Valet Fee Policy

(Revised February 2021)

It is widely recognized that Nashville's on-street parking operations are past due for an overhaul and that new technologies and procedures related to collections and enforcement are needed. While more curb use policy changes are expected in 2021, the intent of this policy is to define Metro's valet fees in the meantime.

In December 2019, questions arose as to the interpretation and implementation of Metro's valet fee policy. The intent of this memo is to define Public Works' future implementation of this code.

Metro's Objective

Valet parking operations are a critical part of business in Nashville's urbanized areas. Because of space limitations, valet stands are often required to be located within the public rights-of-way, usually at an on-street, curbside location. This public right-of-way is maintained by taxpayers and the allowance of private commerce in the form of valet parking is governed by Metro Code 12.41.080C:

The fee for a valet parking permit shall be fifty dollars, plus revenue lost annually for each required metered space as measured by the hourly rate for each metered space. All fees are payable in advance.

Metro Public Works has the responsibility to implement this ordinance fairly and otherwise manage activities of the public right-of-way and curbside.

Current Approach and Problems

Code 12.41.080 has been previously interpreted to mean that, <u>if parking meters are taken out</u> of service to accommodate a valet stand, then the applicant of the valet stand will pay a $50 fee plus the cost of the revenue lost for the meters being out of service.

Recently, however, several businesses have requested the removal of parking meters for other reasons (construction activities, loading zones, etc.), but not valet. Depending on the use of these spaces, there is either no fee for this, or the fees are incorporated into other permits. Some time later, a valet operator will apply for a stand at the request of the business. Since there is no meter to be removed, there is no lost revenue and the only fee owed is the $50 annual permit fee. This procedure results in a loss for Metro and does not adequately structure the curbside value.

Furthermore, the method for determining what is the "revenue lost annually" has never been defined.

Policy Development

After repeated concerns about valet issues were raised by the Traffic & Parking Commission over the past two years, in October 2020, a focus group was established to provide comment on the issue, beginning with a review of a draft document that had been developed by Public Works staff in late 2019. Members of this working group were:

Theresa Costonis, Metro Legal Department
Faye DiMassimo and Mary Beth Ikard, Office of Mayor John Cooper
Sean Parker, Council District 5
Tom Turner and Crissy Cassetty, Nashville Downtown Partnership
Betsy Williams, Traffic & Parking Commissioner and downtown business owner
Tim Wilson, Parking Management Company

With guidance from the focus group, the policy was shaped by evaluating data from Nashville's current valet and parking meter revenues as well as valet fee policies from other US cities (Atlanta, Austin, Charlotte, Columbus, Denver, and Memphis).

Recommended Procedure

The intent of the ordinance is for Metro to recoup the opportunity cost introduced by curbside valet operations and help fairly structure this in-demand curb space. The fee should help structure the regulatory principles behind good curb management and resulting impacts on business and transportation.

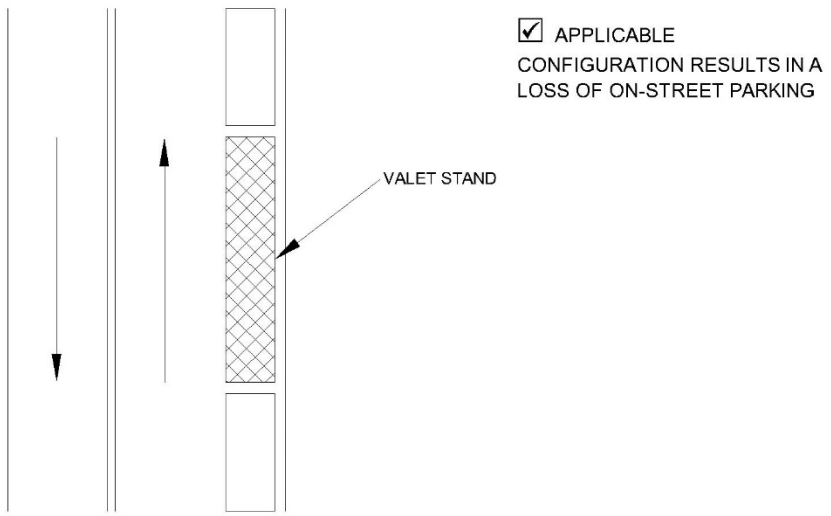
Applicability

Any new or existing valet zone within the public right-of-way or which otherwise impedes public access to the curbside for valet operations within Davidson County.

Specifically, potential valet configurations are shown below, along with guidance on whether or not they would be subject to this valet policy.

Configuration 1: Standard on-street valet stand. Here, a valet stand would replace standard on-street parking. This configuration is subject to the lost revenue portion of the fee.

