

PRESENTATION TO LEXINGTON FAYETTE COUNTY CITY COUNCIL

21 Apr 2026
Budget Approval



Realities -

EXTERNAL FORCES CREATING ISSUES -

Evolving dynamics presenting locally requiring additional security, personnel and pricing alignment to manage

Aging garage infrastructure – 41- year average age – cost and effort to maintain increasing at increasing rate

Helix – 1966 (60 years)

350 - 1984 (42 years)

Transit - 1900 (36 years)

Courthouse - 2000 (26 years)

COST TO OPERATE -

Structural maintenance - \$1,300,000 spent in 12 months with approximately \$11,000,000 additional to spend. Spend up to \$500,000 annually outside of the CAMP program.

Necessary technology modernization –\$500,000 investment in next few years

Rising operating expenses – health insurance, payroll, technology platform subscriptions, snow removal

GOAL -

Assurance of value to client base, long-term financial sustainability, alignment with city ordinance, supportive of community brand

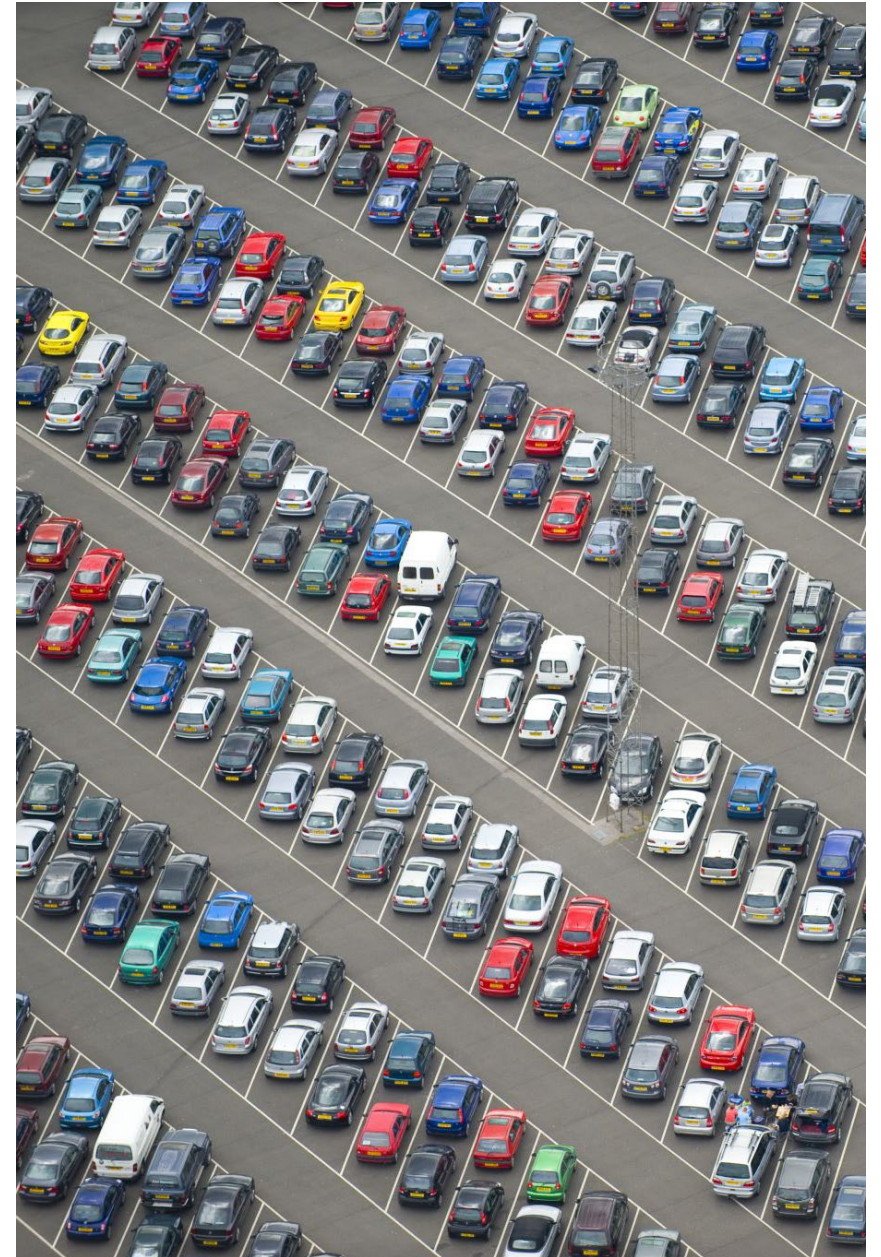
COMMUNITY FIRST MISSION VERSUS PROFIT FIRST MISSION

LEXPARK – Public Mission	Other Parking Operators
Provides free parking on national holidays	Charges daily rates regardless of holiday
Free parking in all garages during snow emergencies	No free parking on surface lots or garages during emergencies
Abatement of meter enforcement on snow emergency	No support during snow emergencies
Hospitality worker parking programs supporting downtown jobs (forfeit of \$75,000 in revenue)	No workforce support programs
CONNECT FOR COMMUNITY – citation forgiveness supporting charities (11 years)	No charitable programs tied to parking
Administer the LFUCG Residential Parking Permit Program (additional FTE to manage)	Does not administer public programs
Dedicated staff responding to community service needs – average 1200 calls per month, 60 in call center, online requests and walk in clients.	Minimal public service engagement
Investments in downtown arts, lighting, and placemaking – Stand, Sound Scapes, 350 public art, Performing Arts Center (\$400,000 approx.)	Limited or no civic investment
Supports downtown circulator transportation	No investment in public mobility
Client service, community, mission-driven	Most managed out of state and public traded entities

