

# BALANCING FUNDING FOR PARKING AND TRANSIT AT UNC- CHAPEL HILL



By Cheryl Stout

**T**HE UNIVERSITY OF NORTH CAROLINA (UNC) AT CHAPEL HILL is the nation's oldest public university. Today, it receives an A+ rating in transportation from the Association for Advancement of Sustainability in Higher Education, but struggles with the challenges of maintaining an expanding multi-modal transportation system.

The university had more than 28,000 students and 12,000 employees during the 2010-2011 academic year. Chapel Hill is also home to the UNC Hospitals, with more than 7,000 support personnel accommodating approximately 1 million annual visits. UNC Department of Public Safety (DPS) is responsible for managing the university's receipt-supported transportation and parking system.

The parking inventory consists of close to 22,000 spaces in a variety of designs and uses, including gated reserved lots; permit parking for students and university staff; on-street metered parking; park-and-ride lots for commuting students and staff; patient and visitor parking; and special event parking. UNC contributes 58 percent of the cost of local Chapel Hill Transit, which is a fare-free-at-boarding system. Free regional transit passes are provided to employees and commuting students on top of that.

Most of the university's parking and transit services costs are funded through receipts generated from permit sales, patient/visitor parking, and transit fees generated from student fees and a departmental payroll fee. A five-year planning strategy has been adopted to incorporate university planning initiatives that require specific transportation management strategies, with input from the UNC Advisory Committee for Transportation (ACT), which has representatives from various campus constituents that include undergraduate/graduate students, student affairs, employee forum, faculty council, hospitals, medical school, athletics, and administration.

Parking permits and hourly parking spaces generate more than \$16 million of the system's approximately \$22 million revenues. Additionally, the transit fee assessed to all students and university departments generates approximately \$5 million that is used to help fund the transit system.

The Town of Chapel Hill recently notified the university that UNC's portion of the transit system's annual operating expenses were projected to increase \$3.1 million in 2015 (totaling \$8.5 million) to maintain existing levels of service. A significant portion

of this increase was attributed to rising fuel prices.

DPS employed the services of Kimley-Horn and Associates, Inc., to assist with a five-year financial plan for transportation and parking services at UNC. After gathering information on anticipated growth and costs over that time, it was determined that an additional \$5.7 million would be needed. Faced with this deficit, DPS undertook the following tasks:

- A review of current operations to identify possible ways to lower operating costs.
- A review of parking fees and rates.
- A review of current parking policies with a goal of increasing revenues.

### **Efficiencies**

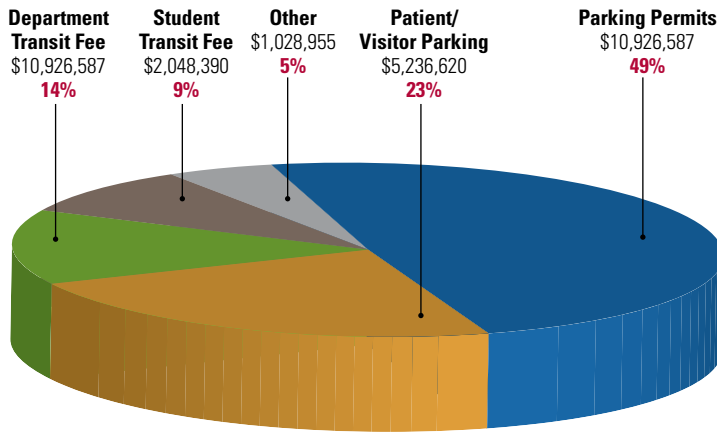
A number of options, including LED lighting, implementation of pay stations for on- and off-street parking lots, and online permit sales were evaluated; this identified approximately \$600,000 in potential annual savings.