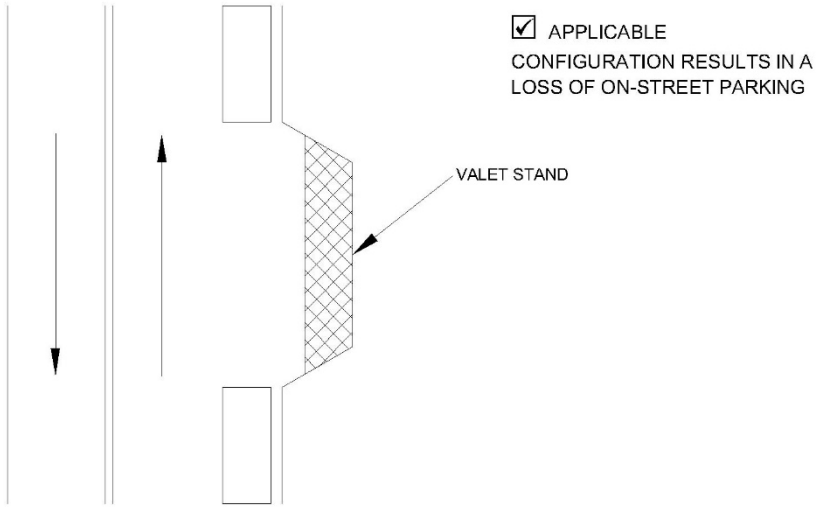
Configuration 1: Standard on-street valet stand



Configuration 2: Cut-out valet stand (either on- or off-ROW). Here, a development constructs a roadway cut-out in which valet operations will occur. However, since this cut-out would replace existing on-street parking, the lost revenue portion of the fee still applies.

Configuration 2:

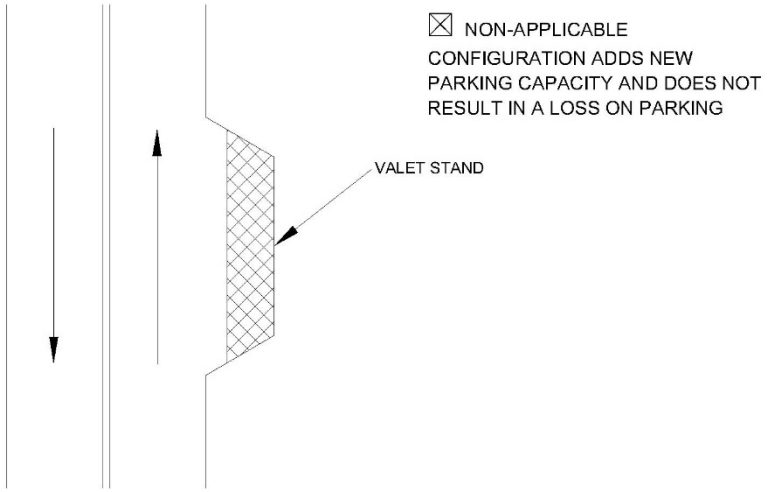
Cut-out valet stand (either on- or off-ROW)



Configuration 3: Cut-out valet stand with no loss of parking (either on- or off-ROW). Here, a similar roadway cut-out is used, but on a street that does not otherwise have on-street parking. Since no parking is displaced, this configuration is not subject to the lost revenue portion of the fee.

Configuration 3:

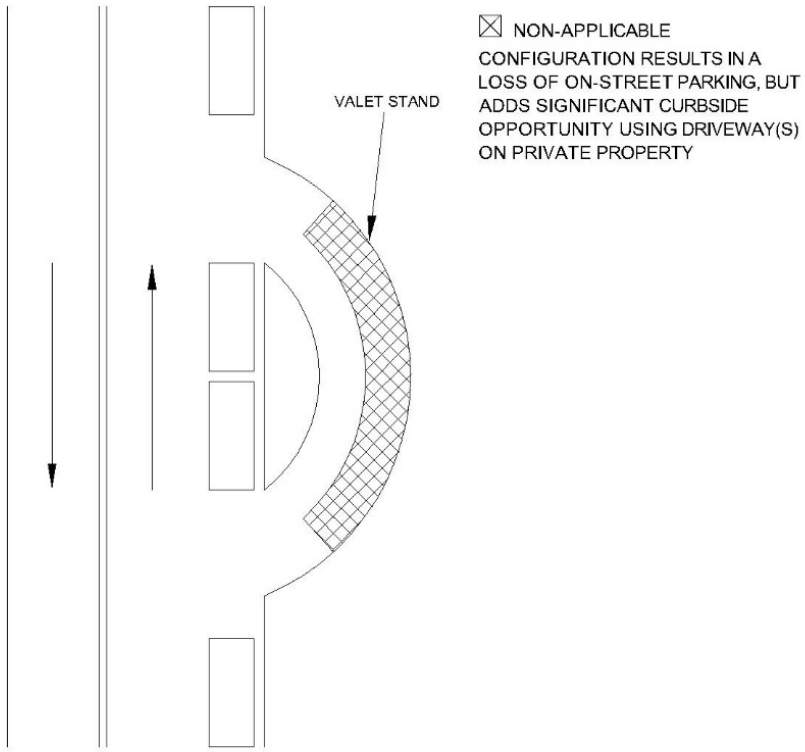
Cut-out valet stand with no loss of parking (either on- or off-ROW)



