



# Commercial Parking Program FY2021-FY2022

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A Report to the Texas Legislature  
and  
Legislative Budget Board  
December 2022

*This report is submitted by the Texas Facilities Commission (TFC) in accordance with Texas Government Code, Subchapter E, Section 2165.2035(e) describing the effectiveness of the after-hours parking program administered by the agency. For additional information, please contact Laura Hall, Program Supervisor, Parking and Special Events at: [laura.hall@tfc.texas.gov](mailto:laura.hall@tfc.texas.gov) and (512) 463-8848 or Richard Glancey, Director, Government Relations - External Communications, at: [richard.glancey@tfc.texas.gov](mailto:richard.glancey@tfc.texas.gov) and (512) 963-1788.*

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## **I. After-Hours Parking Program Revenue and Statistics**

### ***After-Hours Parking Administration***

Texas Government Code, § 2165.2035 instructs the Texas Facilities Commission (TFC) to maximize the use of state-owned parking facilities by offering commercial after-hours parking where appropriate. Additionally, Section (c) and (d) of Texas Government Code § 2165.2035 allows TFC to contract with a private vendor to manage the commercial use of state-owned parking facilities on behalf of TFC. Revenues generated under the program can be used to cover TFC costs associated with the lease of the parking facilities. The excess funds are deposited to the General Revenue (GR) Fund.

During the Fiscal Year (FY) 2021-2022 biennium reporting period, TFC renewed the after-hours parking management services contract for the final renewal terms from September 1, 2021 – August 31, 2022 and extended the contract for three (3) months through November 30, 2022 in keeping with Article II, Term, Section 2.1 for additional time for the resolicitation of the contract. The original contract was awarded to HBA Parking System, Inc. (HBA) from January 08, 2016 – August 31, 2017, with two renewal options of two-year periods. The contract was amended to provide four additional one-year period options. The renewal maintains the same revenue share model as the original contract: TFC retains 61% of parking revenue (minus sales tax) with HBA retaining 39% of total parking revenue. TFC is required to collect, report, and pay sales tax on the gross parking revenue collected by its parking contractor. An 8.25% sales tax on the gross revenue is therefore collected and paid to the Texas Comptroller of Public Accounts. Within this contract, HBA is responsible for clean-up after events, portable toilets and safety fencing for UT football tailgating events, thus providing substantial savings from previous years. On January 6, 2021, the parties amended the contract for the limited purpose of making available temporary parking in Garage B, Garage E, and Garage R as set out for the Daily Temporary Parking Program. This program allows construction workers and non-state employees to purchase a paid monthly parking permit hangtag for parking use Monday-Friday in the specified garages. Both half month and full month options are offered to accommodate the most parking patrons.

The opening of venues near the Capitol Complex has changed the after-hours parking program in the last biennium. Waterloo Park (Waterloo Greenway) recently re-opened with numerous special events in the park including concerts, small festivals, and holiday celebrations. After-hours parking within the Capitol Complex has benefitted from this venue since they do not have their own onsite parking. Also, the Frank Erwin Center closed in May 2022 and the newly built Moody Center opened on the University of Texas at Austin (UT) campus in April 2022 to host UT men's basketball,

concerts, and other events. While the Moody Center has brought a lot of high attendance events to the area, it is not as close in proximity as the Erwin Center was to Capitol Complex parking. UT has entered into a lease agreement with TFC to utilize state garages within the Capitol Complex for these high attendance events, however they only need activate one TFC garage to support their parking needs. The Health Center Garage and the East Campus Garage, in conjunction with other UT garages, provide direct competition to Capitol Complex parking facilities.

In FY 2017, TFC began closing revenue-generating parking lots to begin Phase One construction on the Capitol Complex Master Plan Project. In fiscal years 2019-2020, additional closures of two state parking lots and multiple tailgate grass locations impacted UT football tailgating revenues with a decrease in pre-paid tailgate revenue. The revenue loss from the permanent loss of these parking lots in the Capitol Complex has been mitigated by increased event parking prices in FY 2022.

Reported after-hours parking revenue for FY 2021 was much lower than expected due to the closures of bars and restaurants, and the cancellation of special events from the COVID-19 pandemic. Stay-at-home orders and shutdowns began in March 2020. While some special events began to take place in September 2020 including UT Football games, the tailgating program was cancelled for the 2020 season. State parking facilities were open for limited after-hours use in May 2020 for scheduled events including Saturday morning Farmer's Markets and select parking for UT sporting events, however the effects of the pandemic lasted throughout FY 2021.