### **Parking Fees and Rates**

UNC implemented a sliding scale during the previous five-year plan for faculty and staff parking permits in which the fee paid is based on each employee's

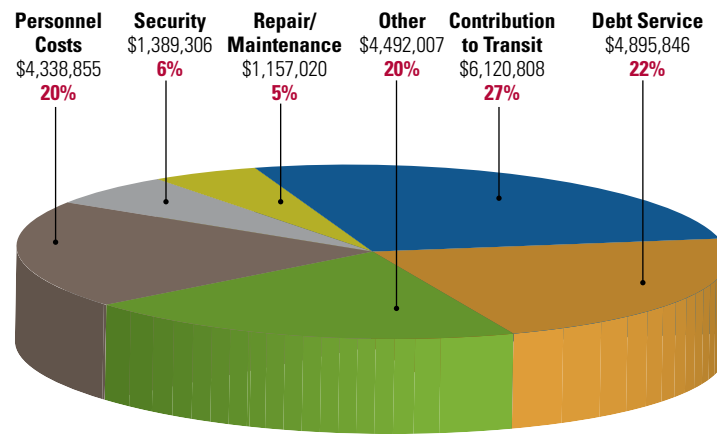
## 2010 UNC CH Parking Revenues

Total = \$22,393,842



## 2010 UNC CH Parking Expenses

Total = \$22,393,842



salary. On-campus permits for faculty and staff range from \$546 - \$2,154 per year, while student permits range from \$380 - \$685. A survey of peer institutions found that UNC's parking fee ranges were higher than most, but that they were comparable to large schools located in metropolitan areas. Based on this comparison, fees at other in-state universities, and local parking rates, it was clear that the university's fees were already near the top of what the local market will pay.

### Parking Policies

A number of free park-and-ride lots with high frequency bus service have been constructed off campus. These have proven to be extremely popular, with more than 95 percent occupancy at peak hours in the lots closest to campus. Chapel Hill Transit provides express bus service to these lots and offers five minute headways at peak hours. UNC pays 100 percent of that service and the cost of constructing, maintaining, and operating the lots.

### Recommendations

After evaluation, consultation, and revisions based on campus-wide input, the following recommendations were put forth:

- **2011-12 Implementations:** Reduce the subsidy of the transit system by parking revenues at \$500,000 annually and increase student and department fees to pay for transit services to cover the projected increases. This will raise student fees an average of \$14 per year and departmental fees by an average of \$184 per \$1 million in payroll. The student and department fee increases are expected to generate an additional \$3.1 million by 2015.
- **2013-14:** Increase the cost of daytime parking permits at an annual rate of approximately 2 percent on each scale.
- **2013-14:** Implement a fee at the park-and-ride lots; \$250 per year was recommended.
- **2014-15:** Implement a permit program for night parking; an annual fee of \$250 was recommended.
- **2015-16:** Increase the daily maximum for visitor parking in the southwest portion of campus that serves the HealthCare system from \$8 to \$10.

With the implementation of these recommendations and the projected cost savings from identified efficiencies, the system will generate enough additional revenue to cover the projected five-year cost increases.

### Implementation

Raising fees for parking and transit is always challenging, but is particularly so in the current economic environment and on a campus with active, engaged constituents. UNC is facing significant funding cuts from the legislature and in order to maintain the quality of its programs, increases in fees and tuition are expected. How do you sell a program that recommends increasing fees for everyone?

First, quantify the story. Throughout the project, DPS met regularly with the ACT to keep them abreast of the study and findings.

Second, engage the stakeholders and listen. Presentations of the study, findings, and recommendations were made at separate forums for students, faculty and staff, hospital advisory groups, and the public. At each meeting, DPS and Kimley-Horn presented the history behind the project and the recommendations while carefully listening to the concerns of attendees.

Third, react and respond. Based on input received in the forums, the recommendations were modified as shown below:

- Reduce the planned parking deck construction on campus by 300 spaces, decreasing the debt service.
- Delay the 2 percent daytime parking permit increase from 2011/12 to 2013/14.



Jeff McCracken, director of UNC public safety, presented the study recommendations at public forums.



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- Delay the park-and-ride permit fee from 2011/12 to 2013/14.
  - Delay the night parking program from 2011/12 to 2014/15.
  - Change student contributions to the night parking program from a permit cost to a fee-based system.
  - Reduce the amount of parking revenue used to subsidize the fare free program from \$1.5 million to \$1 million by 2015/16.
  - In lieu of a \$250 flat fee, apply a sliding scale to the park-and-ride and night parking permits.
  - Eliminate first-year students (who may not have cars on campus) from the night parking fee.
  - Install pay and display stations in the park-and-ride lots to allow for a daily use option.
- The implementation of these recommendations provides the university with a thoughtful, structured plan to fund necessary transportation and parking initiatives while ensuring that the various users have input into the planning process and that all users contribute to the system to help distribute cost.



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