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ITEM #65 – SUBSTITUE RESOLUTION – Common Council advises TPC on 2006 Budget and fare structure

**PAY OFF RAMPS AND THEN FUND METRO**

- The City provided \$8.3 million to Metro in 2005 (\$750,000 more than in 2004)
- Parking Utility has about \$5 million in cash, and about \$5 million in restricted reserves. The Parking Utility also has about \$4 million in bonds outstanding. If we pay off bonds we have about \$6 million of cash.
- Regardless of whether we build the Mid-State Street Ramp, \$6 million in cash for the Parking Utility is not a huge amount of funding considering:
  - Government East will need either maintenance work or redevelopment
  - The City needs to maintain some cash in the Parking Utility for operating cash flow.
  - The Parking Utility is roughly only 25% the size of Metro. Parking Utility with \$9 million in expenses to Metro at \$40 million
- **PARKING UTILITY ALREADY FUNDS THE GENERAL FUND IN A NUMBER OF WAYS**
  - Parking Utility pays a PILOT – but not just any PILOT. The Parking Utility pays the City ALL of the taxes to the City – the School, County, MATC, and City amt. This total approx. \$1.8 million per year, which goes into the General Fund
  - Parking Utility pays the Police Department for five parking enforcement officers, which totals approx. \$400,000 per year
  - All funds raised by these employees, approx. - \$300,000 per year also goes into the General Fund
  - Finally, the new revenue from parking ramp ads will pay for a TDM coordinator

**ELASTICITY OF PRICE**

- People take transit for many reasons: Some people have to, others take it because of the environmental benefit, still others because of the convenience, and there are still others who take transit because of lack of parking options, or other incentives.
- For all the fare increases scenarios – Metro has determined the worst-case ridership projections – or how any riders would be lost, and still hit revenue needs. However, Catherine has pointed out that historically for Madison, we don't see loss in ridership
- Mike Barrett has been suggesting we should decrease fares to get more riders – For many potential transit riders, it is not the price that determines whether they will take transit. Increase in the prices that people pay at the pump will have a greater impact on transit ridership