



# Land Use/Sustainability/ Resilience Committee

*City of Arts & Innovation*

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**TO: LAND USE / SUSTAINABILITY/  
RESILIENCE COMMITTEE MEMBERS** **DATE: NOVEMBER 9, 2020**

**FROM: PUBLIC WORKS DEPARTMENT** **WARD: 1**

**SUBJECT: PUBLIC PARKING PROGRAM – REVIEW OF THE PUBLIC PARKING FUND  
AND CONSIDERATION OF A PARKING ECOSYSTEM SUSTAINABILITY PLAN  
PART 1 – INFRASTRUCTURE AND EQUIPMENT NEEDS**

**ISSUE:**

Receive an update of the Public Parking Fund; provide input on which infrastructure and equipment needs should be prioritized; and recommend that the City Council approve a Parking Ecosystem Sustainability Plan Part 1 – infrastructure and equipment needs to improve the program.

**RECOMMENDATIONS:**

That the Land Use/Sustainability/Resilience Committee:

1. Receive and file an update on the Public Parking Fund;
2. Provide input on which infrastructure and equipment needs should be prioritized; and
3. Recommend that the City Council approve the Parking Ecosystem Sustainability Plan Part 1 – infrastructure and equipment needs.

**COMMITTEE RECOMMENDATIONS:**

On July 13, 2020, the Land Use, Sustainability, and Resilience Committee considered the Public Parking Program Update and Parking Ecosystem Sustainability Plan (PESP) Improvements and Rate Adjustments. Following discussion, it was moved by Vice Chair Edwards and seconded by Member Perry to (1) receive and order filed the Public Parking Program update; and (2) direct staff to expedite Budget Engagement Commission review of potential parking garage sales and continue this matter for three months for a report back, including updated 2016 usage numbers and possible flexibility in rates.

## **BACKGROUND:**

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

On January 24, 2017, the City Council received a report on a comprehensive SPP that detailed recommendations to help the City prepare for future parking needs through progressive parking strategies. The goal of the SPP was to maximize the occupancy of existing and future parking supply. 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 parking strategies with well-communicated incremental rate changes over a two-year period.

In 2018 and 2019, staff provided City Council and the Transportation Committee with program updates that included the following topics:

1. Data demonstrating how parking operations are impacted by downtown growth;
2. Operational challenges and customer impacts caused by the technologically outdated parking equipment;
3. Funding difficulties for the much-needed intelligent solutions;
4. Pursuit of parking strategies to improve mobility downtown; and
5. Balancing measures that could result in the program's financial sustainability.

After the two-year period, it became evident the program's financial performance was insufficient to realize all the requested enhancements, cover the costs of the increasing operational costs, and plan for infrastructure and equipment investments.

In recognition of this status, in June 2019, the Transportation Committee asked the Public Works Department to return within one-year to consider alternate parking initiatives to (a) extend the hours of operation in the parking garages; and (b) implement a demand responsive rate structure in the parking garages. The pandemic delayed the return to a Committee in early 2020 and the item was brought forward for discussion at the Land Use, Sustainability, and Resilience Committee in July 2020.

On July 13, 2020, the Land Use, Sustainability, and Resilience Committee requested the Budget Engagement Commission (BEC) review the potential sales of parking Garages 1 and 2.

On September 10, 2020, the BEC considered the City-owned properties for declaration as surplus and agreed to support the recommendation to declare Garages 1 and 2 as surplus. The item was then referred to the Financial Performance and Budget Committee for consideration.

On October 14, 2020, the Financial Performance and Budget Committee considered the City-owned properties for declaration as surplus. The Committee requested staff return in January 2021 with the BEC's recommended list of properties, including Garages 1 and 2, to be declared as surplus and that staff provide any additional information to the Committee as it relates to the list of properties.

**DISCUSSION:**

The goals of the Public Parking Program are to create an ecosystem where assets are managed effectively, intelligent technologies contribute to mobility and accessibility, identify short and long term goals for the parking system, and adopt best practices to improve operations and facilities to improve the customer experience and best serve local businesses.

