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**TO:** The Honorable Detroit City Council

**FROM:** David Whitaker, Director  
Legislative Policy Division

**DATE:** August 26, 2019

**RE:** Response to Questions Regarding Dynamic Parking and Price Gouging

The Legislative Policy Division (LPD) provides the following memorandum in response to questions from Council Member McCalister, Jr., concerning the City's regulation of private and public parking facilities.

**City Regulation of Private Parking Facilities**

Chapter 39 of the 1984 Detroit City Code, *Parking Facilities*, regulates private, fee based, parking facilities in the City. Section 39-2-30 requires the operator of a parking facility to obtain an annual license for the facility (or "parking station", as defined in Section 39-2-1). Section 39-2-33, *Schedule of rates to be filed with application; rate categories; manner of changing same*", requires specific daily rate information, as well as providing a specific process for changing rates, as follows:

- (a) The applicant shall file with the application for a license for any parking station a complete and accurate schedule of the following rates:
  - (1) Weekday (Monday—Friday) daily rate,
  - (2) Weekday (Monday—Thursday) evening rate,
  - (3) Weekend (Saturday—Sunday) daily rate,

- (4) Weekend (Friday—Sunday) evening rate,
- (5) Maximum daily rate.

This language shall not prohibit an applicant from specifying more than one rate or discount within each of the five (5) time periods, provided that such specifications conform to the posting and filing requirements of this article, and are not related to any specific event.

- (b) No charge other than the rates specified in such schedule shall be made except as otherwise provided in this section.
- (c) In the event the licensee intends to change the fee schedule, he shall amend the license application on file with the licensing department not less than thirty (30) days prior to the new rate taking effect and shall post notice of the amended fee schedule for a period of thirty (30) days at the points of entry onto and exit from such parking station. Upon expiration of such thirty-day period such rates may be charged in accordance with such notice. Upon any change of rates pursuant to such notice no further change of rates shall be permitted for a period of sixty (60) days from the effective date of such change.
- (d) Where separate day and night rates are charged, and a vehicle is parked while day rates are in effect, the day rate shall continue until 6:00 p.m. and charges shall be made accordingly. In no event, however, may a rate greater than the maximum daily rate be charged.

Therefore, to the extent lot owners are changing rates in a manner inconsistent with the ordinance, they are in violation of City Code. In response to the specific question, “could the City establish rules to deter price gouging during high trafficked events?”, the existing ordinance addresses the problem. Current Section 39-2-35 provides a special event pricing procedure for the parking lots around the former Tiger Stadium location. However, the revised, pending code deletes that section because the stadium is no longer in existence. No similar provision has been added.

As the existing ordinance addresses the issue, the City’s capacity to prioritize enforcement of the ordinance may be a concern. A discussion with the Buildings, Safety Engineering, and Environmental Department (BSEED), the enforcing entity, may shed further light on the problem.

### **City-owned Parking Facilities and On-Street Parking**

In response to the question, “[w]ith regard to city owned parking lots/garages and street parking, what is the potential to establish a dynamic pricing model?”, dynamic pricing and event parking is addressed, and provided for, in the current ordinance, as adopted by City Council in 2015. Chapter 55, *Traffic and Vehicles*, Article IV. *Local Regulations*, Division 4. *Parking Meters and Parking Zones*, established the current metered parking scheme using kiosks. Section 55-4-62(b) provides,

To improve traffic flow, increase availability of parking spaces, and provide flexibility in the parking system, parking rates shall be designated as a “Normal

Demand Parking Meter Rate” or “Premium Demand Parking Meter Rate” or “Special Events Parking Meter Rate” based on use and demand. The Municipal Parking Department shall promulgate rules to establish the boundaries of parking zone sectors, set maximum time limits and apply the schedule of rates set forth in Sec. 55-4-63 to each parking zone and each parking zone sector.

Additionally, the Municipal Parking Department’s web page lists the City’s four garages with the following pricing information (emphasis added):

**RATES ARE SUBJECT TO CHANGE**

**1. EASTERN MARKET GARAGE**

2727 Riopelle • Detroit 48207

(313) 224-8925

**Seasonal and special events as needed**

**2. FORD UNDERGROUND GARAGE**

30 East Jefferson • Detroit 48226

(Entrance on West Jefferson Ave.)

(313) 877-8786

6 a.m.-11 p.m. Monday-Friday

7 a.m.-3 p.m. Sunday

**Special Events as needed**

**3. JOE LOUIS ARENA GARAGE**

900 West Jefferson • Detroit 48226

(313) 259-5342

**Special Events and Holidays as needed**

**4. MILLENNIUM GARAGE**

432 W. Congress • Detroit 48226

(313) 224-8925

6 a.m.-11 p.m. Monday-Friday

Sat., Sun. and Holidays as needed

If additional questions arise, LPD will provide further information.