Configuration 4: Driveway serving off-ROW valet stand. Valet operations occurring off of the public rights-of-way may not be subject to a valet permit at all. Even if the required access displaces on-street parking, this configuration is considered a driveway permit and not related to valet permitting.

Configuration 4:

Driveway serving off-ROW valet stand



Determining whether "lost parking revenue" applies

The issuance of a valet permit may or may not result in physical removal of a parking meter, but generally does result in loss of public parking opportunities or other curbside functions to the benefit of the private business. The valet applicant will be assessed the lost parking revenue (calculated in the following section) if <u>all</u> of the following conditions are true:

1. The curb scenario of the proposed valet is defined as either Configuration 1 or 2, as shown above.
2. The proposed valet is located within Metro's meter zone, as shown in Attachment A. The blue area defines the central business district (CBD), and the green area defines the non-CBD.
3. The proposed valet is located on a street that has at least one parking meter elsewhere on that street. A list of streets with meters is provided as Attachment B. This listing may change if new meters are added on a street.

Annual valet fees are due on January 1 in advance of the year of operation. This new fee structure will be applied to all new valet applications approved during 2021 and will be prorated if necessary.

Fee

The annual fee for valet zones will be $50 plus lost parking revenue, as calculated below:

Annual Valet Fee = $50 + 35%($N_1$ x T x R) + 50%(N_2 x T x R) + 100%(N_3 x T x R) , where:

N_1 = 2 = number of spaces requested (min of two)
N_2 = number of additional spaces (1-2 additional, 3-4 total)
N_3 = number of additional spaces (more than 4 total)
T = weekly number of hours that meters are in service while valet is in effect[1]
R = hourly parking rate over course of one year[2]

Fee Examples:

Midtown restaurant with a four-space valet stand operating 6:00 PM – midnight, 7 days.
Annual fee = $50 + 35%(2 x 0 x $87.50) + 50%(2 x 0 x $87.50) = $50

Downtown restaurant with a two-space valet stand operating 4:00 PM – 10:00 PM Thurs-Sun.
Annual fee = $50 + 35%(2 x 6 x $112.50) = $50 + $472.50 = $522.50

Midtown hotel with a two-space valet stand operating 24 hours, 7 days.
Annual fee = $50 + 35%(2 x 60 x $87.50) = $50 + $3,675 = $3,725

Downtown restaurant with a seven-space valet stand operating noon – midnight, 7 days.
Annual fee = $50 + 35%(2 x 36 x $112.50) + 50%(2 x 36 x $112.50) + 100%(3 x 36 x $112.50)
= $50 + $2,835 + $4,050 + $12,150 = $19,085

