

City of Arts & Innovation

Transportation Committee

TO: TRANSPORTATION COMMITTEE MEMBERS DATE: MARCH 14, 2019

FROM: PUBLIC WORKS DEPARTMENT WARD: 1

SUBJECT: PUBLIC PARKING PROGRAM –SOLUTIONS AND REVIEW OF THE PARKING FUND - DIRECT SUBMITTAL

ISSUE:

Receive an update on the Public Parking Program solutions and review the parking fund.

RECOMMENDATION:

That the Transportation Committee:

1. Receive and file the Public Parking solutions update;
2. Review the parking fund and provide feedback to prepare the City for future parking needs; and
3. Direct the Public Works Department to analyze and return with an analysis of the alternate parking program initiatives to (1) extend the hours of operation in the parking garages; and (2) implement a demand responsive rate structure in the parking garages within six months.

BACKGROUND:

In 2016, the Public Works Department Public Parking Services Division contracted with Dixon Resources to conduct a study and develop a comprehensive Strategic Parking Plan (Plan) that would help the City prepare for future parking needs through progressive parking strategies and to maximize the occupancy of the limited existing parking supply.

Findings and recommendations were initially presented to the City Council on January 24, 2017. City Council directed the Public Works Department to return with additional information for consideration.

On March 21, 2017, City Council reviewed the additional information and approved an alternate plan with a two-year implementation term, which included six incremental rate changes and six program enhancements over a period of two fiscal years.

An update of the two-year implementation was provided to City Council on November 13, 2018. The presentation included a brief overview of the implemented program changes and

enhancements as previously approved, as well as proposed alternate strategic parking program initiatives for future implementation.

DISCUSSION:

In response to the suggestions, comments and questions at the November 13, 2018 City Council meeting, this report includes an overview of the changing parking dynamics and the Fox Entertainment Plaza, parking management, and analysis of the Parking Fund.

Parking Dynamics and the Fox Entertainment Plaza

The Fox Entertainment Plaza (FEP), which is comprised of the Fox Performing Arts Center (Fox), The Box, and The Showcase, is located adjacent to Garage 7 which has four parking decks totaling 397 parking spaces. Garage 7 accommodates the parking needs of the FEP, Riverside Food Hall LLC (Food Lab), Riverside Community College District (RCCD), MetroRiverside LLC (Hyatt Place), and other downtown business employees and patrons.

The table below provides a brief description of the arrangements and/or agreements in Garage 7 with the listed entities. Parking assignments are depicted by parking deck in Attachment 3. The City has contractual responsibilities that include 210 parking spaces leaving 187 parking spaces to be shared amongst the FEP customers, monthly parking permit holders such as employees and other downtown patrons.

Garage 7 (FEP) Agreements		
Entity	Spaces Allotted	Conditions
Riverside Community College District (RCCD)	100	<ul style="list-style-type: none"> • Purchase of spaces provides RCCD exclusive use of the spaces Monday through Friday from 5 a.m. to 5 p.m., excluding all major holidays. • RCCD agrees to make spaces available to the City for City events and for parking for the Fox Performing Arts Center facilities and at other times.
MetroRiverside LLC (Hyatt Place)	50	<ul style="list-style-type: none"> • To meet parking requirements, Hyatt Place was granted a variance to have 50 off-site parking spaces to fulfill their requirement for 125 parking spaces. • Hyatt Place currently has 32 reserved parking spaces on the second level and 18 monthly permits to access the facility. Exclusive use 24 hours, seven days a week.
Riverside Food Hall LLC (Food Lab)	60	<ul style="list-style-type: none"> • Lease Agreement stipulates that Food Lab shall have up to 60 parking spaces for their exclusive use 24 hours, seven days a week. • City agreed to provide 40 parking spaces for the non-exclusive use of Food Lab that are time restricted to 90 minutes and to not charge the \$5 upon entry when special events were

