

# Memorandum



CITY OF DALLAS

DATE May 30, 2014

TO Members of the Budget, Finance & Audit Committee: Jerry Allen (Chair), Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip Kingston

SUBJECT Dallas Love Field Parking Rates/Strategies

On Monday June 2, 2014, you will be briefed on Dallas Love Field Parking Rates/Strategies. A copy of the briefing is attached for your review.

Please let me know if you have any questions.

A handwritten signature in black ink, appearing to read 'Theresa O'Donnell'.

Theresa O'Donnell  
Interim Assistant City Manager

c: The Honorable Mayor and Members of the City Council  
A. C. Gonzalez, City Manager  
Rosa A. Rios, City Secretary  
Warren M.S. Ernst, City Attorney  
Craig Kinton, City Auditor  
Judge Daniel Solis, Administrative Judge  
Ryan S. Evans, Interim First Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Charles M. Cato, Interim Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Shawn Williams, Interim Public Information Officer  
Mark Duebner, Director, Aviation  
Elsa Cantu, Assistant to the City Manager – Mayor and Council



# Dallas Love Field Parking Rates/ Strategies

June 2, 2014

Budget, Finance & Audit Committee

# Background

- Dallas Love Field currently maintains two garages
  - Garage A – 3,000 spaces
  - Garage B – 4,000 spaces
- Two private parking operations also operate close to the airport
  - Best Parking – 635 spaces
  - The Parking Spot – 2,030 spaces

# Background Continued

- Garage A built in 1985
- Garage B built in 2002
- Both garages are currently undergoing structural assessments to determine any repairs necessary in the near future
- Revenue control equipment was installed in 1997
- Neither garage has a guidance system to aid customers in finding available spaces

# Background Continued

- Parking structures were excluded from the Love Field Modernization Program agreements with Southwest Airlines
- Parking demand estimated in 2008 did not foresee additional parking needs based on forecast of 5.8 million enplanements until 2016
- As the repeal of the Wright Amendment restriction nears, the City has revised those projections upward

# Parking Rates

- Current parking rates
  - Garage A – \$14 per day
  - Garage B – \$10 per day
  - Valet - \$21 per day
- Private parking rates
  - Best Parking – \$6 per day
  - The Parking Spot – \$6 per day

