

City of Alexandria, Virginia
FY 2026 Proposed Operating Budget & CIP
Budget Questions & Answers

April 1, 2025

Question:

By how much would the City need to increase Residential Permit Parking Fees to raise an additional \$100,000 in revenue? Please provide at least two scenarios: one with an increase on all vehicles and another with an increase on only vehicles beyond two. Additionally, how much additional revenue would the City generate if the City increased the fee for transferring a residential parking permit from a vehicle already registered in the City to a new vehicle to \$5, \$10, \$20, or \$25?

Response:

By how much would the City need to increase Residential Permit Parking Fees to raise an additional \$100,000 in revenue? Please provide at least two scenarios: one with an increase on all vehicles and another with an increase on only vehicles beyond two.

The **FY 2026 Proposed Budget** includes residential parking fee increases projected to generate an additional **\$200,000** in revenue. Below are two alternative scenarios to further increase revenue by approximately **\$100,000**.

Scenario 1: Fee Increase for All Vehicles

To generate an additional **\$100,000**, parking fees for **all** vehicles would be increased over the fees in FY 2026 Proposed Budget as follows:

- **1st vehicle:** +\$5
- **2nd vehicle:** +\$25
- **Additional vehicles:** +\$25

Fee Structure

	Current	FY 2026 Proposed Budget	Scenario 1
1 st vehicle	\$40	\$55	\$60
2 nd vehicle	\$50	\$75	\$100
Additional vehicles	\$150	\$250	\$275

Scenario 2: Fee Increase for Additional Vehicles Only

To generate an additional **\$100,000** over the fees in FY 2026 Proposed Budget for vehicles beyond two, only the fees for **additional vehicles** would be increased:

- **1st vehicle:** No increase
- **2nd vehicle:** No increase
- **Additional vehicles:** +\$230

Fee Structure

	Current	FY 2026 Proposed Budget	Scenario 2
1 st vehicle	\$40	\$55	\$55
2 nd vehicle	\$50	\$75	\$75
Additional vehicles	\$150	\$250	\$480

Additionally, how much additional revenue would the City generate if the City increased the fee for transferring a residential parking permit from a vehicle already registered in the City to a new vehicle to \$5, \$10, \$20, or \$25?

Last year, **117 replacement permits** (approximately **1%** of total permits) were issued. Assuming the same number of replacement permits is issued in the future, the estimated total and additional revenue for different fee increases is as follows:

Residential Vehicle Permit Parking Fees	Replacement Cost	Total Revenue	Additional Revenue
Current	\$1	\$117	\$0
Proposed	\$5	\$585	\$468
	\$10	\$1,170	\$1,053
	\$20	\$2,340	\$2,223
	\$25	\$2,925	\$2,808

These estimates assume no change in the number of replacement permits issued annually.