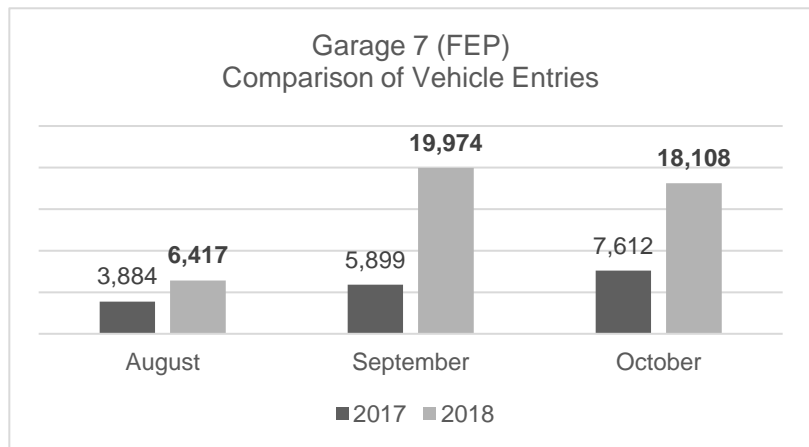
		scheduled at the Fox.
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Challenges

The Fox is operated by Live Nation, Inc. which manages the facility as a first-class live entertainment and special event venue and parking is an important part of the guests’ experience. Prior to the opening of the Food Lab, to ease the ingress and egress of the Fox traffic into Garage 7, the parking rate of \$5 was collected upon entry when the Fox had special events scheduled. In collaboration with Live Nation, Inc., the parking operator would restrict a requested number of parking spaces for the exclusive use of the VIP Services purchased with a Fox show ticket.

With the understanding that the agreement with Food Lab would change the operations of the garage upon opening, in early 2018, Public Works and Community and Economic Development staff coordinated a quarterly meeting to include discussion of the parking needs of the FEP and Food Lab. During these meetings, Live Nation, Inc., Food Lab, and Republic Parking System (RPS), the City’s parking operator, were at the table to express challenges and together discussed viable solutions that would be in place when the Food Lab opened for business. To remain within the agreement terms with Food Lab, the operator no longer charged the fee upon entry during the evening hours and when the Fox had special events.

Since the opening of the Food Lab in early September, the parking demand in Garage 7 increased and occurred at different times of the day on both weekdays and weekends. When the Food Lab first opened on Labor Day Weekend, Garage 7 experienced a high demand during the lunch hours of 11:00 a.m. to 2:00 p.m. and after the grand opening in early October, the parking demand extended into the evening hours. The success of the Food Lab brings many patrons whose vehicles have overflowed beyond the 60 designated Food Lab spaces into the remainder of the parking structure causing traffic to circle within the facility in search of parking. The absence of parking attendants to monitor the facility



and direct drivers to available parking spaces negatively impacted traffic flow within the structure as approximately 14,075 additional vehicles sought parking in Garage 7 during September and just over 10,496 in October. Unlike any other time, other than during Festival of Lights, Fox and the Food Lab guests were mixed with employees seeking free parking.

In a collective meeting, a temporary solution was implemented to ease the traffic flow. Shortly thereafter, RPS began staffing the parking garage with up to three attendants during the evenings and when Fox has a special event scheduled. These attendants monitor the entry and greet guests to direct them to the right space. Beyond the designated Food Lab parking spaces, they manage the ingress of vehicles and ultimately, ensure guests have a positive experience.

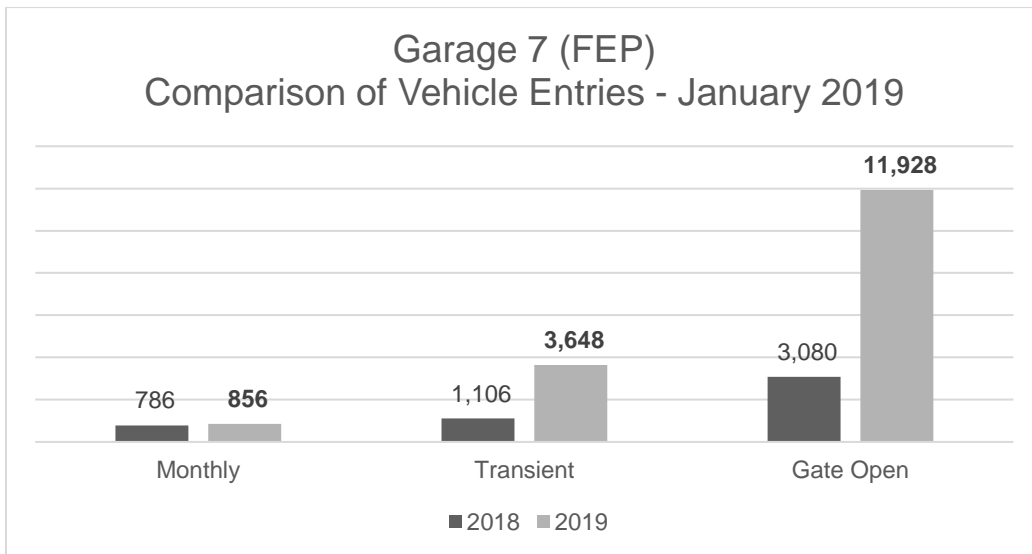
The Fox events continue to be given priority in the garage and RPS continues to provide the Fox with restricted parking spaces for VIP ticket holders in the City’s time-limited spaces on the

