



---

June 20, 2018

Policy Brief: Volume 18, Number 24

---

### What Was the Impact of the Parking Authority Rate Hikes?

**Summary:** A look at audited figures on the 2014 to 2017 Pittsburgh Parking Authority (PPA) facility rate increases and the taxes paid by the PPA and other parking facility owners to the City of Pittsburgh.

---

In June of 2014 the PPA board approved a series of annual rate hikes at its parking facilities (garages and attended lots). Downtown garages contain over 6,700 lined parking spaces. These were the first increases since 2004 and came from a recommendation in the City of Pittsburgh's 2014 recovery plan. Since the city's parking tax rate was (and is) locked in at 37.5 percent in Act 44 of 2009 the plan suggested requesting that the PPA increase parking rates to provide more revenue to the city.

The increases affected daily, evening/weekend, and lease parking rates. In August 2014 the increases were essentially across the board for daily (one hour or less, two hours or less, etc.), evening/weekend and lease rates. The increases for daily rate of one hour or less of parking were in the range of 11 to 33 percent. The increases in 2015 applied mostly to the daily rate for four to 24 hours and were in the range of six to nine percent as well as on lease rates. Thus the price increases were heavily front-loaded in 2014. A final increase that was to occur in 2017 on the daily four to 24 hours and on lease rates was rescinded. The increase in the evening/weekend rate was implemented.

For example, a patron parking in the Wood Allies Garage for eight hours saw the rate change from \$9.75 to \$12.00 in August 2014, to \$13.00 in August 2015 and finally would have paid \$14.00 in August 2017 but that increase did not occur. At the Mellon Square Garage a patron parking for eight hours saw the rate increase from \$13.75 to \$18.00, to \$19.00 in the time frame.

In 2013—the year before the increases—PPA parking facility receipts totaled \$29.2 million. Audited amounts for each year since then show receipts increased a total of \$6.8 million (23 percent) by the end of 2017.

### PPA Parking Facility Receipts, 2013-17

Year	Parking Facility Receipts (000s)	Rate Increase
2013	\$29,238	
2014	\$31,504	Daily, Evening/Weekend, Leases
2015	\$34,800	Daily, Leases
2016	\$35,273	
2017	\$36,055	Evening/Weekend

So how did the city benefit from the rate increases? Based on the tax revenue paid from parking receipts (27.27 percent—(0.375/1.375) the city’s collection of parking tax revenue from facility receipts rose from \$7.9 million to \$9.8 million (\$1.8 million, or 23 percent) from 2013 to 2017. From 2013 to 2014 the tax from facility receipts rose 7.7 percent. After the additional price increase in 2015, the tax on facility receipts climbed 10.5 percent in 2015 over 2014. By 2017 gross PPA receipts had risen 23 percent. Bear in mind that total parking prices at PPA facilities had been raised by an average of around 25 percent. Thus, it appears the volume of taxable parking was essentially unchanged over the period.

Recall that the city also collects parking taxes from the PPA’s facilities but also from other public, private, and non-profit owners of lots and facilities. The city’s parking tax collections rose from \$51.9 million to \$58.6 million (\$6.7 million, or 13 percent) from 2013 to 2017. This reflects over \$200 million spent on parking in 2017. Since the taxes from PPA facilities accounted for \$1.8 million of that change, \$4.8 million came from non-PPA facilities. This 11 percent rise was lower than the increase in taxes from PPA facilities and resulted from a boost in parking prices or an increase in parking volume or some combination of both.

The parking tax is a key part of the funding of the city’s pensions. Under the 2010 plan that avoided a state takeover of pensions the city dedicated a stream of parking tax revenue. This year marks the first of 23 annual payments of \$26.8 million in parking tax dollars, a doubling of what was being contributed from the tax the last several years to the pensions.

There were additional changes in the relationship between the PPA and the city during the years of the facility rate hikes. In 2015 parking meter rates changed and the PPA board amended its cooperation agreements with the city regarding revenue sharing from meters and the parking court as well as the payments in lieu of taxes made to the city. Overall, in the years 2013 to 2017 the total amount paid by the PPA to the city rose from \$18.8 million to \$29.8 million and the percentage of PPA expenses accounted for by payments to the city grew from 41 percent to 51 percent.

The city’s high parking tax is a significant part of the budget. It was 13 percent of total tax revenue and was the third largest tax in terms of dollars collected in 2017.

---

**Eric Montarti, Senior Policy Analyst**

**Jake Haulk, Ph.D., President**

---

*Policy Briefs may be reprinted as long as proper attribution is given.  
For more information about this and other topics, please visit our website:  
[www.alleghenyinstitute.org](http://www.alleghenyinstitute.org)*

Allegheny Institute for Public Policy  
305 Mt. Lebanon Blvd.\* Suite 208\* Pittsburgh PA 15234  
Phone (412) 440-0079 \* Fax (412) 440-0085  
E-mail: [aipp@alleghenyinstitute.org](mailto:aipp@alleghenyinstitute.org)