The revenue collected by the after-hours parking program for the biennium is broken down by each fiscal year of the reporting period as listed below. The last biennium had San Antonio after-hours revenue figures reported separately, however the state property in San Antonio was sold, thus no revenue was included for FY 2021 – FY 2022.

### ***Austin: After-Hours Revenue - Fiscal Year 2021***

<b>FY 2021 After-Hours Revenue Break Down</b>		
Total gross parking revenue (sales tax included)	\$	345,276.48
Total sales tax paid (transferred to CPA)	\$	26,314.39
Parking revenue transferred to GR (61% - sales tax)	\$	194,576.86
Parking revenue retained by HBA (39%)	\$	124,395.21

FY 2021 gross revenue generated by TFC's after-hours parking program when compared to FY 2020 gross revenue totals resulted in a decrease of \$379,228.52 or -52.3%.

FY 2021				
Month	Gross	GR	Sales Tax	HBA
September	\$ 16,739.08	\$ 9,432.65	\$ 1,275.72	\$ 6,030.71
October	\$ 27,999.24	\$ 15,777.86	\$ 2,133.89	\$ 10,087.48
November	\$ 28,646.24	\$ 16,142.45	\$ 2,183.21	\$ 10,320.58
December	\$ 11,004.24	\$ 6,201.00	\$ 838.66	\$ 3,964.58
January	\$ 13,370.88	\$ 7,534.63	\$ 1,019.02	\$ 4,817.23
February	\$ 14,713.52	\$ 8,291.23	\$ 1,121.35	\$ 5,300.94
March	\$ 18,891.88	\$ 10,645.77	\$ 1,439.80	\$ 6,806.31
April	\$ 35,685.24	\$ 20,109.00	\$ 2,719.66	\$ 12,856.58
May	\$ 35,294.88	\$ 19,889.02	\$ 2,689.91	\$ 12,715.94
June	\$ 38,012.60	\$ 21,420.49	\$ 2,897.04	\$ 13,695.07
July	\$ 44,258.52	\$ 24,950.13	\$ 3,373.06	\$ 15,945.33
August	\$ 60,660.16	\$ 34,182.63	\$ 4,623.07	\$ 21,854.46
FY Total:	\$ 345,276.48	\$ 194,576.86	\$ 26,314.39	\$ 124,395.21

In FY 2021, 22,309 parking spaces were sold at various state-owned parking facilities in the Austin metropolitan area. The standard after-hours parking fee was \$10.00. Certain special events may dictate an increased or decreased parking fee depending on the event and its location. For this reason, in FY 2021 the following daily parking fees were assessed and collected: \$3, \$5, \$10, and \$25.

FY 2021 after-hours parking fees varied from \$3.00 per space for non-profit organizations (Farmer's Market parking) to \$10.00 per space for events; and \$25.00 per space for parking for UT football games. Beginning in May 2018, TFC partnered with the City of Austin to participate in an after-hours Affordable Parking Program (APP). The APP offers a discounted monthly parking permit of \$70.36 (instead of purchasing nightly parking) to qualified downtown service and entertainment employees. Parking for this program is only available at state garage N and administered by HBA. The use of this parking pass was consistently used from month-to-month in FY 2021.

FY 2021 - Spaces Sold			
	Spaces	Rate	Total
Reduced Rate (\$3)	1,471	\$3.00	\$4,413.00
Reduced Rate (\$5)	4,679	\$5.00	\$23,395.00
Special Rate (\$10)	13,371	\$10.00	\$133,710.00
Special Rate (\$25)	1,579	\$25.00	\$39,475.00
Tailgate Pre-Paid (\$50)	0	\$50.00	\$0.00
Tailgate Pre-Paid (Grass)	0	Varies	\$0.00
Affordable Parking Program	93	\$70.36	\$6,543.48
Daytime Parking Permits	44	\$85.00	\$3,740.00
Daytime Parking Permits	1,072	\$125.00	\$134,000
FY Totals	22,309		\$345,276.48

Section (h) of Texas Government Code § 2165.2035 allows nonprofit, charitable and other community organizations to request the use of state-owned parking facilities for free or at a reduced rate. In FY 2021, local nonprofit and charitable organizations requested and received the use of 5,987 parking spaces in state facilities free of charge; no spaces were requested or approved at a reduced rate (except by attendees of the Saturday morning Farmer's Market).

The FY 2021 UT parking garage lease generated \$133,854.00 from 9,974 parking spaces. The contracted UT football season parking rate was \$15.00 per space, utilizing one parking facility during five home football games and the UT basketball season parking rate was \$8.50 per space, utilizing one parking facility during 8 home basketball games.