ground floor of the garage.

After four months since the Food Lab’s soft opening, we can deduce that it has reached its norm for the winter season as traffic has subsided. The current hours of operation for most of the eateries are 11:00 a.m. to 11:00 p.m., with the exception of the coffee shop that opens at 6:00 a.m., a breakfast eatery that opens at 8:00 a.m., and a few bars that operate until 1:00 a.m. on the weekends.

The table below compares the activity in Garage 7 between the month of January 2019 and January 2018, before the Food Lab opened. The current parking entry and exit system in Garage 7 allows us to capture the number of vehicles that entered the facility and to sort the entries into the following categories:

- Monthly: Entries by monthly key card holders
- Transient: Entries by all other parking patrons during the hours of operation
- Gate Open: Entries occurring outside of the normal hours of operation



During the times when the gate was open in January, the Evening Shift, Special Event and Festival of Lights fees were collected per vehicle, as shown below:

1. Evening Shift \$5 fee – Thursday, Friday and Saturday from 9:00 p.m. to 1:00 a.m.: 58
2. Special Event \$5 fee – Coincides with scheduled Fox Live Events: 589
3. Festival of Lights \$10 fee – During the last three days of the festival: 136

A total of 783 vehicles entered the garage and were subject to a parking fee upon entering. Therefore, the revenues generated during the times subject to a parking fee was \$4,595 and the 11,000 other vehicles entered the facility for free.

2018 Festival of Lights Modifications

With the added parking demand of the Festival of Lights (FOL), it became very clear that this season would be challenging. Thus, staff worked diligently to make short-term parking

opportunities downtown and especially near Garage 7. A few examples include the following:

1. The area where the former Greyhound Bus Station was located was converted into a parking lot, supplying 82 additional parking spaces just across Mission Inn Avenue;
2. RCCD agreed to make their Centennial Plaza parking structure available every weekend for the duration of the FOL; and
3. Two private entities opened their parking facilities for public parking adding more than 300 additional parking spaces.

Proposed Long-term Solution

Although the increase of available parking spaces was useful, staff recommends a long-term intelligent solution for the challenges in Garage 7. This solution involves upgrading the infrastructure to a smart parking entry and exit system that will connect with digital wayfinding technology and other smart parking equipment to create a parking eco-system. Because the current obsolete system in all the City owned parking garages is not capable of automatic digital output, as it requires manual queries and the raw data extracted requires hours of human manipulation to create reports, Public Works staff is collaborating with Information Technology staff to request proposals for replacement equipment as soon as funding is identified.

This technology would improve the movement of vehicles into Garage 7 during sold out Fox events and high traffic time at the Food Lab. Fox guests could pre-pay when they purchase their show ticket and use a digital QR code to exit. All other guests would have the ability to pay at the pay-station and slip the receipt into the exit gate to leave the facility.

The synergy between the parking entry and exit systems and digital wayfinding technology that connects the data to a mobile application will provide our downtown guests a higher level of guidance and mobility. Innovative parking entry and exit systems are a single component of an efficient connected parking eco-system that will push real-time data for staff to evaluate the current state of operations, and make adjustments in line with approved parking management strategies.