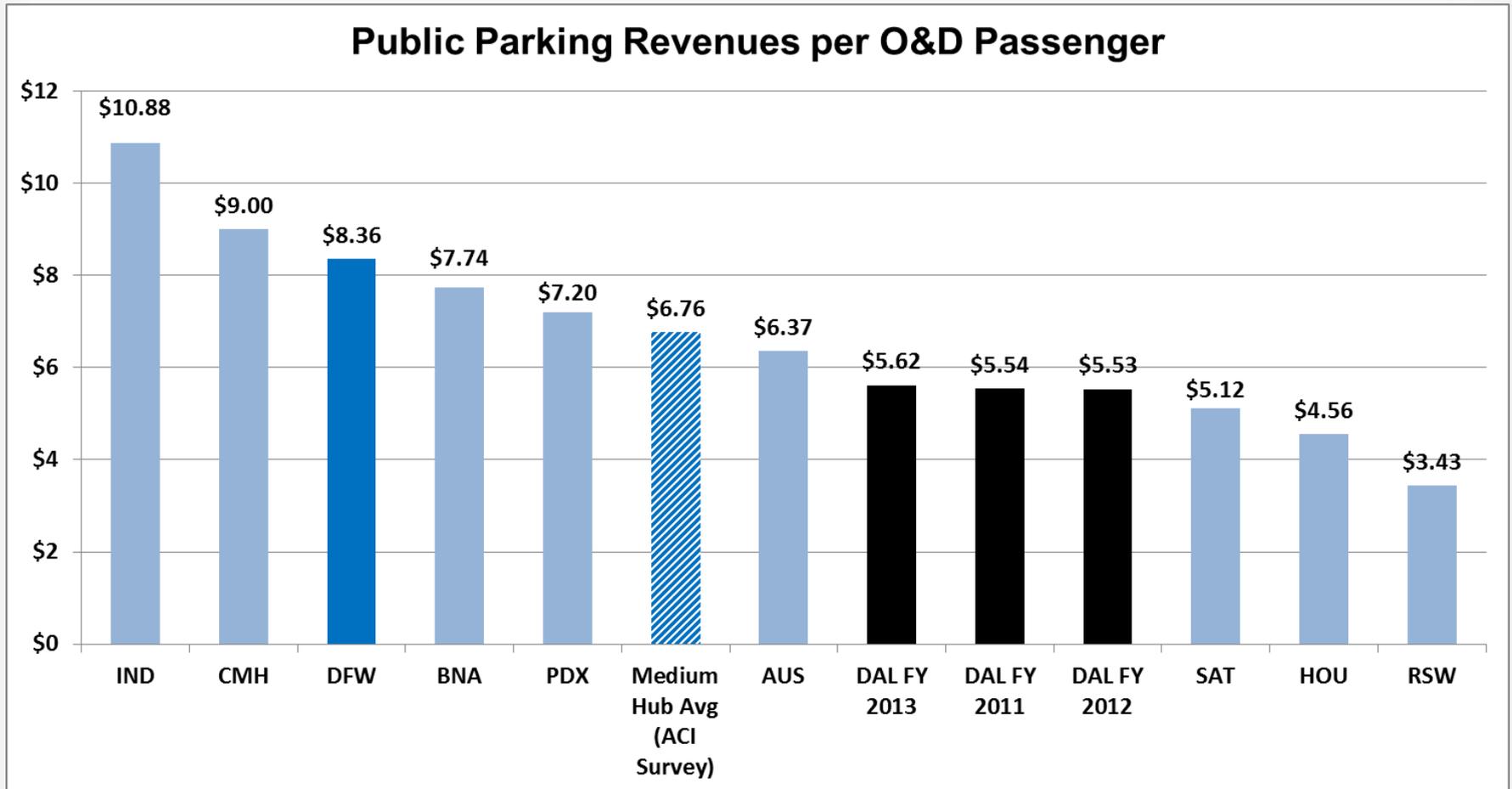
# Parking Rates

- The City last adjusted parking rates in 2008
- Currently generates \$15 million in parking revenue annually
- Approximately 3,000 contract parkers in garage B
  - \$30 per month
  - Primarily employees of Southwest, TSA, and concessionaires
- Contract parkers use approximately 800- 1,000 spaces per day

