

Parking Rate Change Frequently Asked Questions

How is the public parking system funded?

Parking fees fund the Ann Arbor public parking system. Parking fees include fees paid for parking permits, on-street meters, and hourly parking in parking lots and structures. The parking system is a self-sustaining system, parking fees must cover all parking-related expenditures.

What are parking-related expenditures?

Parking expenditures are made up of the following:

- Operations
- On-going maintenance
- Annual restoration and major repairs
- Debt service
- Funding for the go!Pass
- 20% of gross parking revenue is provided to the City

Why are parking rates being increased?

There are a few reasons to increase parking rates. We are seeing increased costs for labor and materials, as well as escalating costs associated with major repair and restoration work. In addition, revenue loss during the COVID pandemic is estimated at nearly \$30M. This period of reduced revenue and uncertainty meant the DDA had to defer non-critical capital expenses. The new rate plan addresses the need to catch up on deferred maintenance.

Why present multiple years of rate changes at once?

By presenting rate changes as a 3-year plan, it will make it easier for parking system users to plan for these changes.

When were the last times parking rates were increased?

2012: Structure hourly rates were increased to \$1.20/hour

2022: Permit, lot, and meter hourly rates were increased. Structure hourly rate stayed the same.

What is the recommended timeline for adopting new parking rates?

Sept, Oct, Nov 2023: Discussion of possible rate changes at DDA Board meetings and work sessions

October 10, 2023: City Council/DDA work session to review possible rate changes

December 6, 2023: Slate of possible rate changes presented at DDA board meeting

February 7, 2024: Public hearing about rate changes. Public feedback can also be emailed to dda@a2dda.org or relayed by phone: (734) 994-6697.

March 6, 2024: DDA board votes on rate changes

May 1, 2024: Rate changes go into effect