



Agenda Item Summary

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Submitted By

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Reviewed By

CLP

Agenda Item Title

A Motion to approve extending the Valet Parking Services Agreement with SP Plus Corporation to Operate a Universal Valet Parking Program in the Downtown Oak Park Area for One Year and direct staff to prepare the necessary actions for formal approval at the February 21, 2017 Village Board meeting.

Overview

On July 18, 2016 the Village Board approved continuation of a valet parking services agreement with SP Plus Corporation to operate a universal valet program in the downtown Oak Park Area with a follow-up report in six months. This agenda item is the six month report and recommendation to continue the valet program for an additional 12 month period. Additionally, as a part of the holistic review of parking, the universal valet program will be considered as part of the public transit review area and Lake Street to determine if valet services are a customer service necessary for the Parking Fund to provide.

Staff Recommendation

Approve the Motion.

Fiscal Impact

During the first ten months of operations, total gross parking revenue exceeded \$24,000 and more than 4,500 cars were valet parked, with an average of more than 20 cars per days in the highest volume months.

Valet customers pay \$5 for up to three hours and \$12 for up to 10 hours of parking. Additionally, the cost of the valet program is funding by the Parking Fund of the Village, Westgate Medical Offices and the Oak Park Station developer. For FY16, the net expense to the Parking Fund was within the budgeted amount of \$125,000.

The Parking Fund also supports the programs listed below to ensure convenient parking in the Greater Downtown Business Districts with estimated forgone parking revenue listed in parenthesis:

- 90 minutes free in downtown garages - (\$530,000 annually)
- 60 minutes free in Avenue garage - (estimated expense of \$70,000 annually)
- Large Volume Business Validation Program - (\$300,000 annually)
- Boutique Hotel Validation Program - (\$14,000 annually)
- Employee discount Program - (\$148,000 annually)

The current agreement with SP+ for universal valet is \$206,182 for a twelve month period. In order for the Valet Program to pay for itself without subsidy from the Parking Fund or the private sector, there would need to be 41,236 parking transactions over a one year period or 793 parking transactions/week - at the minimum charge of \$5 for three hours of parking. As the chart below shows, the program is currently averaging 457 customers a month. In 2017 additional private support would continue to be solicited, as well as, pursuing additional marketing strategies to increase awareness and usage of the program. It is anticipated that for an additional year of service the program will have a net cost to the Village of \$100,000 - \$125,000.

Ten Month Usage

| Month | Doctor Offices | General Public | Total Cars | Total Revenue |
|---|----------------|----------------|------------|---------------|
| Mar 2016 | N/A | N/A | 291 | \$ 1,525 |
| April 2016 | N/A | N/A | 437 | \$ 2,269 |
| May 2016 | 164 | 389 | 553 | \$ 2,918 |
| Jun 2016 | 187 | 366 | 565 | \$ 3,045 |
| July 2016 | 190 | 381 | 517 | \$ 2,871 |
| Aug 2016 | 164 | 288 | 452 | \$ 2,322 |
| Sep 2016 | 142 | 270 | 412 | \$ 2,287 |
| Oct 2016 | 123 | 220 | 343 | \$ 1,859 |
| Nov 2016 | 137 | 325 | 463 | \$ 2,350 |
| Dec 2016 | 156 | 383 | 539 | \$ 2,742 |
| Note 1: Tracking of the valet customers that were visiting the participating doctor offices didn't 2016 | | | | |
| Note 2: Three hour limit in downtown lots and an extra 30 minutes free in the downtown garage 2016. | | | | |
| Note 3: Valet System is currently averaging 114 vehicles per week | | | | |

Background

On July 18, 2016, the Village Board approved continuation of the valet parking services agreement with SP Plus Corporation to operate a universal valet parking program in the downtown Oak Park Area with a follow-up report in six months. With the closing of the parking lots near Harlem Avenue and Lake Street staff requested feedback from the downtown Oak Park businesses and received a positive response for providing a valet option in the vicinity of Marion and Lake Streets.

The service operates from 10 a.m. to 10 p.m. Monday thru Saturday to encompass the wide range of services, retail and entertainment provided in this area.

In addition, several marketing initiatives have been conducted:

- Village sponsored a newspaper coupon campaign program with the Wednesday Journal and surrounding suburbs

- Thursday night out promotions: SP Plus management staff went around to patrons of Thursday night out and promoted the valet service and provided literature. This was done for three consecutive weeks
- Advertised at lake Theater on all screens for three months
- SP Plus staff went to local businesses and promoted the service for their customers. Staff left behind counter cards and also static window clings to post in the storefront windows
- Coordinated with DTOP to promote valet services to the local merchants and holiday shopper rewards program

On February 16, 2016, the Village Board approved a one year valet parking services agreement with SP Plus Corporation to operate a universal valet parking program in the downtown Oak Park Area with a review after four months to be conducted and recommendations returned to the Village Board.

In recommending the program, staff considered that historically, the off street parking lots at Lake and Harlem (also known as Lot 9 and 9T) which are now closed for development experienced 125,229 unique parking transactions in 2015 or an average of 2,400 parking customers per week. On average, this would equate to each parking space in the two lots turning over twice daily, Monday through Saturday.

Staff has been evaluating valet services as a way to provide an option for convenient parking in the downtown business districts. As a part of the holistic review of parking, the universal valet program will be considered as part of the public transit review area and Lake Street.

At the August 3, 2015 Village Board meeting a motion was passed directing staff to prepare a pilot universal valet parking program for the Downtown Business Districts. A Request for Proposal (RFP) was issued and staff has prepared a recommendation for construction related Valet parking in Downtown Oak Park which additional research is done for a universal valet program to be discussed later in 2016. On Monday February 8, 2016 as part of a Study Session, the Village Board discussed the valet options as presented by staff.

Alternatives

The Village Board could request additional information or suggestions for consideration.

Previous Board Action

At the August 3, 2015 Village Board meeting a motion was passed directing staff to prepare a Pilot Universal Valet Parking Program for the Downtown Business Districts.

On February 8, 2016 the Village Board held a Study Session to further understand this program.

At the February 16, 2016 Village Board meeting a resolution was approved for a one year valet parking services agreement with SP Plus Corporation to operate a universal valet parking program in the downtown Oak Park Area with a review after four months to be conducted and recommendations returned to the Village Board.

At the July 18, 2016 Village Board meeting a motion was approved to maintain the valet parking services agreement with SP Plus Corporation to operate a universal valet parking program in the downtown Oak Park Area with a follow-up report in six months.

Citizen Advisory Commission Action

N/A.

Anticipated Future Actions/Commitments

One year Agreement to be presented for consideration on February 21, 2017.

Intergovernmental Cooperation Opportunities

N/A.

Performance Management (MAP) Alignment

Parking and Mobility Services is scheduled to begin MAP in the final phase.