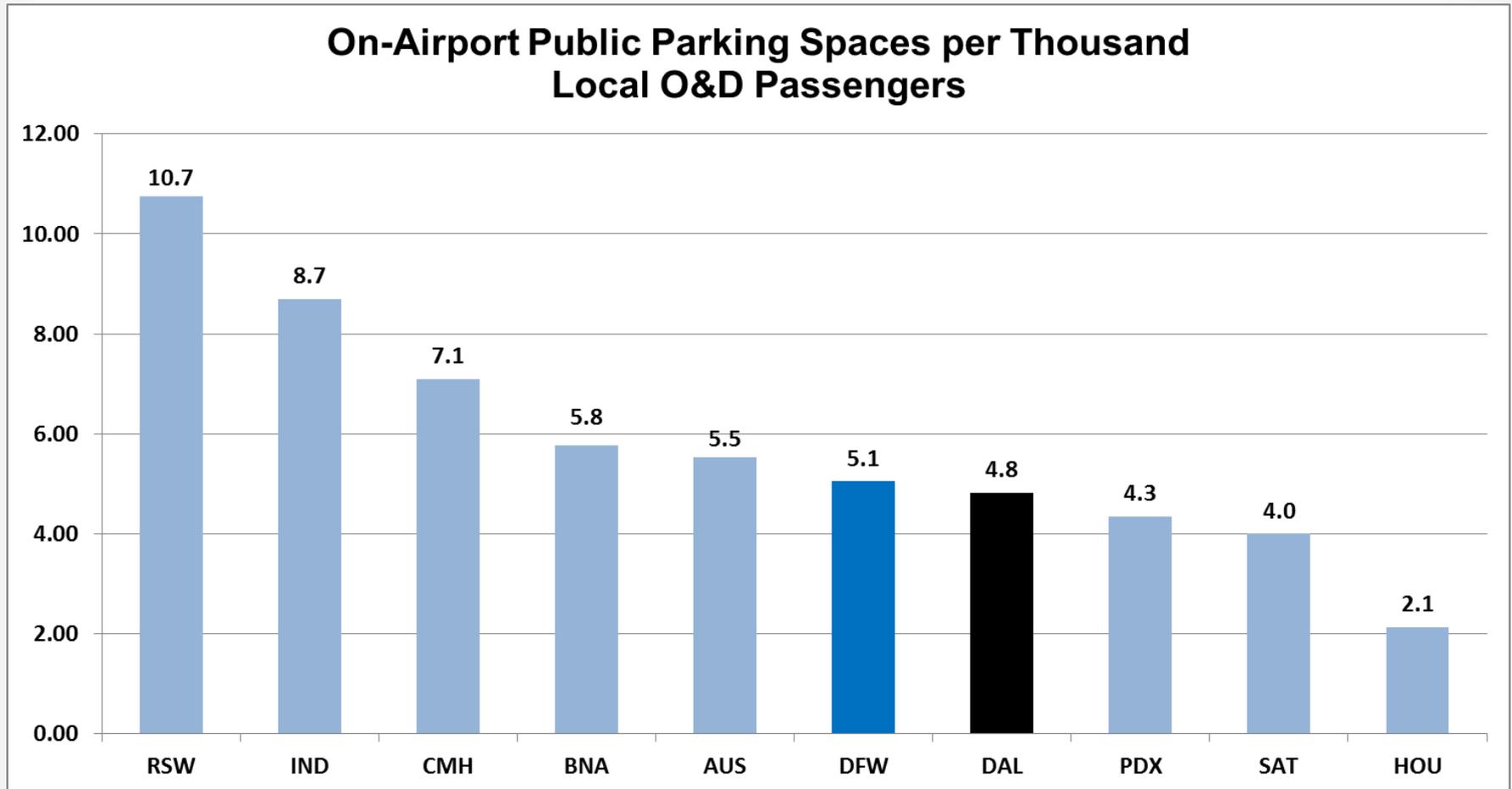
# Benchmarking - Parking Rates

- DAL Parking Rates were benchmarked against other similar sized Airports (RSW, PDX, BNA, CMH, IND) as well as other Texas Airports (HOU, SAT, AUS, DFW)
- The following slides illustrate the benchmarking comparisons