Discussion to Adjust Garage Transient Parking Rates

Current Pricing - \$1.00 per each
18 minutes to a maximum of \$12
per day.

This does not touch on-street rates, monthly parkers, hospitality, or other nuanced pricing.





Competition Garage Market Rates

<u>Property</u>	<u>First Hour</u>	<u>Additional Hours</u>	<u>Maximum</u>
Truist	\$3	\$2	\$20
City Center	\$3	Up to \$5.00	\$17
Fifth Third	\$4.00	Up to \$5.00	\$23
Premium Parking	\$7.00	Up to \$5.00	\$28
LEXPARK	\$3.77	Up to \$3.60	\$12

Proposed LEXPARK Rate Structure and Schedule of Implementation

Garage	Hourly Rate	Schedule of adjustments	Notes
Helix	\$3 for first 30 min \$4 after per hour to maximum \$19	01 Sep 2026	Replaces 18-minute pricing
Courthouse	\$3 for first 30 min to \$4 after per hour to maximum \$19	01 Sep 2026	Consistent & predictable
350 W Short	\$3 for first 30 min to \$4 after per hour to maximum \$19	01 Sep 2026	Simplified customer experience
Transit	\$3 for first 30 min to \$4 after per hour to maximum \$19 starting 2027	01 Jan 2027	Phased through Jan 1, 2027

Why This Works

- \$3 for first 30 minutes and \$4 per hour aligns with competitor first-hour pricing still **providing market pricing value**
- \$19 maximum:
 - Below most private garages
 - **Below market averages**
- **Simplified, predictable pricing for customers**
- Event, evening and early morning (11pm – 5am) pricing continues to be based on true supply and demand pricing and nuancing
- Preserves affordability to transient client without loss of sustainability

Additional Information

Pass through fees

- New enforcement vendor (as of April 2026)
 - \$2 per swipe for citation paid with card
 - \$3 per meter bag rental
 - Collection fee of 35% from 25%

This will adjust as vendor adjusts fees

Reimbursement for damages

Up to \$1,000 for payment for creating damage to gate arm and full amount for destroyed gate arm – starting 01 Jun 2026

Valet permits

Move from \$500 to \$1500 as of 01 Sep; this cost is paid by valet company; existing valet lanes will graduate to this new level over 2 years

Evening, weekends, event special pricing

Remains in effect – on going

350 West Short Garage

Early morning rate; 11pm to 5am flat fee prepay of **up to \$25** for 6 hours – initiate April 2026

