

3/8/12

**Parking Privatization Resolution
Proposed to Faculty Council, March 8, 2012**

WHEREAS under the proposed parking privatization plan, for the next half-century all revenues from faculty, staff, student, and visitor campus parking fees (\$28M in FY12) would be given to a private operator, who would be responsible for parking expenses totaling well less than half the revenues (between about \$9M and \$11M in FY12), and

WHEREAS the University, not the private operator, would continue to bear the costs of campus bus service, debt on existing garages, and various other unspecified costs currently paid for with parking revenues (between about \$17M and \$19M in FY12), and

WHEREAS the private operator would be permitted to raise parking fees by 7.5% each year for the first ten years (FY2013-2022), a rate much higher than the average 4.8% increase for an 'A' permit from FY2003-2012, and

WHEREAS the private operator would be permitted to raise parking fees by 4% or the inflation rate, whichever is *higher*, for each of the next 40 years (FY2023-2062), and

WHEREAS the estimated cost of an 'A' permit in the last year of this plan would be (with actual inflation rates of the past 40 years as a guide) about \$11,500 in 2062 dollars, a price more than twice as high as the estimated \$5,500 in 2062 dollars based solely on inflationary increases (with actual inflation rates of the past 50 years as a guide), and

WHEREAS the private operator would receive an estimated \$5.3B in gross revenues from parking fees (and more if inflation exceeded 4% in any year) with a gross profit from operations of an estimated \$3.9B over the 50-year period, for a gross profit margin from operations of over 70%, and

WHEREAS the costs of any new parking garages built in the next 50 years might have to be covered through additional charges to faculty, staff, students, and other garage users, and

WHEREAS, in view of the foregoing considerations, campus parking fees will certainly be higher under privatization than under the existing model based on cost-recovery, and

WHEREAS the current parking privatization proposal would require *no improvement* in the quality of services provided nor increases in the number of parking spaces, and

WHEREAS the University would, in effect, be asking faculty, staff, and student users of campus parking facilities to pay for investment in the academic core through the equivalent of a salary cut/fee increase via higher future parking rates, and

WHEREAS the impact of these effective salary cuts/fee increases would be a greater burden for those in lower income brackets (especially students and staff, as well as faculty in units with lower salaries), and

WHEREAS once the private operator's responsibilities and maximum fee charges are fixed in the request for bids, the University would not be able to change them regardless of possible changes in circumstances that might arise over the next half-century, and

WHEREAS it is unclear how much of the private operator's up-front payment would be used for investment in the academic core in any year (even the first year), and

WHEREAS it is unclear what specific investments would be made in the academic core or how such decisions would be made, and

WHEREAS privatization of on-campus parking would change the culture of the University and undermine its "One University framework" by subsidizing the academic core with required contributions to the endowment from only part of the University community, and

WHEREAS the compensation, benefits, and working conditions of the Transportation and Parking staff will be subjected to significant downward pressure to maximize the private operator's profits, and

WHEREAS the concerns expressed in two previous Faculty Council resolutions, passed by near-unanimous votes, have not been satisfactorily addressed,

Be it therefore resolved that, because these concerns have not been adequately addressed so far, the Faculty Council of the University Senate opposes the current proposed plan to privatize campus parking.