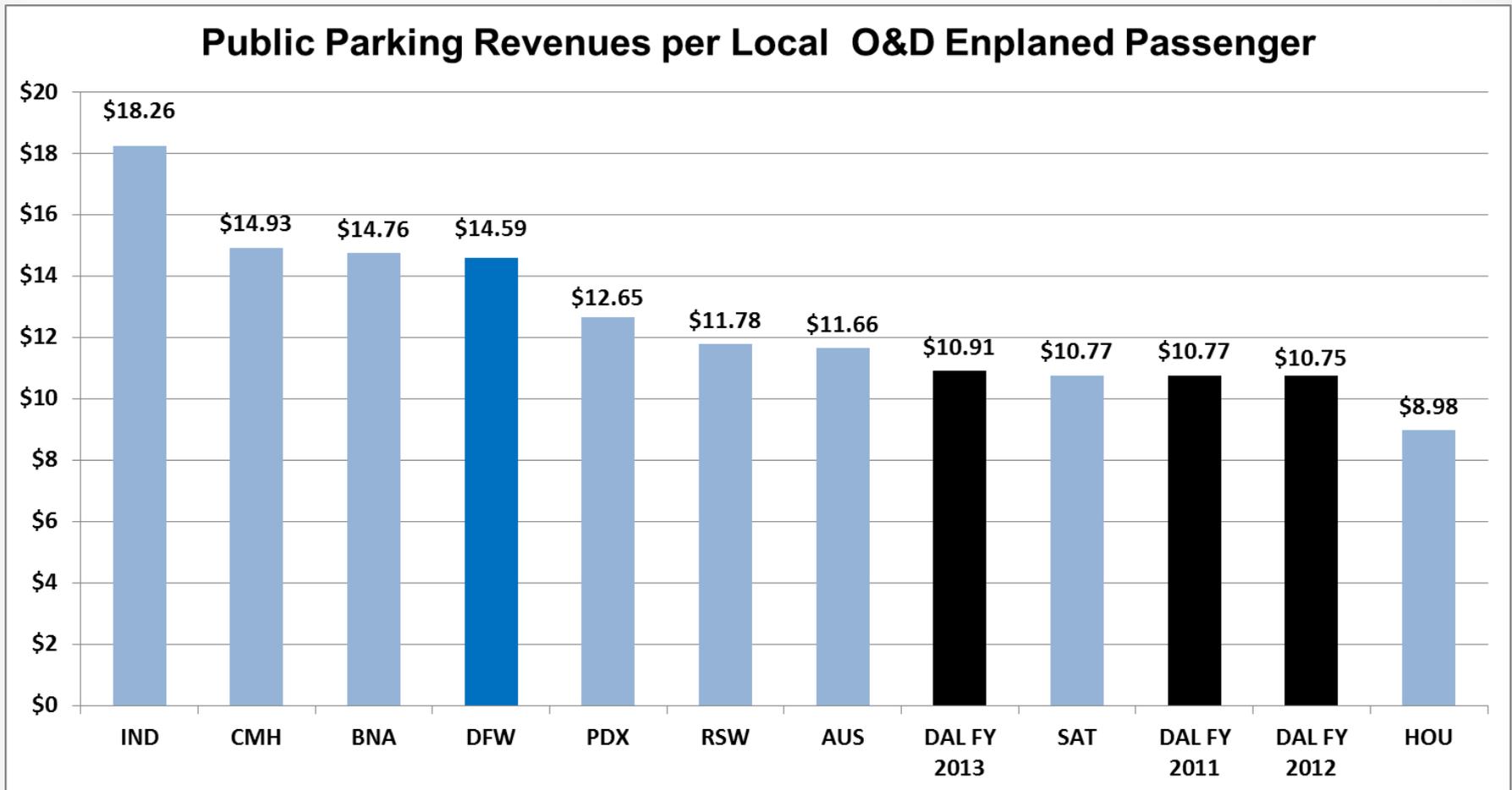
# Benchmarking - Parking



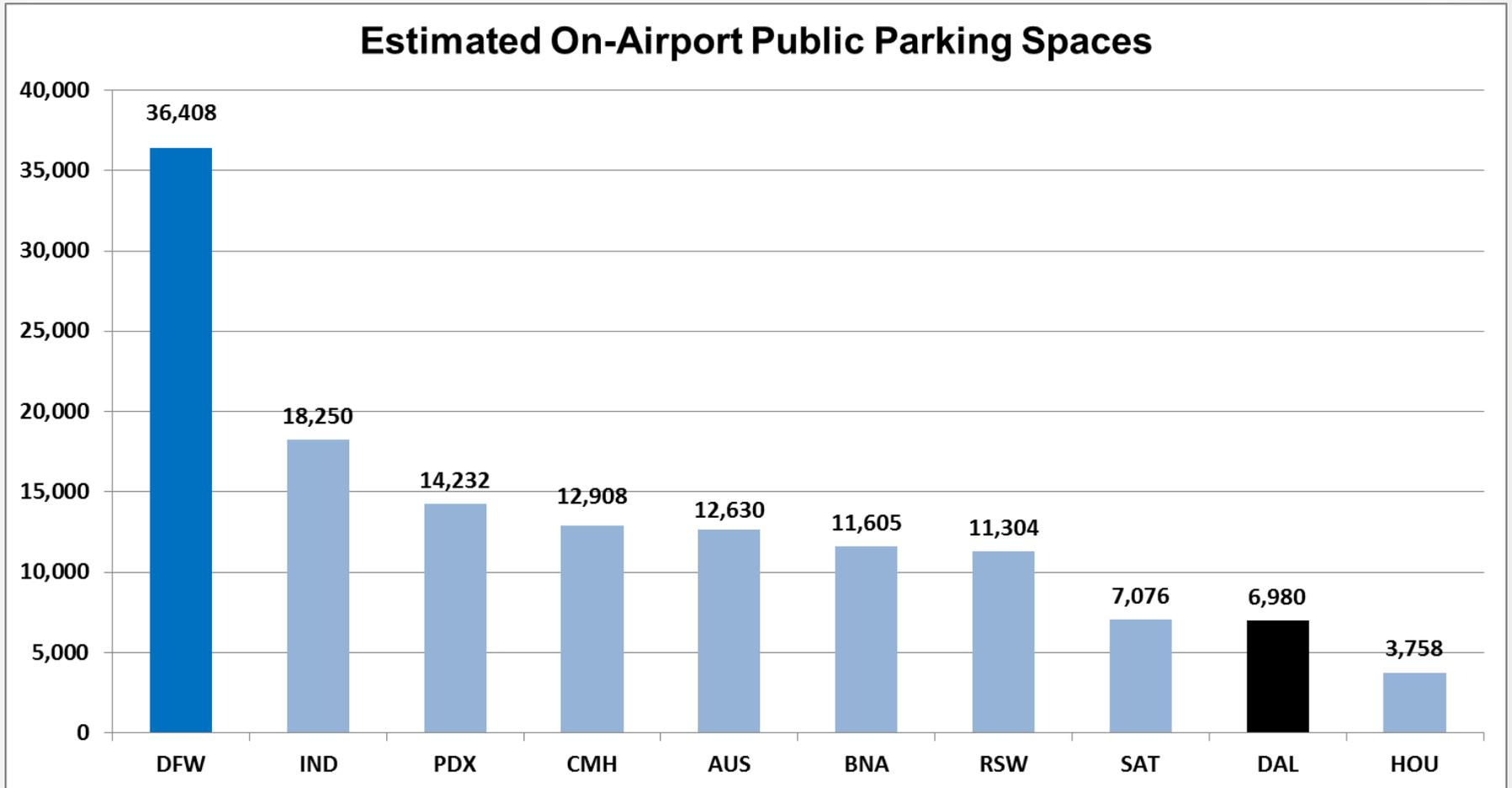