Parking Management

With the approval of the strategies recommended to City Council, the individual program areas can work together to create a synergy to effectively manage parking. For example, to incentivize the long-term parker into the parking garages, in 2017, the City used rates to create turnover at the on-street parking meters with a lower daily maximum in the parking garages. This changed the behaviors by increasing the occupancy in the parking garages and creating available on-street parking spaces. As such, the program components affect one another when adjustments are made and today, the garages continue to offer 90-minutes of free parking as a short-term parking option to an on-street metered parking space.

History

As requested by City Council, the following is a brief background of the 90-minutes free program in the parking garages and the metered spaces on-street. The 90-minutes free parking in the garages can be traced in the Parking Rate and Hour schedule as far back as 2006. A 2002

Comprehensive Downtown Parking Study recommended program changes to be implemented in phases. As a long-term item strategy suggested for the Fiscal Year 2006-2012 category, the study recommended the metered space program be expanded north of Ninth Street in lieu of the on-street free time-limited spaces. Formerly, the on-street parking spaces were limited to either 2-hours or 3-hours, depending on location. The method of ensuring turnover of the on-street time-limited spaces was to assign up to six Parking Control Representatives (PCRs) to patrol the downtown area.

Enforcement

Enforcing on-street free time-limited spaces is labor intensive and time consuming. Due to the inadequate turnover rate of the free on-street time-limited parking spaces, Municipal Codes 10.52.100 and 10.52.110 were strictly enforced. These two codes restrict the free time-limited parking to one time per vehicle per day, “whether continuous or interrupted.” Therefore, to gain compliance, enforcement requires a PCR to enter each license plate into the citation handheld device every time they walk the block to see if the vehicle is in violation of the time limit. This requires constant data entry and it takes approximately ten minutes to enter all the license plates in any given block so the handheld device can recognize a duplicate entry and alert the PCR the vehicle is in violation.

Currently, the Parking Services Division is budgeted for a crew of 13 PCRs and one Senior PCR that patrol street sweeping and respond to Service Requests citywide. In order to have sufficient coverage and promote turnover of the free on-street time-limited parking spaces, should the on-street metered spaces be changed back to time-limited spaces, it could take more than 10 PCRs to induce the turnover that meters naturally promote through payment.

Analysis of 90-minute Free Parking and On-Street Meters

The current rate structure in the parking garages allows for free parking up to 90-minutes and \$1/per 30 minutes thereafter. Using this logic, the value of the utilization of the 90-minutes free parking program is broken into 30-minute increments. Below is the number of receipts collected during the hours of operations in the downtown parking structures.

2018 Utilization of Garages’ 90-Minute Free Parking			
Time	Receipts*	Value	Percentage
30-Minutes	43,275	\$43,275	39%
60-Minutes	35,385	\$70,770	31%
90-Minutes	33,982	\$111,355	30%
Total	112,642	\$225,400	100%

*These totals do not include tickets pulled but not collected after 5pm.

Parking strategies to promote curbside turnover will create a significant cost differential between the garages and on-street parking to incentivize long-term parkers to choose the garages by increasing the on-street cost to park. Nevertheless, when analyzing the activity during the 2018 calendar year, there were 43,275 vehicles parking in the garages between 30 and 59 minutes,

which is considered short-term parking. This indicates that vehicles may exit the parking structures before any fee is due and enter another garage to take advantage of the free parking at the second facility without paying to use any of the public parking garages.

During the same calendar year, in 2018 the on-street meter program contributed \$1,523,832 to the Parking Fund.

Parking Fund Analysis

The parking fund includes revenues and expenses related to two primary functions: 1) public parking operations encompassing the garages, surface lots and on-street spaces, and 2) enforcement. As it relates to public parking operations, during fiscal year 2017-18, the first phase of the rate changes was implemented which helped the fund almost break even for basic operations. As shown below, fiscal year 2017-18 in the following table indicates that parking operations had a net revenue of (\$2,695).

Fiscal Year 2017-18 Parking Operations Actual Revenue vs. Expenditures			
Type	Actual Revenues	Actual Expenditures	Net Revenues
Garages	\$2,655,604	\$4,175,367	(\$1,519,763)
Meters	\$1,594,006	\$304,762	\$1,289,244
Lots	\$506,975	\$279,151	\$227,824
Total	\$4,756,585	\$4,759,280	(\$2,695)

The original estimates for the public parking operations during fiscal year 2018-19 accounted for the future development of Garage 3 and six surface lots, totaling approximately 900 spaces, as well as the second phase of the rate increases approved by City Council. Nonetheless, some of the surface lots have continued to operate during the planning stages and Garage 3, the greatest contributor to the parking fund, is no longer planned to be removed from inventory. Consequently, the projected net revenues in the table below demonstrate the public parking program will operate at a smaller deficit than originally projected.

