



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 20-00118

City Council

4/23/2020

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

PENSACOLA INTERNATIONAL AIRPORT - VALET PARKING RATE ESTABLISHMENT

RECOMMENDATION:

That City Council approve the establishment of a rate of \$10 for the first five hours and \$15 per day for valet parking services at the Pensacola International Airport.

HEARING REQUIRED: No Hearing Required

SUMMARY:

The Pensacola International Airport currently has 3095 parking spaces for the use of the public arriving and departing the passenger terminal. To address the ongoing growth in passenger activity and the increase in demand for parking, Airport Staff is planning both short and medium-term projects. In the medium-term, an expanded garage facility will be constructed. In the short-term, additional economy and remote surface parking areas are being designed and constructed, with some coming online in summer. Additionally, to continue providing a high level of service and to assist those who may have difficulty navigating the various parking areas, Airport Staff has worked with our parking management firm, Republic Parking, to offer valet parking services.

Commencing at the beginning of May, patrons will have the ability to pull to the curb in front of the passenger terminal and have their car taken by a valet attendant and parked in a valet parking area. The valet attendants will also obtain information from the patron as to when they will return so the car will be staged and ready upon their arrival. The additional hours and operating expenses will be added to Republic Parking's annual budget and would be reimbursed by the Airport. Valet services will be offered from 4:00 a.m. through the last flight, with personnel expending some 343 hours each week. The estimated annual expense of the valet operation will be approximately \$300,000.

To account for the increased level of service associated with the valet program, and to assist in covering the additional expenses, Republic Parking has reviewed the parking rate structure in place at the Pensacola International Airport to determine the appropriate daily rate for valet. 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 establish suitable rates.

Based on their review, Republic recommends a daily rate of \$15 for the valet program, with an incremental rate of \$10 for the first five hours. Republic Parking estimates that at this rate and the forecast use, the valet program will generate enough to cover its cost.

Overall, parking rates will continue to remain competitive with adjacent airports. Other airports that offer valet services are: Mobile at \$13/day, Tallahassee at \$17/day, Birmingham at \$16.95/day, Sarasota at \$18.00/day, Jacksonville at \$22/day.

Current:

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

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

Valet: \$10 0-5 hours; \$15.00/day

Parking rates were last adjusted in 2019. Before that, they were adjusted in 1991, 1997 (but effective in 2000), 2003, 2009, and 2013. 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 2019:

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

2019 to Current:

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

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.

April 25, 2019 - City Council approved an increase in the daily parking rate in Economy Lot 1 and Economy Lot 2 from \$6.00 to \$8.00 at the Pensacola International Airport.

FUNDING:

N/A

FINANCIAL IMPACT:

The Airport forecasts that the establishment of a \$15/day rate for valet services will cover the additional \$300,000 in annual expenses that will be incurred. Sufficient funding is available in the FY 2020 Airport budget.

CITY ATTORNEY REVIEW: Yes

2/27/2020

STAFF CONTACT:

Keith Wilkins, City Administrator
Richard Barker, Jr., Deputy City Administrator - Administration and Enterprise
Daniel Flynn, Airport Director

ATTACHMENTS:

None

PRESENTATION: No