# Benchmarking – Parking



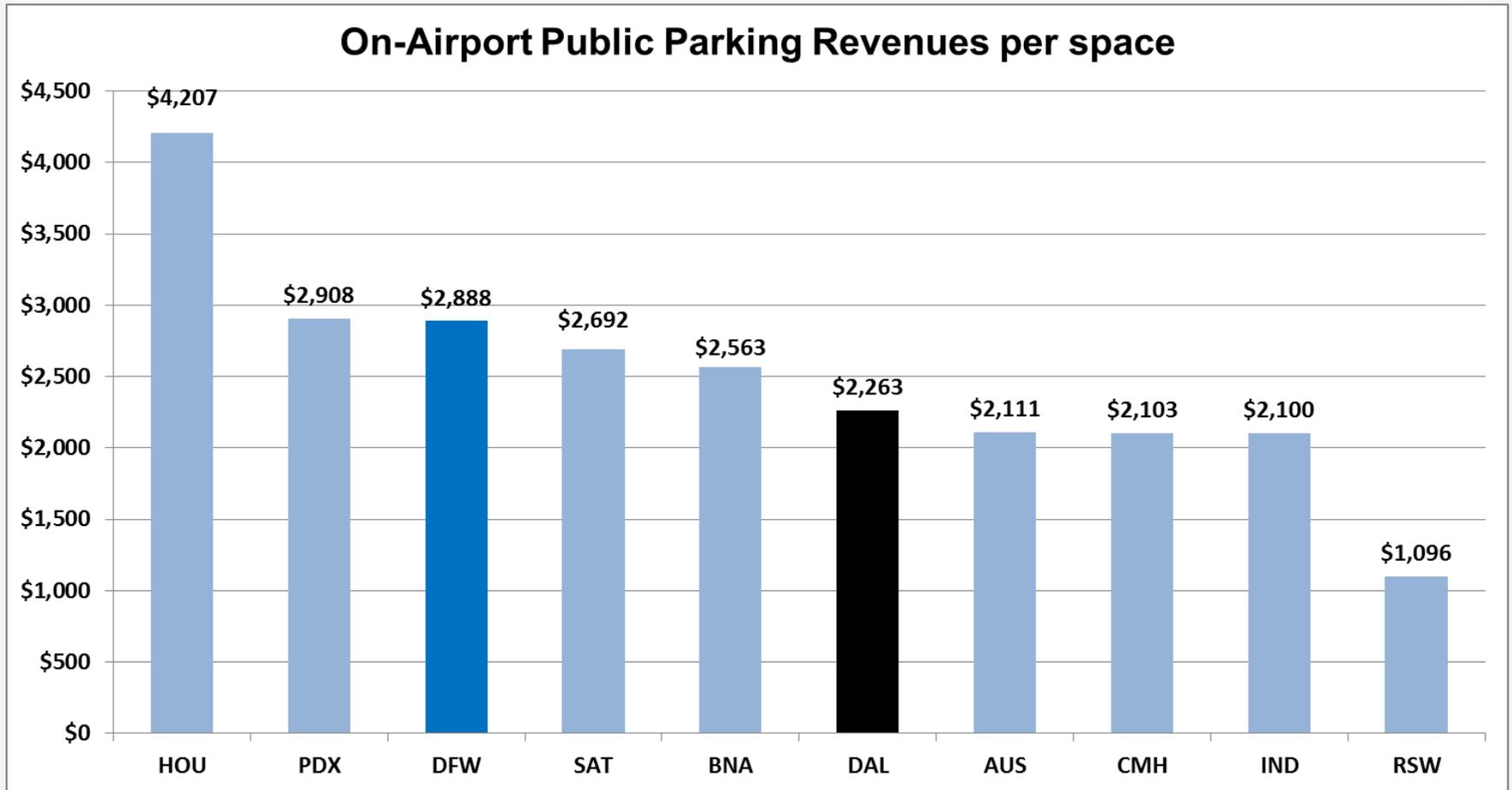
# Benchmarking - Parking



