting period, TFC solicited bids for after-hours parking management services. The contract was awarded to HBA Parking System, Inc. (HBA) from January 08, 2016 – August 31, 2017 with two renewal options of two year periods. In FY 2016 TFC retains 61% of parking revenue (minus sales tax) with HBA retaining 39% of total parking revenue. TFC is required to collect, report, and pay sales tax on the parking gross revenue collected by its parking contactor. An 8.25% sales tax on the gross revenue is therefore collected and paid to the Texas Comptroller of Public Accounts. Within this contract HBA is responsible for providing portable toilets and safety fencing for UT football tailgating events providing a substantial savings from previous years. No other parts of the agreement between TFC and HBA were altered upon execution of the new contract.

The construction of the Dell Medical Center Complex and continued closure of Waterloo Park has caused numerous special events to move or remain at venues outside the Capitol Complex and resulted in fewer special events utilizing TFC parking facilities in the Capitol Complex area. However, despite construction, the TFC after-hour parking program has generated a modest net revenue increase for both fiscal years 2015-2016 biennium. Not including the University of Texas at Austin (UT) garage lease, after-hours parking revenue in the FY 2015-2016 biennium increased by 9% from the previous biennium.

The revenue collected by the after-hours parking program for the biennium is broken down by each fiscal year of the reporting period and is listed below.

After-Hours Revenue - Fiscal Year 2015

FY 2015 After-Hours Revenue Break Down	
Total gross parking revenue (sales tax included)	\$ 1,189,996.00
Total sales tax paid (transferred to CPA)	\$ 90,692.54
Parking revenue transferred to GR (65% - sales tax)	\$ 714,547.26
Parking revenue retained by HBA (35%)	\$ 384,756.20

FY 2015 gross revenue generated by TFC's after-hours parking program when compared to FY 2014 gross revenue totals resulted in an increase of \$12,050 or 1%.

FY 2015				
<i>Month</i>	<i>Gross</i>	<i>GR</i>	<i>Sales Tax</i>	<i>HBA</i>
September	\$ 270,251.00	\$ 162,275.42	\$ 20,596.50	\$ 87,379.07
October	\$ 154,754.00	\$ 92,923.87	\$ 11,794.18	\$ 50,035.93
November	\$ 147,475.00	\$ 88,553.12	\$ 11,239.44	\$ 47,682.44
December	\$ 76,375.00	\$ 45,860.28	\$ 5,820.72	\$ 24,694.00
January	\$ 60,540.00	\$ 36,351.97	\$ 4,613.90	\$ 19,574.13
February	\$ 66,315.00	\$ 39,819.63	\$ 5,054.03	\$ 21,441.34
March	\$ 101,600.00	\$ 61,006.93	\$ 7,743.20	\$ 32,849.89
April	\$ 76,948.00	\$ 46,204.34	\$ 5,864.40	\$ 24,879.26
May	\$ 98,383.00	\$ 59,075.23	\$ 7,498.01	\$ 31,809.75
June	\$ 49,362.00	\$ 29,640.00	\$ 3,762.00	\$ 15,960.00
July	\$ 23,987.00	\$ 14,403.29	\$ 1,828.11	\$ 7,755.61
August	\$ 64,006.00	\$ 38,433.16	\$ 4,878.05	\$ 20,694.78
FY Total:	\$ 1,189,996.00	\$ 714,547.26	\$ 90,692.54	\$ 384,756.20

In FY 2015, HBA sold 130,043 parking spaces at various state-owned parking facilities in the Austin metropolitan area. The standard after-hours parking fee was \$7.00. Certain special events may dictate an increased or decreased parking fee dependent on the event and/or its location. For this reason, in FY 2015 the following parking fees were assessed and collected: \$40, \$25, \$20, \$10, \$7, \$5 and \$3.

FY 2015 - Spaces Sold			
	Spaces	Rate	Total
Reduced Rate (\$3)	6,344	\$3.00	\$19,032.00
Reduced Rate (\$5)	20,982	\$5.00	\$104,910.00
Regular Rate (\$7)	83,298	\$7.00	\$583,086.00
Special Rate (\$10)	2,372	\$10.00	\$23,720.00
Special Rate (\$20)	12,010	\$20.00	\$240,200.00
Special Rate (\$25)	48	\$25.00	\$1,200.00
Tailgate Pre-Paid (Grass)	153	Varies	\$7,089.00
Tailgate Pre-Paid (\$40)	4,836	\$40.00	\$193,440.00
Year Totals	130,043		\$1,172,677.00 *

*In FY 2015 there are inaccuracies in the space count report.

Section H of the Texas Government Code § 2165.2035 allows nonprofit, charitable and other community organizations to request the use of state-owned parking facilities for free or at a reduced rate. In FY 2015, local nonprofit and charitable organizations requested and received the use of 41,199 parking spaces in state facilities free of charge and 505 spaces at a reduced rate.