From the combined after-hours parking & UT garage lease revenue, TFC generated a gross revenue total of \$479,130.48 from a total of 32,283 parking spaces.

FY 2021		
	Gross Amount	Spaces Sold
After-Hours	\$ 345,276.48	22,309
UT Garage Lease (Football/Basketball)	\$ 133,854.00	9,974
FY Totals	\$ 479,130.48	32,283

As noted previously, TFC's 61% portion of the after-hours parking fees collected (minus sales tax and vendor fees) transferred \$345,276.48 to the state's GR Fund. Additionally, \$133,854.00 from the UT garage lease was deposited into the GR for a combined total of \$479,130.48 generated by the Commercial Parking and Special Events program.

### ***Austin: After-Hours Revenue - Fiscal Year 2022***

FY 2022 After-Hours Revenue Break Down	
Total gross parking revenue (sales tax included)	\$ 1,755,865.68
Total sales tax paid (transferred to CPA)	\$ 133,818.86
Parking revenue transferred to GR (61% - sales tax)	\$ 989,448.56
Parking revenue retained by HBA (39%)	\$ 632,598.26

FY 2022 gross revenue increased by \$1,410,589.20 resulting in a 408.5% increase from previous FY 2021 after-hours gross revenue totals. The revenue increase is attributed to the reopening of events following the COVID-19 pandemic closures (primarily UT Football tailgating, festivals, and

concerts), daytime parking permits, and increased parking rates in Q3 and Q4 corresponding to fair market parking rates in the area.

FY 2022				
Month	Gross	GR	Sales Tax	HBA
September	\$ 314,389.84	\$ 177,161.95	\$ 23,960.41	\$ 113,267.48
October	\$ 217,491.08	\$ 122,558.48	\$ 16,575.54	\$ 78,358.06
November	\$ 200,790.08	\$ 113,101.66	\$ 15,296.53	\$ 72,310.89
December	\$ 86,235.08	\$ 48,594.37	\$ 6,572.18	\$ 31,068.53
January	\$ 90,929.44	\$ 51,239.68	\$ 6,929.96	\$ 32,759.80
February	\$ 92,345.44	\$ 52,037.62	\$ 7,037.88	\$ 33,269.95
March	\$ 110,206.08	\$ 62,102.27	\$ 8,399.08	\$ 39,704.73
April	\$ 122,760.24	\$ 69,176.67	\$ 9,355.86	\$ 44,227.71
May	\$ 169,252.44	\$ 95,375.50	\$ 12,899.16	\$ 60,977.78
June	\$ 95,127.88	\$ 53,605.55	\$ 7,249.93	\$ 34,272.40
July	\$ 101,141.16	\$ 56,994.09	\$ 7,708.22	\$ 36,438.85
August	\$ 155,277.92	\$ 87,500.72	\$ 11,834.11	\$ 55,943.08
FY Total:	\$ 1,755,865.68	\$ 989,448.56	\$ 133,818.86	\$ 632,598.26

In FY 2022, HBA sold 101,063 parking spaces at various TFC parking facilities in the Austin metropolitan area. The after-hours standard parking fee was \$10.00. Nonprofit, charitable and other community organizations requested and received the use of 15,589 free parking spaces in state facilities; and no spaces were requested or approved at a reduced rate (except by attendees of the Saturday morning Farmer's Market).

At times, the market dictates parking fees to increase or decrease depending on certain special events and inflationary factors. In FY 2022, the after-hours parking fees varied from \$3.00 per space for non-profit organizations (Farmer's Market parking) to \$25.00 per space for events such as Moody Center and Waterloo Greenway concerts; and \$25.00 per space for tailgating spaces for UT football games. In FY 2022 the following daily parking fees were assessed and collected: \$3, \$5, \$10, \$15, \$20, \$25, \$30, and \$40. TFC continues to partner with the City of Austin in the after-hours Affordable Parking Program (APP). The APP discounted parking permit remained \$70.36 per month.