	FY2026 Budget	FY2026 Year End Projection	FY2027 Proposed Budget	
OPERATING BUDGET				
Revenue				
Revenue OnStreet				
1	Parking - Monthly Rental	130,776	130,776	135,125
2	Parking - Meter Collections	1,251,732	1,251,732	1,298,035
3	Parking - Fines Violations and Booting	943,404	943,404	1,127,836
4	Total Revenue OnStreet	2,325,912	2,325,912	2,560,996
Revenue OffStreet				
5	Parking - Monthly Rental	1,926,288	1,926,288	2,129,024
6	Parking - Transient Rental	1,077,780	1,077,780	1,110,254
7	Parking - Event	376,056	376,056	397,297
8	Parking - Validations	74,952	74,952	57,761
9	Parking - Citations	16,632	16,632	4,390
10	Total Revenue OffStreet	3,471,708	3,471,708	3,698,726
11	Commerical Property Revenue Net	73,620	241,000	399,698
12	Total Commercial Property Revenue Net	73,620	241,000	399,698
13	Total Revenue	5,871,240	6,038,620	6,659,420
Operating Expenses				
OnStreet Operating Expenses				
14	PCI Operating Expenses	1,377,960	1,377,960	1,508,372
15	Property & Casualty Excess Insurance	3,500	2,723	3,500
16	Bank & Credit Card Fees	125,004	140,000	154,000
17	Total OnStreet Operating Expenses	1,506,464	1,520,683	1,665,872
OffStreet Operating Expenses				
18	PCI Operating Expenses	1,555,368	1,555,368	1,730,801
19	Property & Casualty Excess Insurance	95,001	102,740	109,932
20	Bank & Credit Card Fees	60,000	55,000	58,850
21	ROU	279,600	280,000	280,000
22	Repairs and Maintenance	1,500	1,500	1,500
23	Utilities	90,264	129,000	138,030
24	Total OffStreet Operating Expenses	2,081,733	2,123,608	2,319,113
25	Personnel Expenses	488,124	488,124	510,437
Administrative Expenses				
26	Property & Casualty Excess Insurance	35,000	31,813	35,000
27	Bank & Credit Card Fees	3,996	274	4,000
28	Other Professional Services	210,000	213,000	227,000
29	Landline Phones	4,500	3,100	3,200
30	Business Travel & Training	9,000	8,000	10,000
31	Dues Subscriptions & Publications	3,000	5,700	5,900
32	Office Expense	13,200	5,200	6,000
33	Office Machines & Equipment	2,004	5,000	10,000
34	Connect for Community		3,199	4,500
35	Office Repairs & Maintenance	3,000	200	1,000
36	Interest Expense ROU	624	1,200	700
37	Operating Contingency	249,996	200,000	331,214
38	Total Administrative Expenses	534,320	476,686	638,514
39	Total Operating Expenses	4,610,641	4,609,101	5,133,936

40	Change in Net Position Before Depreciation	1,260,599	1,429,519	1,525,484
41	Depreciation & Amortization	850,000	850,000	860,000
42	ROU Lease Amortization	390,000	390,000	390,000
43	Total Expenses For Capital Assets	1,240,000	1,240,000	1,250,000
	Other Financing Sources			
44	Interest Expense		(6,500)	(175,458)
45	Interest Income	175,000	110,000	20,000
46	Lease Interest Income	4,000	4,600	3,500
47	Unrealized Gain (Loss) Investments	-	4,000	-
48	Total Other Financing Sources	179,000	112,100	(151,958)
49	Total Change Net Position Operating Budget	199,599	301,619	123,526
50	CAMP Expenditures Estimate		1,100,000	1,300,000
51	Contribution to Reserves		301,619	123,526
52	Parking Repairs and Maintenance Regular Estimate		250,000	250,000
53	TOTAL USE OF CASH		1,651,619	1,673,526
54	NON CASH EXPENSES		1,240,000	1,250,000
55	NET ADJUSTMENT TO CASH POSITION		(411,619)	(423,526)

APPENDIX –

LEXPARK is the only downtown parking operator that combines below-market pricing with public-service orientation and employs full-service model. The proposed rate adjustment is not driven by profit objective —

it is a measured correction to ensure the system provides an adequate client experience, functional, and financially sustainable while continuing to serve the public and support the Lexington brand.

Existing Rate Chart – LEXPARK (All garages except Transit)

Start (min)	End (min)	Pre-Tax	Sales Tax	Posted Rate	Duration	PROPOSED
0	18	\$0.94	\$0.06	\$1.00	Up to 18 min	\$3.00
19	36	\$1.89	\$0.11	\$2.00	0.5 hour	\$3-\$4
37	54	\$2.83	\$0.17	\$3.00	~1 hour	\$4.00
55	72	\$3.77	\$0.23	\$4.00	1 hour	\$4-\$8
73	90	\$4.72	\$0.28	\$5.00	1.5 hours	\$8.00
91	108	\$5.66	\$0.34	\$6.00	~2 hours	\$8.00
109	126	\$6.60	\$0.40	\$7.00	2 hours	\$8-\$12
127	144	\$7.55	\$0.45	\$8.00	~2.5 hours	\$12.00
145	162	\$8.49	\$0.51	\$9.00	2.5 hours	\$12
163	180	\$9.43	\$0.57	\$10.00	~3 hours	\$12
181	-	\$11.32	\$0.68	\$12.00	Over 3 hours	Up to \$19