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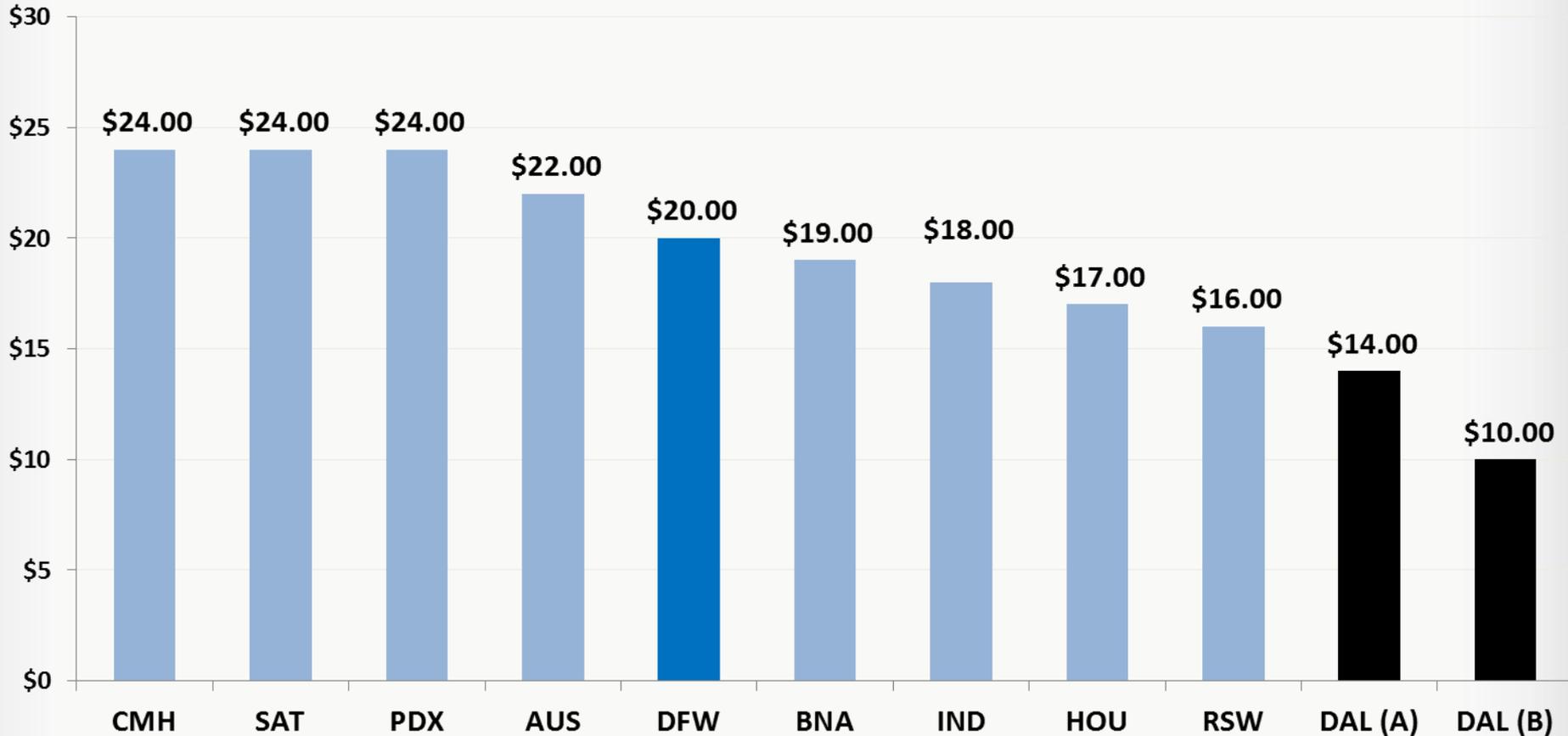