FY 2022 - Spaces Sold			
	Spaces	Rate	Total
Reduced Rate (\$3)	4,016	\$3.00	\$12,048.00
Reduced Rate (\$5)	4,623	\$5.00	\$23,115.00
Special Rate (\$10)	56,423	\$10.00	\$564,230.00
Special Rate (\$15)	5,284	\$15.00	\$79,260.00
Special Rate (\$20)	12,708	\$20.00	\$254,160.00



Special Rate (\$25)	10,952	\$25.00	\$273,800.00
Special Rate (\$30)	1,592	\$30.00	\$47,760.00
Special Rate (\$40)	76	\$40.00	\$3,040.00
Tailgate Pre-Paid/Gameday (Grass)	168	Varies	\$12,242.40
Tailgate Pre-Paid (\$50)	2,130	\$50.00	\$106,500.00
Affordable Parking Program	98	\$70.36	\$6895.28
Daytime Parking Permit	64	\$85.00	\$5,440.00
Daytime Parking Permit	2,927	\$125.00	\$365,875.00
Garage Flat Rate	2	\$750.00	\$,1500.00
<b>FY Totals</b>	<b>101,063</b>		<b>\$1,755,865.68</b>

During FY 2022, TFC entered another UT parking garage lease specifically for use during Moody Center events to utilize excess spaces within the Capitol Complex. The UT parking garage lease (Moody Center) generated \$185,311.50 for the use of 23,735 parking spaces. Depending on the expected attendance, UT may request use of a single or multiple garages at a rate of \$5.50 per space. UT requested use of three garages from April to August for 31 events. The existing UT parking garage lease (Football/Basketball) generated \$317,349.00 for the use of 23,520 parking spaces. The contracted UT football garage parking rate was \$15.00 per space, utilizing three parking facilities during six home football games and the UT men's basketball season parking rate was \$8.50 per space, utilizing one parking facility for 18 home basketball games.

The combined after-hours parking & UT garage lease revenue generated a gross total of \$2,258,526.18 from a total of 103,714 parking spaces.

<b>FY 2022</b>		
	Gross Amount	Spaces Sold
After-Hours	\$ 1,755,865.68	56,459
UT Garage Lease (Football/Basketball)	\$ 317,349.00	23,520
UT Garage Lease (Moody Center)	\$ 185,311.50	23,735
<b>FY Totals</b>	<b>\$ 2,258,526.18</b>	<b>103,714</b>

Total revenue transfer into GR for FY 2022, was \$989,448.56 (61%) of the after-hours parking revenue (minus sales taxes and vendor fees) and the total revenue from UT garage lease was \$502,660.50 for a combined total of \$1,492,109.06.

### ***After-Hours Parking by State Employees - FY 2021-2022***

Texas Government Code § 2165.203(g) allows state employees to utilize one parking space at no charge during events occurring after normal state business hours when presenting a valid State of Texas employee photo identification (ID) card. TFC's parking contractor complies and provides free parking for state employees showing the applicable valid state IDs during paid parking events.

In FY 2021, 2,012 parking spaces were provided to state employees; and in FY 2022, 5,695 parking spaces were provided at no charge for state employees presenting a state-issued photo ID. If the standard \$10 parking rate was collected from state employees, it would have increased after-hours gross parking revenue by \$77,070.00 during the FY 2021-2022 biennium.

Biennium Totals				
	Spaces Utilized	Standard Fee		Total
FY 2021	2,012	\$10.00	\$	20,760.00
FY 2022	5,695	\$10.00	\$	56,950.00
Totals	7,707		\$	77,070.00

## II. Day Time Parking Program

Senate Bill 1068 enacted during the 82<sup>nd</sup> Legislative Session authorizes TFC to lease excess spaces at TFC parking facilities during normal business hours. The bill implemented the recommendations in the Legislative Budget Board's (LBB) report titled, "Optimize the Use of State Parking Facilities." The bill allows an institution of higher education or local government to lease an entire, or a significant part of, TFC managed state-owned parking facilities. Like the after-hours parking program, revenue generated by day-time parking leases is deposited into the GR fund.

Below is a summary of the revenue generated by the day-time program during the FY 2021-2022 biennium.

### ***Day-Time Revenue - Fiscal Year 2021***

Under the day-time parking program in FY 2021, TFC provided 700 parking spaces (and rented one event for a flat rate of \$500.00) for approved day-time special event parking. TFC handles the administration of the day-time parking program in-house thereby avoiding the use of a parking contractor. For FY 2021, \$4,572.72 transferred to the GR from the day-time program.

FY 2021 Day - Time Revenue Break Down	
Total gross parking revenue (no sales tax collected)	\$ 0.00
Total gross special event revenue (sales tax included)	\$ 4,986.36
Total sales tax paid (transferred to CPA)	\$ 413.64
Parking revenue transferred to GR (minus sales tax)	\$ 4,572.72

***Day-Time Revenue - Fiscal Year 2022***

In FY 2022, TFC provided 3,196 parking spaces for approved day-time special event parking and rented one parking lot for a flat rate of \$500.00. For FY 2022, \$27,586.83 transferred to the GR from the day-time program.