In FY 2015, the UT parking garage lease generated \$437,310 from 44,010 parking spaces. The UT football season parking rate was \$12 per space, utilizing five parking facilities during six home football games and the UT basketball season parking rate was \$7.00 per space, utilizing two parking facilities during 18 home basketball games.

From the combined after-hours parking & UT lease revenue, TFC generated a gross revenue total of \$1,627,306 from a total of 174,053 parking spaces.

FY 2015		
	Gross Amount	Spaces Sold
After Hours	\$ 1,189,996.00	130,043
UT Garage Lease	\$ 437,310.00	44,010
Yearly Totals	\$1,627,306.00	174,053

As noted previously, TFC’s 65% portion of the after-hours parking fees collected (minus sales tax) transferred \$714,547 to the state’s GR Fund. Additionally \$437,310 from the UT garage lease was deposited into the GR for a combined total of \$1,151,857 generated by the Commercial Parking and Special Events program.

After-Hours Revenue - Fiscal Year 2016

FY 2016 After-Hours Revenue Break Down		
Total gross parking revenue (sales tax included)	\$	1,301,957.00
Total sales tax paid (transferred to CPA)	\$	99,225.33
Parking revenue transferred to GR (61%*- sales tax)	\$	758,624.04
Parking revenue retained by HBA (39%*)	\$	444,107.63

FY 2016 gross revenue increased by \$111,961 resulting in a 9% increase from previous FY 2015 after-hours gross revenue totals.

FY 2016				
Month	Gross	GR	Sales Tax	HBA
September	\$ 116,229.00	\$ 69,791.08	\$ 8,858.09	\$ 37,579.80
October	\$ 345,225.00	\$ 207,294.45	\$ 26,310.45	\$ 111,620.10
November	\$ 99,209.00	\$ 59,571.22	\$ 7,560.96	\$ 32,076.82
December	\$ 92,538.00	\$ 55,565.54	\$ 7,052.54	\$ 29,919.91
January	\$ 90,037.00	\$ 51,557.74	\$ 6,861.94	\$ 31,617.33
February	\$ 85,499.00	\$ 48,179.57	\$ 6,516.10	\$ 30,803.33
March	\$ 92,429.00	\$ 52,084.71	\$ 7,044.24	\$ 33,300.05
April	\$ 55,181.00	\$ 31,095.07	\$ 4,205.48	\$ 19,880.45
May	\$ 139,760.00	\$ 78,756.22	\$ 10,651.44	\$ 50,352.34
June	\$ 76,708.00	\$ 43,225.75	\$ 5,846.12	\$ 27,636.13
July	\$ 53,566.00	\$ 30,185.00	\$ 4,082.39	\$ 19,298.61
August	\$ 55,576.00	\$ 31,317.66	\$ 4,235.58	\$ 20,022.76
FY Total:	\$ 1,301,957.00	\$ 758,624.04	\$ 99,225.33	\$ 444,107.63

In FY 2016, HBA sold 116,622 parking spaces at various TFC parking facilities in the Austin metropolitan area. The after-hours standard parking rate remained \$7.00. Nonprofit, charitable and other community organizations requested and received the use of 44,799 free parking spaces in state facilities and 160 reduced rate parking spaces.

At times, the market dictates for parking fees to increase or decrease depending on certain special events. In FY 2016, the after-hours parking fees varied from \$3.00 per space for non-profit organizations to \$20.00 per space for events such as South by Southwest and ACL Festivals; and \$25.00 per space for pre-purchased parking spaces at State Garage E.

FY 2016 - Spaces Sold			
	Spaces	Rate	Total
Reduced Rate (\$3)	3,204	\$3.00	\$9,612.00
Reduced Rate (\$5)	7,074	\$5.00	\$35,370.00
Regular Rate (\$7)	35,911	\$7.00	\$251,377.00
Special Rate (\$10)	50,770	\$10.00	\$507,700.00
Special Rate (\$15)	1,167	\$15.00	\$17,505.00
Special Rate (\$20)	12,907	\$20.00	\$258,140.00
Special Rate (\$25)	48	\$25.00	\$1,200.00
Tailgate Pre-Paid (Grass)	228	Varies	\$8,533.00
Tailgate Pre-Paid (\$40)	5,313	\$40.00	\$212,520.00
Year Totals	116,622		\$1,301,957.00

During FY 2016, the UT parking garage lease generated \$475,070 for use of the 41,360 parking spaces in TFC parking facilities. The UT football garage parking rate increased to \$13.50 per space, utilizing five parking facilities during six home football games and the UT men’s basketball season parking rate also increased to \$8.50 per space, utilizing two parking facilities for 17 home basketball games.

The combined after-hours parking & UT lease revenue generated a gross total of \$1,777,027 from a total of 157,982 parking spaces.

FY 2016		
	Gross Amount	Spaces Sold
After Hours	\$ 1,301,957.00	116,622
UT Garage Lease	\$ 475,070.00	41,360
Yearly Totals	\$1,777,027.00	157,982

Total revenue transfer into GR for FY 2016, was \$758,624 (61%) of the after-hours parking revenue (minus sales taxes) and the total revenue from UT garage lease was \$475,070 for a combined total of \$1,233,694.