The goal of the Parking Ecosystem Sustainability Plan (PESP) is to apply parking management strategies with a holistic approach to each program adjustment, much like a healthy ecosystem. Because integrating strategies in different program areas requires careful balancing of policy programs to address the goals of stakeholders while simultaneously fulfilling critical needs, the complexity of the conversation can be better evaluated as separate parts. Therefore, this discussion has been separated in two parts PESP – Part 1 and PESP – Part 2 to promote further discussion of each matter at two separate meetings.

This report addresses PESP - Part 1, which focuses on the infrastructure and equipment needs. PESP - Part 2, will provide a platform to discuss the implementation of parking management strategies with associated demand responsive rates and will be presented at a future time. Both PESP Parts 1 and 2 will provide an updated Public Parking Fund Analysis.

Public Parking Fund Analysis - Update

The Public Parking Fund (570) includes revenues and expenses related to two primary subdivisions: 1) public parking operations encompassing the downtown garages, on-street metered parking spaces and surface lots, and 2) parking enforcement.

The tables shown below are for Fiscal Year 2019-2020 and include all COVID-19 related costs and savings. Parking Operations was on track to finish the fiscal year with a positive net income until COVID-19 impacted the downtown economy in the fourth quarter. Parking Operations realized a significant net income loss of **\$1,160,581** for Fiscal Year 2019-2020.

<b>Fiscal Year 2019-2020 Parking Operations (4150)</b>			
<b>Actual Net (Loss)</b>			
<b>Type</b>	<b>Actual Revenues</b>	<b>Actual Expenses</b>	<b>Actual Net (Loss)</b>
<b>Garages</b>	2,597,161	3,875,853	<b>(1,278,691)</b>
<b>Meters</b>	1,068,451	829,292	239,159
<b>Lots</b>	314,527	435,575	<b>(121,049)</b>
<b>TOTAL</b>	<b>\$ 3,980,139</b>	<b>\$ 5,140,720</b>	<b>\$ (1,160,581)</b>

Parking Operations and Parking Enforcement combined for an overall net income loss of \$344,633 towards the Public Parking Fund in Fiscal Year 2019-2020. Parking enforcement revenues were also impacted during the fourth quarter of Fiscal Year 2019-2020 as the COVID-19 minimum staffing orders went into effect on March 18, 2020. In addition, most of the staff were furloughed as relaxed parking enforcement was implemented reducing the number of citations issued and fines collected. Parking Enforcement posted a net **income gain** of \$815,948 for Fiscal Year 2019-2020.

<b>Fiscal Year 2019-2020 – Impacts to Parking Fund Balance (570)</b>			
<b>Type</b>	<b>Actual Revenues</b>	<b>Actual Expenses</b>	<b>Actual Net (Loss)</b>
Public Parking Fund Working Capital 7/1/2019			1,653,057
Operations (4150)	3,980,139	5,140,720	(1,160,581)
Enforcement (4151)	1,713,179	897,232	815,948
2019-2020 Total Posted to Parking Fund (570)	5,693,319	6,037,952	(344,633)
Public Parking Fund Working Capital 6/30/2020			1,308,424
Encumbrance of Pay Stations			(697,938)
<b>Public Parking Fund Working Capital Available</b>			<b>\$ 610,486</b>

At the start of the Fiscal Year 2019-2020, the Public Parking Fund had a Working Capital beginning balance of \$1,653,057 and an ending balance of \$1,308,424. However, on June 4, 2020, the City awarded an agreement to purchase 79 Multi-Space Pay Stations in the amount of \$697,938. This procurement will reduce the Fiscal Year 2020-2021 available Public Parking Working Capital to \$610,486 when the invoice is paid.

PESP Part 1 – Critical Infrastructure and Equipment Needs

The Public Parking Program has an inventory of five parking garages, 14 surface parking lots, and 1,014 on-street parking spaces (see Attachment 2 for a parking facilities map). The parking assets provide a limited number of spaces that turnover thousands of vehicles every year requiring increased maintenance and over time, replacement. To keep the program running efficiently and create a robust parking ecosystem, the priority infrastructure and equipment needs are listed below.

1. Replacement of the Garage Access and Revenue Systems

The parking entry and exit system referred to as the access and revenue control equipment in the parking garages was installed in 2012 and the Federal ADP products are obsolete. The company that manufactured the parking products announced their decision to close its parking manufacturing operation in late 2014. This system is comprised of the parking garage gates (arm), cashiering and reporting system.

