

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Parking Rate Increase

Action

Requested: Approval of Schedule for Parking Permit Rate Increases

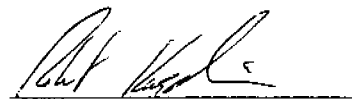
Background:

In May 1995, the Regents approved a five-year schedule of parking rate increases of 3.5% per year. These increases allowed us to continue our parking programs, reconstruct many surface lots, and to make extensive repairs to our older parking structures. With the exception of the Fletcher Street parking structure, all of our parking structures are now in good repair and funds have been put aside to renovate Fletcher as soon as the new parking structure on Palmer Drive is completed. We will continue with our preventative maintenance programs and are confident that the structures will continue to be useful for at least another twenty years without major work.

With the completion of these restoration projects, we may now focus our efforts and resources on creating new parking to help address the parking shortage on the central and medical campuses. To this end, we are requesting a schedule of rate increases for the next three years of 1.5%, 5% and 4.5% in fiscal years 2001-2003 respectively for blue and gold spaces. The proposed increase for the first year is modest in recognition of the present challenging parking conditions for faculty and staff. The increases proposed for the three years, averaging 3.67% per annum, will provide the funding for construction of almost 1,100 spaces in Palmer Drive, 277 spaces on Forest Street and several hundred more on a yet to be determined location. As a result of recent Congressional legislation, employees can pay for their parking permits with pretax dollars. This represents a meaningful savings for employees and has been highlighted in the application material. In addition, as has been the case in prior years, departmental budgets continue to subsidize the cost of parking for faculty and staff with supplementary payments.

We recommend the Regents authorize increasing the parking permit fees as described.

Respectfully submitted,



Robert Kasdin
Executive Vice President

March 2000

APPROVED BY THE REGENTS ON

MAR 20 2000