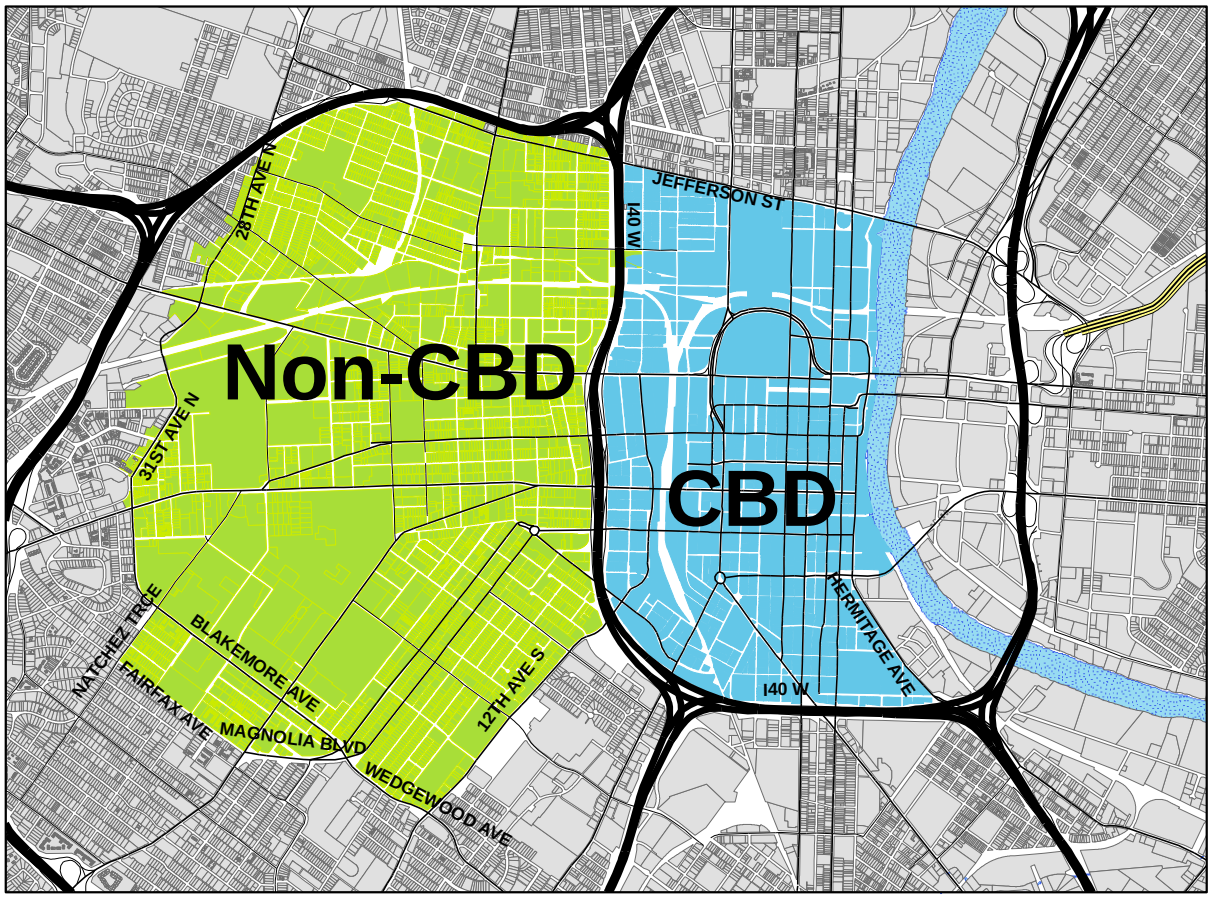
Summary

Working with a focus group and informed by both Nashville and peer-city data, a formula which defines Metro Code 12.41.080 has been developed. This formula is in keeping with a reasonable interpretation of existing Metro Code as well as brings Nashville's valet fees into closer alignment with peer best practices. It also has the effect of reinforcing necessary regulatory policy. Specifically, a "right-sized" valet zone promotes efficient curb use, while over-dedicating curb space to valet zones can lead to underutilized curb lanes and less available on-street parking.

The new formula will become effective for all 2021 valet permits and permit renewals.

[1] Effective hours may change, but at time of writing are 8:00 AM – 6:00 PM, Mon-Sat. This means that T = 0-60.
[2] Rates may change, but at time of writing, R = $112.50 in CBD and $87.50 outside of CBD, calculated as 50 x $2.25 in CBD and 50 x $1.75 in non-CBD.

Attachment A
Metro's Parking Zones (area of applicability)



Attachment B
Applicable Streets* (streets which have at least one parking meter)

1ST AVE
2ND AVE
3RD AVE
4TH AVE
5TH AVE
6TH AVE
7TH AVE
9TH AVE
10TH AVE
11TH AVE
12TH AVE
16TH AVE
18TH AVE
19TH AVE
20TH AVE
21ST AVE
22ND AVE
23RD AVE
24TH AVE
25TH AVE
29TH AVE
30TH AVE
ADELICIA ST
ALMOND ST
BANK ST
BELCOURT AVE
BROADWAY
CAPERS AVE
CAPITOL BLVD
CHARLOTTE AVE
CHET ATKINS PL
CHILDRENS WAY
CHURCH ST
CLARK PL
COMMERCE ST
DEMONBREUN ST
DIVISION ST
ELLISTON PL
GARLAND AVE
GAY ST
GEORGE L DAVIS BLVD
GLEAVES ST
GRAND AVE
HAYES ST
JAMES ROBERTSON PKWY
JESS NEELY DR
KOREAN VETERANS BLVD
LAUREL ST
LEA AVE
LOUISE AVE
LYLE AVE
MCLEMORE ST
PATTERSON ST
PINE ST
POLK AVE
REIDHURST AVE
ROSA L PARKS AVE
ROSA L PARKS BLVD
SCARRITT PL
STATE ST
TERRACE PL
UNION ST
WEST END AVE

*Subject to change as parking meters are added/removed