



Agenda Item No.
File Code No.

CITY OF SANTA BARBARA

STAFF REPORT

AGENDA DATE: April 14, 2016

TO: Downtown Parking Committee

FROM: Downtown Parking, Public Works

SUBJECT: Proposed Fee Resolution Changes for FY17

RECOMMENDATION: That the Downtown Parking Committee receive a report and offer advisory comments on proposed changes to Downtown Parking's Fee Resolution for the coming fiscal year.

EXECUTIVE SUMMARY:

Downtown Parking's mission is to increase the economic viability of the Downtown Business District while sustaining and enhancing its historical and livable qualities. The program achieves this by providing safe, secure, affordable, accessible parking for customers, visitors, and employees at the City-operated lots in the Downtown area. Fulfillment of this mission requires Downtown Parking services to be priced according to the need to both recover costs and encourage the most efficient use of the City's limited parking resources.

In conjunction with the budget review process for the 2017 fiscal year, Downtown Parking undertook a review of the parking fees authorized by City Council in the Fee Resolution. Having evaluated the customer utilization of parking services and the cost of providing these services, Downtown Parking proposes several additions and changes to the Fee Resolution for the 2017 fiscal year. Proposed additions include new fees for refuse enclosure cleaning, proximity card and pre-paid card initiation fees, resident temporary guest parking, and valet events. Downtown Parking proposes eliminating fees for services that are no longer offered or that are redundant, including early morning parking in Lots 2, 10 and Helena, commuter lot day rates, on-street carpool parking, bike locker rental, construction-related vehicle parking, and permit parking in the Louise Lowry Davis Center lot. Downtown Parking proposes increasing fees for Monthly Permits, construction staging permits, Resident and Visitor Parking Permits, and Hotel Guest Permits.

Monthly Parking Permits, in particular, require a thorough review to ensure that Downtown Parking continues to balance the needs of hourly customers and all-day employees in the City Lots while managing permit demand and providing a simplified customer experience.

DISCUSSION:

The fees charged by Downtown Parking (DTP) are established by City Council in the adopted Fee Resolution. The Fee Resolution may be changed at any time, however, updates are generally proposed in conjunction with the annual budget review process.

For the 2017 fiscal year, DTP proposes several additions and changes to the Fee Resolution. These changes are based on an analysis of the services offered by Downtown Parking, the costs of providing these services, and utilization of these services. The goal of the proposed Fee Resolution changes is to ensure that the DTP can continue to provide safe, secure, available parking and the highest levels of customer service by fully recovering the costs of administering parking programs and managing parking lot maintenance and operations.

New Fees

The following **new** fees are proposed:

- **Refuse Enclosure Cleaning Fee: \$100**
DTP leases refuse enclosure space to nearby businesses in Lots 2, 6, 8, 9, 10, 11, 12, and 13. The terms of these license agreements require the tenants to maintain the enclosures in a clean and sanitary condition. When DTP staff observes a violation of these terms, the tenant is issued a warning to clean the enclosure promptly. If the tenant fails to do so, DTP will assess this fee to cover the cost of staff or contractors cleaning the enclosure.
- **Permit Proximity Card Initiation Fee: \$15**
Monthly Permits are issued in the form of proximity cards that the customer scans at the ticket columns upon entering and exiting the lot. These proximity cards require proprietary coding in order to integrate with the DTP's SKIDATA Parking Access and Revenue Control System (PARCS). DTP must purchase these cards through our PARCS vendor at a cost of approximately \$15 per card. The Permit Proximity Card Initiation Fee is a one-time fee that would be charged to a customer upon initial receipt of a Monthly Permit. This fee will enable DTP to recover the cost of providing proximity cards.
- **Pre-Paid Card Initiation Fee: \$15**
Pre-paid parking cards, which may be used to pay the hourly fees due at any of the downtown lots, require the same type of proximity cards as the Monthly Permits. At this time, DTP charges the customer only the face value of the Pre-Paid Card (\$30, \$60, \$90, or \$120). Because the proximity card itself costs the City \$15 to purchase, DTP effectively loses \$15 on every Pre-Paid Card sale. The Pre-Paid Card Initiation Fee will be a one-time fee applied to the initial purchase of a Pre-Paid Card that will enable the City to recover the cost of providing the card. Once purchased, the customer may refill the Pre-Paid Card indefinitely at

no additional cost. This fee will also discourage waste by incentivizing the cardholder to recharge their card, rather than purchasing a brand new one.