<b>FY 2022 Day - Time Revenue Break Down</b>		
Total gross parking revenue (no sales tax collected)	\$	0.00
Total gross special event revenue (sales tax included)	\$	29,865.00
Total sales tax paid (transferred to CPA)	\$	2,278.17
Parking revenue transferred to GR (minus sales tax)	\$	27,586.83

**III. Program Initiatives and Recommendations**

The COVID-19 pandemic greatly changed the after-hours parking demand in Austin. With the cancellation of special events continuing into FY 2021, and fewer vehicles parking downtown and in the Capitol Complex, TFC began to reimagine the use of parking facilities for added revenue. TFC partnered with the Downtown Austin Alliance to utilize the parking garage N rooftop for an after-hours drive-in movie theater. The increased parking attendance revenue is included within the after-hours parking totals. Also, the monthly daytime parking permits managed by HBA were utilized during Phase One of the Capitol Complex Master Plan Project have decreased as the construction contractors have finished work on the new buildings. However, as Phase Two contractors begin work on upcoming construction projects in FY 2023, the demand for parking in close proximity to these state worksites will once again be needed. TFC will continue to work with the parking vendor to provide these monthly permits at TFC managed garages for individuals and organizations during normal business hours. Authority for this program is granted in Texas Government Code § 2165.204.

Due to many state employees teleworking since the onset of the pandemic, and not returning to work within the Capitol Complex, daytime parking inventory is now available throughout the state parking garages. TFC is working to expand the daytime leasing program. TFC has entered into an Interagency Cooperation Contract with the Employees Retirement System of Texas (ERS) to provide monthly leased parking spaces to their future tenants. Revenue from this agreement is expected in FY 2023.

TFC will continue to work with the University of Texas at Austin, as an institution of higher education, and with the City of Austin and Waterloo Greenway as local government organizations, to lease a part of TFC managed state-owned parking facilities through new leasing opportunities.

***Lost Revenue***

Only legislative action can remove the free state employee parking benefit during special events. While the after-hours parking program does not earn revenue from the free parking provided to state employees presenting an official state-issued employee photo ID badge, it can be considered as unrealized revenue. Compliance with Texas Government Code § 2165.2035(g) has prohibited TFC from collecting this revenue.

***Access Controls & Parking Management System***

Legislative action is required for funding to install controlled devices to secure the garages from open after-hours parking. The absence of access controls at points of ingress and egress in the parking facilities included in the program inhibits TFC's ability to secure the parking facilities and to collect parking fees from unauthorized users. The installation of electronic gates and associated Parking Management System (PMS) would allow for a paid parking program 24/7, and not just during special events. A PMS would also facilitate the collection of detailed parking utilization data for each parking facility, including ticket sales, over and under-utilization, and more accurate legislative reports. A PMS would offer public patrons of TFC parking facilities more convenient payment options and provide no-cost parking for state employees who work outside regular business hours. A robust PMS may also allow TFC to reduce its need for parking services contractors, thereby increasing GR revenue. TFC collaborating on the implementation of a PMS with the State Preservation Board for one TFC managed garage, and expect it to be operational in FY 2023.

***Revenue Retention***

Texas Government Code § 2165.2305 and § 2165.204 requires that revenue generated from the parking program be deposit to the credit of the GR fund. Without direct appropriation from the legislature, TFC cannot initiate upgrades, install access controls, or a PMS that would better secure and control TFC parking facilities. SB 211 enacted during the 83<sup>rd</sup> Legislative Session allows TFC reimbursement for its program expenditures associated with the lease of parking facilities outside of regular business hours. However, reimbursement is restricted to costs incurred on such items as trash collection and disposal, grounds and property maintenance, and remedying any damage to the facilities caused by the after-hours use. Specifically, TFC has utilized funds returned via SB 211 for parking facilities maintenance, including: repaving of the parking lots, power washing of parking facilities, graffiti removal, restriping of parking spaces, repainting of parking space parking stops and directional traffic signs. Continued improvements to the parking facilities can lead to greater public utilization and more collected revenue.

### ***Sales Tax***

Unlike the State Preservation Board parking sales tax exemption granted in Texas Administrative Code, Rule § 3.315; TFC must collect, report, and pay sales tax on the gross revenue collected from non-government entities.



### **Commercial Parking and Special Events**

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