After-Hours Parking by State Employees - FY 2015-2016

Texas Government Code § 2165.203(g) allows state employees to utilize one parking space at no charge during events occurring after normal state business hours when presenting a valid State of Texas employee photo identification (ID) card. TFC’s parking contractor complies and provides free parking for individuals holding a valid state photo ID during paid parking events.

In FY 2015, a total of 19,605 parking spaces were provided to state employees. For FY 2016, a total of 16,750 parking spaces were provided at no charge by individuals presenting a state issued photo ID badge.

Biennium Totals			
	Spaces Utilized	Standard Fee	Total
FY 2015	19,605	\$7.00	\$ 137,235.00
FY 2016	16,750	\$7.00	\$ 117,250.00
Totals	36,355	\$	254,485.00

As illustrated by the chart above, if these fees were collected, it would have increased after-hours parking gross revenue by \$254,485.00 during the FY 2015-2016 biennium.

II. Day Time Parking Program

Senate Bill 1068 enacted during the 82nd Legislative Session authorizes TFC to lease excess spaces at TFC parking facilities during normal business hours. The bill implemented the recommendations in the Legislative Budget Board’s (LBB) report titled, “Optimize the Use of State Parking Facilities”. The bill allows an institution of higher education or local government to lease an entire or a significant part of a TFC managed state-owned parking facilities. Like the after-hours parking program, revenue generated by day-time parking leases is deposited into the GR fund.

Below is a summary of the revenue generated by the day-time program during the FY 2015-2016 biennium.

Day-Time Revenue - Fiscal Year 2015

Under the day-time parking program in FY 2015, TFC leased 183 parking spaces and provided approved daytime special event parking. (Due to Formula 1 and UIL events relocating outside of downtown Austin, a significant decrease in daytime parking occurred since state parking facilities were not utilized for these events.) TFC handled the administration of the day-time parking program in-house thereby avoiding the use of a parking contractor. For FY 2015, \$8,033 was transferred to the GR from the day-time program.

FY 2015 Day - Time Revenue Break Down	
Total gross parking revenue (sales tax included)	\$ 5,850.00
Total gross special event revenue	\$ 2,450.00
Total sales tax paid (transferred to CPA)	\$ 266.73
Parking revenue transferred to GR (minus sales tax)	\$ 8,033.27

Day-Time Revenue - Fiscal Year 2016

In FY 2016, TFC leased 24 day-time parking spaces and provided approved daytime special event parking.

FY 2016 Day - Time Revenue Break Down	
Total gross parking revenue (no sales tax collected)	\$3,600.00
Total gross special event revenue (sales tax included)	\$2,450.00
Total sales tax paid (transferred to CPA)	\$186.71
Parking revenue transferred to GR (minus sales tax)	\$5,863.29

III. Program Initiatives and Recommendations

Only legislative action could remove the free state employee parking benefit during special events and specific funding would allow for installation of controlled devices that would secure the garages from open after hours parking.

Lost Revenue

As stated previously, the after-hours parking program loses revenue through the free parking provided to state employees presenting an official state employee photo ID badge. Compliance with Texas Government Code § 2165.2035(g) has prohibited TFC from collecting this revenue.

Access Controls & Parking Management System

The absence of access controls at the 165 points of ingress and egress in the 30 parking facilities included in the program inhibits TFC's ability to secure the parking facilities and to collect parking fees from unauthorized users. The installation of electronic gates and associated Parking Management System (PMS) would allow for a paid parking program 24/7, and not just during special events. A PMS would also assist in facilitating the collection of detailed parking utilization data for each parking facility, including ticket sales, over and under-utilization, and more accurate legislative reports. A PMS would offer public patrons of TFC parking facilities more convenient payment options and would provide no cost parking for state employees who work outside regular business hours. A robust PMS may also allow TFC to reduce its need for parking services contractors, thereby increasing GR revenue.

Revenue Retention

Texas Government Code § 2165.2305 and § 2165.204 requires that revenue generated from the parking program be deposit to the credit of the GR fund. Without direct appropriation from the legislature; TFC is unable to initiate upgrades, install access controls or a PMS that would better secure and control TFC parking facilities. SB 211 enacted during the 83rd Legislative Session allows TFC to be reimbursed for its program expenditure associated with the lease of parking facilities outside of regular business hours. However, it is restricted to costs incurred on such items as trash collection and disposal, grounds and property maintenance, and remedying any damage to the facilities caused by the after-hours use. Improvements to the parking facilities can lead to greater utilization and more collected revenue.

Sales Tax

Unlike the State Preservation Board parking sales tax exemption granted in Texas Administrative Code, Rule § 3.315; TFC is required to collect, report, and pay sales tax on the gross revenue collected from non-government entities.



Commercial Parking and Special Events

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