- Resident Temporary Guest Pass: \$5 per vehicle per day
DTP has customarily provided free, temporary guest passes for on-street parking as a courtesy to Resident Parking Permit (RPP) holders and property owners who are doing construction or maintenance work or hosting one-time special events on streets with Resident Permit Parking restrictions. Over the years, demand for these temporary permits has increased considerably. In 2015, DTP issued a total of 502 of these permits, valid for a total of 5,125 vehicle-days of parking. Beginning January 1, 2017, DTP will charge a fee of \$5 per vehicle per day for temporary guest passes. A property owner or RPP holder may purchase the equivalent of one guest pass per day of permit parking enforcement in the Permit Parking Area of residence each year. These Temporary Guest Passes will allow DTP to recover the cost of providing this service, provide RPP customers with greater convenience and flexibility when hosting events or performing construction or maintenance work, and discourage abuse of the guest pass system.
- Valet Parking event Fee: \$100/event
The Valet Parking Event Fee will be charged to companies who use a DTP lot for valet parking events. The fee will help offset the cost of DTP staff monitoring these uses and enforcing compliance with City parking regulations.

Discontinued Fees

The following fees will be eliminated:

- Parking between the hours of 3:00 AM and 5:00 AM in Lots 2, 10, and the Helena Parking Lot where posted: \$25 per day
Hourly Parking rates in Lots 2 and 10 are not in effect between 3:00 and 5:00 AM. DTP does not have any practical mechanism for charging customers who park overnight in the Helena Lot, so this fee is unenforceable.
- Parking in City Carrillo Commuter Parking Lot, Daily Rate: \$1.50/day
DTP has no mechanism to collect daily parking fees in the Carrillo Commuter Lot, and doing so would undermine parking rates in the hourly lots and decrease the availability of permits in the Commuter Lots.
- Monthly Parking in City Cota Commuter Parking Lot, Daily Rate: \$1.50/day
DTP has no mechanism to collect daily parking fees in the Cota Commuter Lot, and doing so would undermine parking rates in the hourly lots and decrease the availability of permits in the Commuter Lots.

- Quarterly On Street Carpool Permit Parking Fee: \$50 per quarter
Downtown Parking no longer offers on-street permit parking for carpoolers due to the difficulty of administering the program and enforcing carpooling behavior. Customers wishing to carpool may purchase shared Commuter Permits in the Cota or Carrillo Commuter Parking Lots.
- Quarterly Bike Locker Rental Fee: \$35 per quarter
Downtown Parking no longer provides bike lockers in any of our lots. Customers seeking secure bicycle parking may purchase a membership to the Bikestation facilities in Lots 3 and 6.
- Construction Permits – Monthly Permit rate for vehicles only: Monthly rate determined by lot
Construction workers wishing to park personal vehicles in City lots while working downtown may purchase Monthly Permits at the standard rates.
- Monthly Parking in the City's Louise Lowry parking lot: \$120/month
Downtown Parking no longer operates or manages monthly permit parking the Louise Lowry parking lot.

Fee Changes

Monthly Permit Fees

Seeking to balance the need for customer and employee parking, Downtown Parking offers Monthly Permits for sale in lots that have excess capacity not utilized by hourly customers. A downtown employee working a typical 40-hour week would pay approximately \$250 per month to park in the downtown lots paying the hourly rate. Monthly Permits are sold at a significant discount from the hourly rate and therefore have become increasingly popular. Monthly Permit fees last increased in 2012. Permits are only offered for sale in lots where occupancy generally remains under 85% so as not to risk displacing hourly customers. Recent growth and development downtown coupled with a strong economy has increased the demand for Monthly Permits and hourly customer parking, leading to overall higher lot occupancy.