# Benchmarking - Parking



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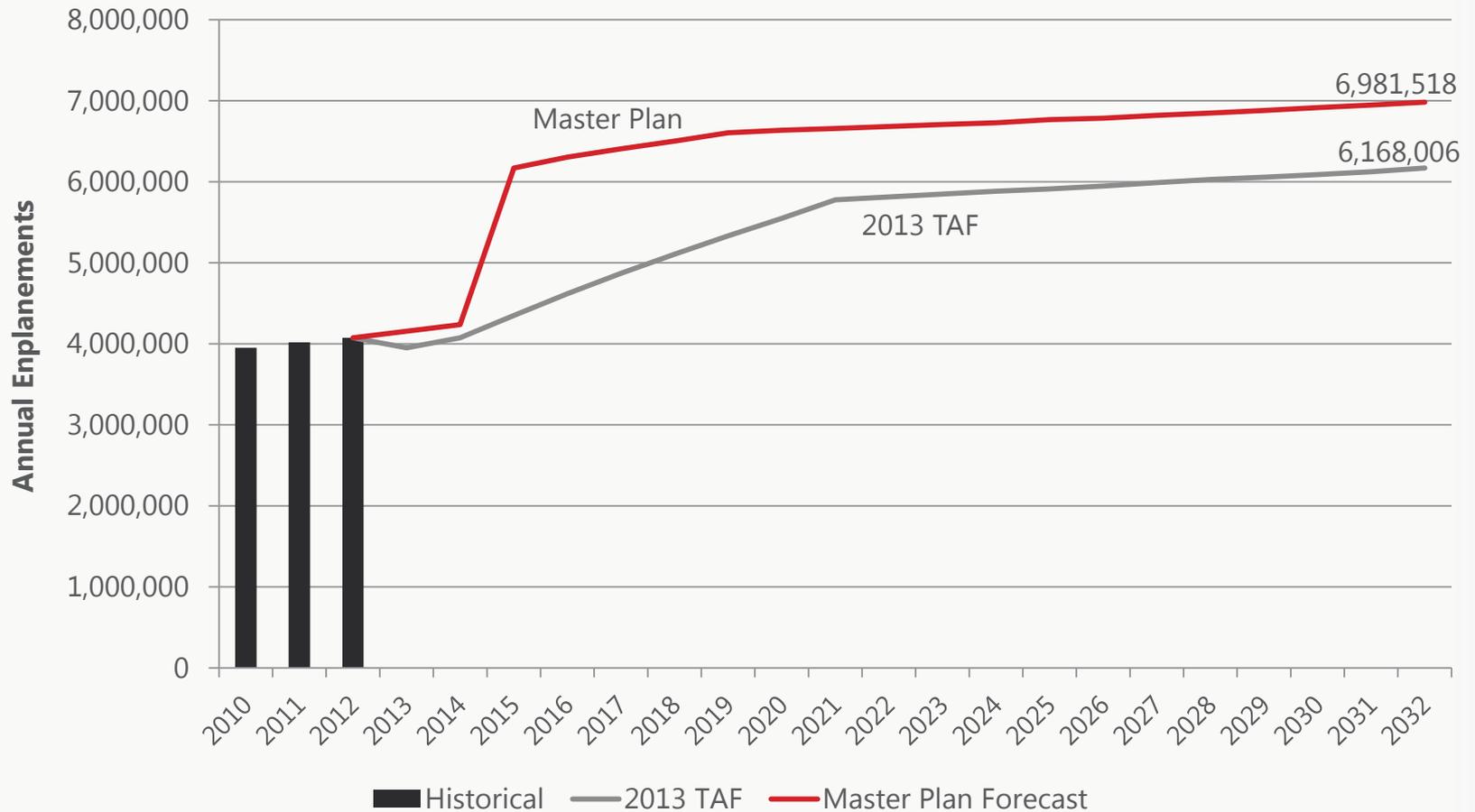
## Max. Daily Rates for close-in Garage Parking



