



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

John Cooper
Mayor

Shanna Whitelaw, P.E.
Interim Director, Public Works

METRO PUBLIC WORKS
750 South 5th Street
NASHVILLE, TENNESSEE 37206

MEMORANDUM

To: Valet Parking Focus Group

From: Metro Public Works Parking Office

Date: November 12, 2020

Subject: Data relevant to valet permit pricing

At our meeting on October 23, the group requested some additional information to consider as we formulate a valet fee policy. Specifically, valet fees from other US cities as well as Nashville’s typical meter revenues were requested. The purpose of this memo is to provide the requested information as well as outline a potential revised fee calculation based on these data.

Table 1. Representative Valet Fee Data for Select US Cities.

City	Stand Application Fee	Company License Fee (other than standard business license)	Space Cost
Memphis, TN	\$50		Meter Hours: \$0.38/space/hr (where meters exist), \$0.20/space/hr (where no meters exist) Non-Meter Hours: \$0.38/space/hr (where meters exist, min 6 hrs), \$0.20/space/hr (where no meters exist, min 6 hrs)
Denver, Co	\$100	\$200	Meter Hours: 33% max potential meter revenue (up to two spaces), 100% max potential meter revenue (more than two spaces) Non-Meter Hours: No charge (up to two spaces), 33% max potential meter revenue for each additional space Hotels: Two free 24-hour spaces (if no off-street loading), 100% max potential meter revenue for each additional space
Columbus, OH	\$200 (initial,+\$250 per sign fee), \$50 renewal		100% max potential meter revenue for each space used
Austin, TX	\$150 annually + \$250 signage	\$50 +\$10/site	\$0.70/space/hour/year
Charlotte, NC	\$500 initial, \$200 renewal	None	None
Atlanta, GA	\$300 +\$150 signage	None	\$35 per curb foot + \$8 per day per meter

Table 2. Nashville’s Actual vs. Potential Revenue Trends

Year	Location	Annual Revenue	Per-Meter Annual Revenue, Actual	Per-Meter Annual Revenue, Potential	Actual/Potential Ratio
2017	CBD	\$514,056	\$698	\$7,020	9.9%
	Non-CBD	\$543,958	\$550	\$5,460	10%
2018	CBD	\$472,019	\$641	\$7,020	9.1%
	Non-CBD	\$606,782	\$614	\$5,460	11.2%
2019	CBD	\$420,405	\$571	\$7,020	8.1%
	Non-CBD	\$550,280	\$556	\$5,460	10.2%

The guiding Metro Code on this subject states, *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 Code 12.41.080C)

The Code does not clarify whether actual revenue or potential revenue should be used. When considered together, the data presented in Tables 1 and 2 influence the potential fee structure for Nashville. Based on these data, we propose the following calculation:

Annual Valet Fee = \$50 + 35%(N₁ x T x R) + 50%(N₂ x T x R) + 100%(N₃ x T x R) , where:

- N₁ = 2 = number of spaces requested (min of two)
- N₂ = number of additional spaces (1-2 additional, 3-4 total)
- N₃ = number of additional spaces (more than 4 total)
- T = number of hours valet in effect¹
- R = hourly parking rate over course of one year²

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. The revised space cost calculation will discourage unnecessarily large valet zones.

We anticipate this to be an immediate (beginning January 2021), but relatively short-lived change as more comprehensive parking and curb management solutions are being developed.

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 = \$117 in CBD and \$91 outside of CBD, calculated as 52 x \$2.25 in CBD and 52 x \$1.75 in non-CBD.