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via e-mail: kjessell@fiu.edu

Kenneth A. Jessell, Ph.D.
Senior Vice President and Chief Financial Officer
11200 SW 8th Street, PC 523
Miami, FL 33199

Florida International University
885 SW 109 Avenue, PG5 Market Station
Miami, FL 33199-0001

Re: *Off-Campus Student Parking – Feasibility Review
Florida International University
Miami, Florida
Walker Project No. 15-1951.00*

Dear Dr. Jessell:

In response to your request, Walker Parking Consultants is pleased to submit this report evaluating the feasibility and practicality of privately owned and managed off-campus student parking.

BACKGROUND

The Miami Campus of Florida International University (FIU) currently provides on-campus parking for its students and staff in five structured parking facilities and several surface parking lots spread throughout the campus. A sixth parking structure is currently in the design phase. With the growth of the University enrollment, need for sites for new campus buildings has meant a steady encroaching on the existing surface parking lots. While the demand for parking is increasing with the University's growth, the land available for surface parking, and therefore, the parking supply, will decrease without addition of new structured parking. With a land-locked campus, the only way FIU can meet its parking needs is with additional structured parking. Given the cost of structured parking, the State has asked the University for an evaluation of the feasibility of providing off-campus privately owned and operated parking. The model used for this concept is that of privately provided off-site parking near major airports wherein patrons are typically shuttled to and from their destination.

ANALYSIS AND EVALUATION

The University's headcount enrollment for Fall of 2012 was approximately 50,000. A total of 14,629 parking spaces were provided for staff and faculty in 2012. The parking system is supported primarily by revenues derived from three sources. A mandatory transportation access fee charged to all students enrolled at the University, citations, and metered spaces. FIU currently charges \$89 per semester [\$83 during summer] for student access fee. The access fees include parking decals. The faculty/staff pay for parking decals and the fees range from a low of \$133 to a high of \$972 per year depending on staff/faculty grade. More than 88% of the access fee/decal revenue is derived from student access fees. The parking decals allow unlimited parking in designated areas of the campus. Proceeds from the fee are used by the University to sustain the parking program.

Off-campus parking can be provided as surface parking or structured parking. For off-campus parking to be desirable, it needs to be located close to the campus and affordable to students. In terms of possible locations, the area surrounding the Miami campus of FIU is densely populated and lacking sites large enough for surface parking lots or for placement of a parking structure. The University is immediately adjacent to Florida turnpike on the west side. Area across S.W. 8th Street on the north side is all residential. Area on the east side with the exception of strip shopping centers, a school and a church is all residential. There are tracts of empty land on the south side, but this is used for the Miami Dade County youth fair and Tamiami Park, neither one of them is available to FIU. Also, there is no ability for a private operator to buy the land and build a garage. Thus, areas large enough for surface parking lots are rarely if ever available for land acquisition, leaving structured parking as the only option provided land was available within a reasonable distance from the campus and a shuttle service was provided.

Structured parking may cost anywhere from \$10,000 per space to \$15,000 per space, not including cost of the land. A private owner/operator will be subject to property taxes unlike University owned properties. In addition, the operator will need to provide a shuttle service to and from the campus either on-demand or throughout the operating hours. As a business, in addition to being able to pay all ownership and operating costs, the owner/operator will need to make a reasonable profit. All this will have to be accomplished from the revenues derived from the single facility.

It is estimated that the owner/operator will need to charge a minimum of \$6 to \$8 per space per day of operation. For a commuting student spending a minimum of three days on campus, this would translate into a parking cost of over \$80 per month or over \$300 per semester. This will be in stark contrast to the \$89 per semester access fee currently being charged by FIU. In addition, the student or staff paying \$80 or more per month will have to use parking far less convenient than that available on campus. Even if you ignore the profit portion and the property tax liability of the private operator, the reason FIU can have a self-sustaining parking program at a substantially lower rate is because nearly 60% of the parking is provided in low cost, minimal maintenance



surface lots and it can charge access fees for up to 50,000 students in addition to faculty/staff decals for 14,629 available spaces.

CONCLUSION

Therefore, the cost differential alone makes provision of the off-site privately owned and operated parking an option that will not be supported or used by students. This factor is why local market demand for parking is insufficient to attract private vendors. Further, FIU subsidizing off-campus parking defeats the primary goal for this option. We are, therefore of the opinion that the provision of off-site privately owned and operated parking is neither desirable, nor financially workable for FIU.

We trust that the above provides you with the evaluation you have requested. Please call if you have any questions or need additional clarification.

Sincerely,

WALKER PARKING CONSULTANTS

A handwritten signature in blue ink, appearing to read "Uday Kirtikar", is written over the printed name.

Uday A. Kirtikar, P.E.
Vice President/Managing Principal