# Forecasted Growth

- Revised forecast now shows Dallas Love Field to be at approximately 6.2 million enplanements by the end of 2015
- New forecast has a number of implications, the most immediate issue being adequate on-airport parking availability
- Dallas Love Field needs to implement a number of strategies to mitigate this surge in traffic to address customer needs

# Forecasted Growth (Enplanements)



# Planning Activity Levels

ENPLANEMENTS			
Planning Activity Level	Million Annual Passengers	Year Forecasted 2013 Draft TAF	Year Forecasted MP Forecast
PAL E1	5.5 MAP	2018	2014/2015
PAL E2	6.2 MAP	2032	2015
PAL E3	7.0 MAP	NA	2032 (20 yr)

# Parking Demand / Capacity Space Requirements

PUBLIC PARKING (spaces)	2012			PAL		
	Capacity	Demand	Requirements <sup>1/</sup>	E1	E2	E3
				Design Day <sup>2/</sup>		
Garage A	2,980	2,609	2,880	3,880	4,370	4,940
Garage B	4,000	2,246	2,360	3,190	3,590	4,060
<b>Total</b>	<b>6,980</b>	<b>4,856</b>	<b>5,240</b>	<b>7,070</b>	<b>7,960</b>	<b>9,000</b>
Surplus/ (Deficit)	-	-	1,740	(90)	(980)	(2,020)
Peak Day						
<b>Total</b>	<b>6,980</b>	<b>5,462</b>	<b>5,470</b>	<b>7,380</b>	<b>8,320</b>	<b>9,390</b>
Surplus/ (Deficit)	-	-	1,510	(400)	(1,340)	(2,410)

EMPLOYEE PARKING (spaces)	Employee Parking	2012	PAL		
			E1	E2	E3
	<b>Requirements</b>	<b>440</b>	<b>550</b>	<b>590</b>	<b>630</b>
	Surplus/ (Deficit)	57	(53)	(93)	(133)
	+ Garage A/B Parkers	500	670	760	860
	<b>Requirements</b>	<b>940</b>	<b>1,220</b>	<b>1,350</b>	<b>1,490</b>
	Surplus/ (Deficit)	(443)	(723)	(853)	(993)

# Parking Needs – Near Term

- Need to accommodate additional public parking spaces by 2015 to accommodate demand in the Master Plan Forecast
- Additional employee spaces must also be created to meet the demand in the Master Plan Forecast and to offset removal of contract spaces in Garage B
- Southwest Airlines currently plans to construct additional surface parking on property adjacent to Mockingbird to provide additional spaces for peak demand

# Parking Needs – Long Term

- Need additional public parking spaces to accommodate demand in the Master Plan Forecast
- Based on demand, additional valet spaces need to be added for future growth
- Ultimately, demand for spaces has accelerated as the Wright Amendment restrictions end and forecast of traffic are revised upward

# Recommendations

- To address the near term needs, recommend:
  - End all contract parking for employees in Garage B
  - Seek approval to lease parking facility for employees and some additional remote spaces
  - Seek City Council approval to raise parking rates in Garage A, Garage B, and Valet
  - Begin procurement process for new revenue control system in garages A and B with an option for parking guidance system to provide more efficient movement in garages

# Recommended Public Parking Fees

	EXISTING FEE (EFFECTIVE 10/2008)	PROPOSED FEE
Garage A	\$14.00	\$17.00
Garage B	\$10.00	\$13.00
Valet Parking	\$21.00 (EFFECTIVE 03/2013)	\$24.00

# Recommendations

- To address long term needs, recommend:
  - Evaluate the possibility of amending the Program Development Agreement with Southwest Airlines to add the construction of an additional parking structure
  - Airport has been approached regarding potential Hotel development by a number of private developers
    - Issue RFQ to gauge interest by private developers in possible hotel and parking structure development at Love Field

# Questions