

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: DEBORAH LAUCHNER, CHIEF FINANCIAL OFFICER, FINANCE
DEPARTMENT
KIM NADEAU, PARKING MANAGER, FINANCE DEPARTMENT
SUBJECT: PARKING RATE CHANGES AND PARKING ORDINANCE
AMENDMENT

AGENDA ACTION: ORDINANCE INTRODUCTION AND RESOLUTION

RECOMMENDATION

It is recommended by the Finance Department that the Council 1) introduce an ordinance amending Section 11-08.060 and various sections of Chapter 11-24 Parking - Metered and Unmetered Locations of the Santa Rosa City Code to implement best practices for managing parking; and 2) by resolution, adopt the Schedule of Parking User Fees.

EXECUTIVE SUMMARY

This item advances Council Goal 1.3 – Implement Parking District Economic Development Initiatives with recommendations to implement progressive parking strategies designed to improve access to parking spaces and maximize use of the parking inventory to promote economic growth in the downtown.

BACKGROUND

The Parking District has responsibility to develop, maintain, and operate public parking facilities and carry out an effective parking program. The District currently owns and operates five (5) parking garages, and seven (7) surface parking lots. In addition, the District operates three (3) surface parking lots on property that is leased in Railroad Square. The Parking program also maintains and operates approximately 1,000 on-street metered parking spaces.

Costs of the District are funded through parking user fees, which include meter fees, monthly permit fees and the hourly rate charged in the garages. The parking user fees were last revised in 2008. The proposed ordinance change and corresponding fee changes are consistent with the findings and recommendations made by Nelson/Nygaard Consulting Associates, Inc. in the *Santa Rosa Citywide Progressive Parking Management Strategy* dated February, 2017 (Attachment 1). Since 2009, when

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Donald Shoup, PhD, visited Santa Rosa and discussed his parking theories with the community there has been interest in implementation of progressive parking policies.

PRIOR CITY COUNCIL REVIEW

On March 14, 2017, the City Council conducted a Study Session to review findings and recommendations of the study completed by Nelson/Nygaard Consulting Associates, Inc. regarding progressive parking strategies and a Railroad Square parking management plan.

On May 10, 2016, the City awarded a contract to Nelson/Nygaard Consulting Associates, Inc. to develop a parking management plan for Railroad Square and progressive parking strategies for the entire downtown area.

On October 27, 2015, the City Council conducted a study session to provide an overview of the City's parking program and provide an update on the status of Council Goals related to parking.

On May 17, 2011, the City Council conducted a study session to review the Parking District and its policies.

On August 11, 2009, the City Council and Planning Commission, received a presentation from Donald Shoup, PhD, regarding his research on parking policies and progressive parking theory. Progressive parking strategies focus on pricing strategies to manage parking occupancy and improve parking accessibility, with a goal of setting the lowest parking rate to achieve 85% occupancy per block.

ANALYSIS

The Department is proposing changes in Fiscal Year 2017-18 to parking meter rates, parking permits, and the garage maximum daily rate, as detailed in Exhibit A to this staff report. In order to implement these changes, an ordinance amendment must be adopted which provides authority for the Finance Department to adjust parking meter rates to improve parking accessibility and most effectively manage the parking supply.

Fee changes proposed to take effect **July 1, 2017** include:

- Establish a low wage employee permit rate for Garages 1 (521 7th Street) and 12 (555 1st Street). (New)

To address the need for affordable parking options for low wage employees and to encourage increased utilization of Garages 1 and 12, the Department is recommending that a permit rate be established to allow sale of a limited number of low wage employee permits. The Department is recommending a permit rate of \$31 per month, which is 50% of the non-reserved monthly permit rate. This permit will be made available to employees earning \$17.80/hour or less, based on the United States Department of Housing and Urban Development published income guidelines for 60% of median income for Sonoma County.

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- Increase in metered parking space reservation fee.

Santa Rosa City Code §11-24.090 authorizes provision of parking space meter reservations for persons or firms engaged in construction, providing repairs or service to buildings, or other like work that requires that a metered parking space immediately adjacent to such work be reserved for and restricted to their use. The fee for metered parking space reservation is recommended to increase in the Premium Rate Area from \$12 to \$15 per day (25% increase), consistent with the recommended increase in the hourly meter rate. The metered parking space reservation charge of \$12 per day will remain the same in the Value Rate Area.

Fee changes proposed to take effect within 90 days of approval by the City Council include:

- Establish Premium and Value Rate Areas for parking meter fees. (New)

The Department is recommending the establishment of two parking meter rate areas as shown in Attachment 2. The Premium Rate Area is in the core downtown on those streets that regularly exceed 85% occupancy at peak times. The Value Rate Area includes parking meters outside the Premium Rate Area, and are typically below 85% occupancy. Parking meter rates in the Premium Rate Area will increase from \$1.00 per hour to \$1.50 per hour. The parking meter rates in Value Rate Area will remain \$1.00 per hour. This rate structure is recommended by staff and was recommended by Nelson/Nygaard Consulting Associates in their February 2017 report.