Fiscal Year 2018-19 Parking Operations Projected Revenue vs. Expenditures			
Type	Projected Revenues	Projected Expenditures	Projected Net Revenues
Garages	\$2,683,913	\$4,372,393	(\$1,688,480)
Meters	\$1,521,118	\$315,457	\$1,205,661
Lots	\$530,318	\$296,459	\$233,859
Total	\$4,735,349	\$4,984,309	(\$248,960)

Although the deficit is projected to be smaller, the parking operation costs are not self-supporting and it becomes more difficult to fund the following immediate needs:

1. Deferred maintenance of aging Garages 1 and 2 – Approximate cost of \$150,000;
2. Multi-pay station (meters) replacement as the current machines are unable to process credit cards – Approximate cost of \$650,000; and
3. Garages' equipment upgrade from obsolete technologies to smart parking entry and exit system – Approximate cost of \$200,000 per garage, totaling \$1,000,000.

Other unfunded program enhancements include LED Lighting upgrades and digital wayfinding.

Balancing Measures

In November 2018, staff recommended further assessment of five strategic alternate program initiatives to further the goals of the public parking program. These parking management initiatives are in response to the changing parking conditions and to maximize the facilities' potential revenue opportunities. The following are the five strategic planning alternate parking program initiatives:

1. Extend the hours of operation in the parking garages.
2. Continue to allocate the sale proceeds of the parking facilities' to the Public Parking Fund to compensate for lost assets' revenues.
3. Review the parking fine base amount as recommended in the Plan.
4. Assess a surcharge on new development that replaces parking facilities.
5. Implementing a demand responsive rate structure in the parking garages based on location and occupancy will provide value rate pricing in underutilized facilities and premium rates in the facilities with high occupancy.

Without balancing measures to offset the estimated deficit, procurement of these items won't be possible. The deferred maintenance of the garages shall be completed by the end of the current fiscal year, as this is expected to extend the operations of these parking garages. However, the replacement of the multi-space meters and garage equipment are not supported with the current state of the fund.

Debt is another method of funding these procurements, absent of working capital. Public Parking could ask RPS, the City's parking operator, to purchase the equipment on behalf of the City. The City would then make payments to RPS for the equipment over an agreed upon period of time. Another option is to request a General Fund appropriation to fund these projects. Either one would increase the parking operation's deficit from the current estimated of \$248,960 for fiscal year 2018-19 with an additional projected \$1,650,000 for the much needed equipment and does not take into account interest.

Procuring these much needed parking program components will allow the City to smartly manage limited in-demand parking and to ensure the program's infrastructure can integrate with future mobility solutions. Therefore, the Public Works Department recommends that the

Transportation Committee direct staff to analyze and return with an analysis of the alternate parking program initiatives to (1) extend the hours of operation in the parking garages; and (2) implement a demand responsive rate structure in the parking garages within six months. The focus of the analysis is to achieve the City Council’s request for an advanced parking ecosystem.

Future Opportunities

The continued growth of downtown has evolved into a dynamic parking environment that requires periodic evaluation and input from multiple channels to keep the implemented strategies applicable to the downtown needs. Therefore, Public Works continues to measure the program’s performance by collecting data to support additional strategic parking management program initiatives. Monitoring occupancy and utilization of the garages may present the City with future opportunities to capture revenues from the smart management of increased parking demand into the City’s parking assets.

The Public Works Department is committed to continue the partnerships with stakeholders such as the FEP, Food Lab, and other downtown entities who represent multiple businesses in order to enhance the visitors’ experience and ultimately benefit the growth of our downtown.

FISCAL IMPACT:

There is no direct fiscal impact resulting from this report.

Prepared by: Kris Martinez, Public Works Director
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Presentation
2. Downtown Parking Facilities Map
3. Garage 7 – Decks by Level