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Title: PENSACOLA INTERNATIONAL AIRPORT - PARKING RATE ADJUSTMENT

Sponsors: Grover C. Robinson, IV

Indexes:

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Attachments: 1. Revenue Analysis

Date	Ver.	Action By	Action	Result
4/25/2019	1	City Council	Approved	Pass
4/22/2019	1	Agenda Conference	Placed on Consent Agenda	Pass

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

PENSACOLA INTERNATIONAL AIRPORT - PARKING RATE ADJUSTMENT

RECOMMENDATION:

That City Council approve an increase to the daily parking rate in Economy Lot 1 and Economy Lot 2 from \$6.00 to \$8.00 at the Pensacola International Airport.

HEARING REQUIRED: No Hearing Required

SUMMARY:

The Airport’s two economy parking areas are located further away from the passenger terminal requiring a longer walk. As such, the areas have a lower daily price. Until recently, patrons made conscious decisions to park in the areas, saving money but walking a greater distance.

With increasing passenger traffic, the garage and main surface parking are now filled on a weekly basis. Therefore, all patrons arriving at certain times are routinely directed to the Airport’s economy parking areas. To ensure an adequate level of service, given the increased forced usage of these lots, Airport Staff has requested that Republic Parking, the Airport’s parking management firm, institute full-time shuttle services. Two 13-passenger buses, already owned by the Airport, would be operated by Republic Parking throughout the day. The additional hours and operating expenses will be added to Republic’s annual budget and would be

reimbursed by the Airport. Shuttles would operate approximately 280 hours each week, with an estimated annual expense of approximately \$263,500.

To account for the increased level of service (shuttles) to the economy parking areas, and to assist in covering the expense of the shuttle service, Republic Parking has reviewed the parking rate structure in place at the Pensacola International Airport. Parking represents the largest single source, or 41%, of non-airline revenue, and makes up 25% of all operating revenue. With the Airport's ongoing strategy to maximize non-airline revenue sources in order to minimize its reliance on the airlines, it is crucial to review parking rates on a periodic basis.

Based on their review, Republic recommends an increase in the daily rate of just the two economy parking lots. Republic Parking estimates that by increasing the daily rate from \$6.00 to \$8.00, an additional \$297,800 in revenue will be generated. This increase will cover the added expenses associated with the implementation of the shuttle services.

Overall, parking rates will continue to remain competitive with adjacent airports.

Current:

Economy Lots: \$2.00/hr.; \$6.00/day
Surface Lot: \$2.00/hr.; \$9.00/day
Garage: \$1.00/half hr.; \$11.00/day
Flight Crew: \$90/month

Proposed:

Economy Lots: \$2.00/hr.; **\$8.00/day**
Surface Lot: \$2.00/hr.; \$9.00/day
Garage: \$1.00/half hr.; \$11.00/day
Flight Crew: \$90/month

Parking rates were last adjusted in 2013. Before that they were adjusted in 1991, 1997 (but effective in 2000), 2003, and 2009. A history of Pensacola Airport's parking rates is as follows:

1991 to 2000:

Short Term: \$0.75/half hr.; \$10.00/day
Long Term: \$1.00 first 2 hours; \$0.75 each additional 1/2 hour; \$4.00/day
Flight Crew: \$20/month

2000 to 2003:

Surface: \$2.00 first 2 hours; \$1.00 each additional hour; \$6.00/day
Garage: \$1.00/half hr.; \$7.50/day
Flight Crew: \$20.00/month

2003 to 2009:

Surface Lot: \$2.00/hr.; \$6.50/day
Garage: \$1.00/half hr.; \$8.00/day
Flight Crew: \$20.00/month

2009 to 2013:

Shuttle Lot: \$2.00/hr.; \$8.50/day
Surface Lot: \$2.00/hr.; \$8.50/day
Garage: \$1.00/half hr.; \$10.50/day
Flight Crew: \$20.00/month

2013 to Current:

Economy Lots: \$2.00/hr.; \$6.00/day
Surface Lot: \$2.00/hr.; \$9.00/day
Garage: \$1.00/half hr.; \$11.00/day
Flight Crew: \$90/month

The Airport, in its recently completed Master Plan, has identified the need for additional parking as one of the projects to address in the first five year period. A project to expand Economy Lot 1 will add 260 spaces by mid-summer, and efforts are underway to review other areas and develop additional surface parking within the year. Beyond this, Airport Staff will begin discussions regarding the expansion of the parking structure.

PRIOR ACTION:

July 11, 1991 - City Council adjusted the parking rates in the Pensacola Regional Airport parking lot.

April 10, 1997 - City Council approved parking rates for the future parking garage and modified surface parking at the airport.

September 11, 2003 - City Council approved parking rates for the parking garage and surface parking at the Pensacola Regional Airport.

February 12, 2009 - City Council approved an increase in the daily parking rate in the surface parking lot and an increase in the daily rate of the parking garage at Pensacola Gulf Coast Regional Airport.

March 23, 2013 - Mayoral approval to adjust the daily parking rates for Pensacola International Airport.

FUNDING:

N/A

FINANCIAL IMPACT:

The Airport forecasts that the rate adjustment will provide an additional \$297,800 annually of non-airline revenue through the parking concession and will be offset with an additional \$263,500 of expense.

CITY ATTORNEY REVIEW: Yes

4/5/2019

STAFF CONTACT:

Christopher L. Holley, City Administrator
Daniel Flynn, Airport Director

ATTACHMENTS:

- 1) Revenue Analysis

PRESENTATION: No