Rates will be adjusted periodically, no more frequently than once every six months, and by increments no greater than \$0.25 per hour, to achieve 85% occupancy. Adjustments will be based on occupancy data collected in each meter rate area. Rates may be adjusted upward when occupancy rates at peak times exceed 85%, and downward when occupancy rates at peak times are less than 70%.

In addition to generating revenue necessary for the operation and maintenance of Parking District facilities, an increase in the meter rate is necessary to encourage balanced use of the parking facilities. Parking management best practices require that parking meter rates be kept higher than the garages to ensure that short-term spaces are available to the public by encouraging long-term parkers to take advantage of more favorable rates offered in the garages.

The parking meter rates were last changed in July 2008, when the rate increased from \$0.75 per hour to \$1.00 per hour in the Parking District; and in July 2010, when the rate was increased from \$0.50 per hour to \$1.00 per hour in the Railroad Square parking meter zone.

In conjunction with establishing rates for the Premium and Value Rate Areas, Nelson/Nygaard Consulting Associates recommended changing the times of parking enforcement to match the need for parking accessibility, in addition to relaxing time limits to improve the customer experience. This furthers the Shoup

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parking theory of using pricing to achieve turnover, rather than time limits. Staff recommends the following:

	Hours of Operation	Time Limits	Hourly Rate
Premium Rate Area:			
Current	8 a.m. – 6 p.m.	1-2 hours	\$1.00
Proposed	10 a.m. – 8 p.m.	3 hours	\$1.50
Value Rate Area:			
Current	8 a.m. – 6 p.m.	1-10 hours	\$1.00
Proposed	10 a.m. – 6 p.m.	4-8 hours	\$1.00

- Changes in parking permit rates.

The Department is recommending approval of changes in reserved and non-reserved garage and lot permits consistent with recommendations made by Nelson/Nygaard. The garages are not included in the Premium and Value Rate Areas, however the recommended rate changes are consistent with the principle of using pricing to manage and distribute use of the parking facilities.

The rates are detailed in Attachment 3 to this staff report. Permit rates are decreasing 27% at Garage 12 to be consistent with permit rates at Garage 1, which has similar occupancy rates. Permit rates will remain the same at Garage 1, and at Lots 6 and 7, and Morgan Street. Permit rates will increase from 10-14% at Garages 3, 5, and 9, and Lots 2, 10, 13, 14 and D which is reflective of the high demand for permits at these locations. See Attachment 4 for a map of parking facility locations.

- First hour free at Garage 1 (521 7th Street) and Garage 12 (555 1st Street). (New)

To encourage more balanced use of the parking inventory, the Department recommends that the first hour of parking, for hourly parkers, be offered at no charge. Garage 1 and Garage 12 have the lowest occupancy. It is expected that providing an incentive of one free hour of parking will boost use at these two facilities.

- Changes in garage hourly rate and maximum daily rate.

Since 2008, the hourly rate in the garages has been \$0.75 per hour, and maximum daily rate in the garages has been \$8.00. Consistent with the progressive parking theories of Donald Shoup, the Department is recommending that the hourly rate in the garages correspond to the parking demand at each facility. Garages 1 and 12 have the lowest occupancy and therefore, in addition to the recommended first hour at no charge, will have a reduction in hourly rate to

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\$0.50 per hour. Garage 5, which has the highest demand, will be increased to \$1.00 per hour. Garages 3 and 9 will continue to charge \$0.75 per hour. The maximum daily rate has a corresponding decrease to \$6.00 per day at Garages 1 and 12, and an increase to \$10.00 per day at Garage 5.

FISCAL IMPACT

It is anticipated that implementation of the amended ordinance and adoption of these recommended Parking User Fees will result in a small net revenue increase to the Parking Fund. It is expected that the increased revenues from the rate increases will be offset in large part by the decrease in user fees for permits and providing the first hour free at Garages 1 and 12. Approval of this action does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

On February 7, 2017, a review of the progressive parking strategies and Railroad Square parking plan findings was presented to the Downtown subcommittee.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Santa Rosa Citywide Progressive Parking Management Strategy, dated February, 2017
- Attachment 2 – Map of Premium and Value Rate Areas
- Attachment 3 – Proposed Schedule of Parking User Fees
- Attachment 4 – Map of Parking Facility Locations
- Attachment 5 – Redline/Strikeout of various sections of City Code
- Resolution/Exhibit A Schedule of Parking User Fees
- Ordinance

CONTACT

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