

PARKING AUTHORITIES AND PARKING UTILITIES

By Leonard T. Bier, JD, CAPP

Virtually all municipalities recognize the importance of providing on- and off-street parking for residents, visitors, shoppers, and persons employed within their cities. However, not every municipality realizes the importance of integrating all aspects of providing public parking within the framework of a parking system.

When parking functions are divided between multiple city departments, no single person is responsible for planning, managing, operating, or delivering municipal parking services to the public. The municipality often does not know the actual cost of providing public parking or the net revenue derived from parking fees.

are exempt from real estate taxes, and parking fees are exempt from sales tax.

Parking authorities are independent and, on occasion, raise off-street parking fees or pursue goals, objectives, or projects not supported by a majority of the municipal governing body. Parking authorities are not directly controlled by the local governing body.

Whatever direction a municipal government chooses to pursue to provide public parking services, parking authorities and parking utilities are better methods for the delivery of parking functions and services than decentralized multiple city departments.

The most efficient and effective way to provide municipal parking services is via a parking system, which means the delivery of municipal parking services to the public by a single government entity charged with the responsibility of managing, planning, and operating all aspects and functions (enforcement, collection, and repair) of on- and off-street parking services.

Parking Authorities

In 1948 New Jersey adopted N.J.S.A. 40:11A et. seq., commonly known as the parking authority law, which authorized municipal governments to create an independent parking authority. A New Jersey parking authority has five commissioners appointed by the governing body of the municipality for staggered five-year terms or seven commissioners with two mayoral appointments and five governing body appointments. A parking authority may employ an executive director, attorney, parking consultant, engineer, accountant, auditor, financial adviser, and other professionals and staff necessary to manage and deliver parking services to the city.

State statute 40:11A-6 grants parking authorities extraordinary powers that include eminent domain (condemnation powers) and the ability to buy, sell and/or lease property as a lessee or lessor; construct mixed-use development projects and parking facilities; borrow money; issue bonds; mortgage its assets; enter into contracts; and retain earnings. Mixed-use projects owned or leased by a New Jersey parking authority

Parking Utilities

A municipality may operate a parking utility, which has a number of the strengths of a parking authority: an executive officer; operating budget and debt service separate from the municipality; and the ability to generate annual surplus revenue and retain earnings.

One negative associated with a parking utility is limited independence: The chief executive usually reports through the city administrator/manager or CFO or the city manager also functions as the CEO of the utility. The local governing body retains jurisdiction over rates, fees, capital projects, operating budget, and personnel. Parking revenues in excess of annual operating expenses are generally turned over to the city's general fund and are not usually reinvested into the parking system generating the revenue.

A parking utility does not have the power of condemnation and eminent domain, which must be exercised by the municipal governing body. A parking utility usually does not have the statutory authority to pursue mixed-use development as part of a municipal structured parking facility project.

The hands-on control exercised by the municipal governing body places a parking utility's planning and decision-making within the political process. In municipal environments in which control of the mayor's office and governing body are continually contested, parking can become a political issue rather than a parking planning best practice, which can affect a parking utility's ability to pursue public parking improvements and objectives.

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