At present, Monthly Permit fees in each downtown lot vary greatly, ranging from \$85/month to \$155/month. The prices in some of our most popular and crowded lots, such as Lot 11 and Lot 12, remain quite low (\$100/month) in comparison to other lots with much greater capacity, such as Lot 10 (\$135/month).

DTP's eventual goal is to bring all Monthly Permit fees into alignment. A single Monthly Permit rate would not only simplify customer choices, but would also better reflect the cost of providing the Monthly Parking service, particularly in the more crowded lots where legacy permits can potentially displace hourly customers. However, because the current

rates vary so widely, DTP is proposing more modest, incremental changes for the 2016-2017 fiscal year in order to avoid drastic increases for the lower-priced permits.

To begin the migration to a single Monthly Permit fee, DTP proposes:

- A single rate (\$160) for most garages;
- A slightly lower rate (\$150) for most surface lots;
- Incremental increases to lots where the current Monthly Permit price is exceptionally low; and
- A lower rate for Lot 10, because is the least crowded lot during on weekdays. Maintaining Lot 10 at a lower rate than other lots will encourage customers to purchase permits in this lot rather than in more crowded lots, such as Lot 2.

The changes proposed for Monthly Permit rates are as follows:

Lot	Current Rate	Proposed Rate	# Permits (as of 4/4/16)	Permits Available?
2	\$145	\$160	97	Dependent on occupancy
2PN*	\$95	\$95	61	Dependent on occupancy
3	\$140	\$150	8	No
4	\$140	\$150	5	No
5	\$140	\$150	4	No
6	\$155	\$160	276	Dependent on occupancy
7	\$145	\$160	6	No
8	\$140	\$150	0	No
9	\$145	\$160	1	No
9B**	\$155	\$160	19	Dependent on occupancy
10	\$135	\$140	214	Yes
10PN	\$85	\$85	68	No
11	\$100	\$125	8	No
12	\$100	\$125	2	No
13	\$100	\$125	6	Yes
Helena	\$85	\$100	10	Yes

*Indicates Paseo Nuevo Employee Discount. Upon construction of Paseo Nuevo and Lot 2, the City entered into an agreement with the Redevelopment Agency to provide permits to employees of businesses in Paseo Nuevo at a discounted rate, to be capped at no more than 60% of the full permit price.

**The basement of Lot 9 is private, permit-only parking.

Miscellaneous Fees

In addition to the changes to Monthly Permit fees, the following fees will also be changed:

Fee	Current	Proposed	Rationale
Multi-day debris bin use and construction staging, per space occupied or reserved 24/7	\$20/day	\$30/day	As parking lot occupancy has increased, so has the cost of removing spaces from the hourly parking inventory to accommodate dumpsters and other construction equipment.
Annual Residential and Visitor Parking Permit Fee	\$20/permit	\$30/permit	As the RPP Program has expanded, the costs of administering the program have increased to approximately \$31.86/permit.
Annual Hotel Guest Permit Fee	\$50/set	\$75/set	The current fee no longer reflects the value of an on-street parking space to hotels in the West Beach area.
Monthly Parking in City Cota Commuter Parking Lot	\$65/year	\$70/year	Demand for Cota Commuter Lot permits is very high. This lot is located only one block away from City Lot 10, which has the greatest available capacity for additional permit parking. DTP proposes a small increase to the Cota Lot fee in order to maintain the rate at approximately 50% of the Lot 10 rate and balance permit demand.

BUDGET/FINANCIAL INFORMATION:

Increases in Monthly Permit and Resident and Visitor Parking Permit fees have been incorporated into DTP's FY 17 budget projections as follows:

Revenues	FY 16 Projected	FY 17 Proposed	FY 17 Budget vs. FY 16 Projected
Residential Permits	\$62,000	\$81,000	30.6%
Monthly Permits	\$1,220,000	\$1,260,000	3.3%

The other proposed fee changes have not been factored into the FY 17 budget proposal because these revenues may be insignificant and demand for these services, such as construction staging and valet parking, are difficult to predict.

ATTACHMENT(S): FY 2016-2017 Proposed Fee Resolution

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SUBMITTED BY: Chris Toth, Transportation Manager