As time passes, equipment is breaking down more frequently and repair costs are increasing, or replacement parts are harder to secure. The fee computers and mainframe are no longer licensed. Therefore, in March 2019, the system was shut off to raise the gates causing the system to stop processing and storing occupancy and financial data. To get the systems up and running, after being reset, it seems to be malfunctioning and will require the attendants to manually settle each customer’s ticket upon exit.

The approximate cost to replace the system in the five garages is \$2,000,000, which includes a 10% contingency should City Council approve it. The Request for Proposals (RFP #1955) was written to allow the City flexibility to indicate which garages to upgrade and in what order.

Until City Council reviews the potential declaration of surplus properties, which includes Garages 1 and 2, staff can focus on installing a new system in Garages 3, 6, and 7. Updating the equipment in Garages 3, 6, and 7 will improve customer service, provide touchless options and reduce greenhouse gas emissions by minimizing circling. The RFP #1955 response

evaluations are almost complete, and once a vendor is selected, staff can recommend the procurement of such equipment for Garages 3, 6, and 7.

## 2. Replacement of 157 Single-Space Meters

In 2009, the City awarded an agreement for the purchase of 157 single-space meters and the units were installed in early 2010. Although these meters are still functioning with 2G modems, the cellular service providers may only support 2G communications through the end of 2021. Telecommunication or coverage failures may prevent mobile application payments and prompt officers to issue unwarranted citations. In addition, the 2G modems are considered old technology and the manufacturer no longer supports or provides replacement. Per the manufacturer, the units have reached their end-of-useful-life and should be replaced.

To have a consistent on-street system, the spaces with single-space meters can be converted to multi-space pay station parking spaces. This would eliminate the single-space meters and instead, there would be approximately 22 multi-space pay stations and signs promoting touchless payments.

The cost to purchase 22 multi-space pay stations is approximately \$194,000, including sales tax.

## 3. Deferred Maintenance of Parking Garages 1 and 2

Both parking facilities on Orange Street, Garage 1 located between Mission Inn Avenue and University Avenue and Garage 2 located between University Avenue and Ninth Street, were built between 1951 and 1961, constructed using cast-in-place post-tensioned concrete slabs and beams. With aging, the concrete in Garages 1 and 2 has deteriorated and due to their stage in life, repairs and maintenance increase greatly as the structures degrade at an accelerated rate.

In 2007, City Council approved a renovation and retrofit of parking Garages 1 and 2. The project included repair of the parking deck expansion joints, seismic retrofit, new façade, and elevator rehabilitation. Furthermore, in 2008, City Council approved an increased change order authority to replace 145 post tensioning tendons that failed during the repair work to Garage 1 and the anticipated need to replace 180 additional tendons in Garage 2. Additional work included replacement of the stair well roofs, drainage improvements of the parking decks, conduit for future security cameras, changes to the new façade and vehicle barriers, painting of the alley and side elevations of the structures, and repair/rehabilitation of the interior lighting. The final payment for the construction project loans totaling over \$5,000,000 were paid in Fiscal Year 2017-2018.

Both garages were last inspected in 2018, and although they were deemed safe to keep operational, they need additional structural repairs that include girder reinforcement and at least one post-tension tendon replacement. The estimated cost for the repairs in 2019 was approximately \$650,000. To get an updated cost for the repairs, staff would need to request bids once again.

## 4. Structural Inspections for Preventative Maintenance

All parking garages should be inspected for concrete deterioration that affect the concrete durability, such as water intrusion. Over time, water intrusion triggers the steel in the concrete to corrode causing spalling and delamination that create trip and fall hazards. Within the last couple of months, City staff received a report of cracks in Garage 3 (behind Cal Tower) and Garage 6 (Orange Square). City staff have engaged engineering firms for quotes to evaluate the observed distress in the garages. The inspection of both Garages 3 and 6 is estimated to

cost \$8,000, however the maintenance or repair costs are not yet known as these projects will require bids to determine the costs to conduct the recommendations of the structural engineering firm.

Other unfunded desirable program enhancements that have been discussed include LED lighting retrofit, digital wayfinding, and car count signs at garage entrances. The cost of these enhancements is unknown as staff has not requested proposals.

*PESP Part 2 – Parking Management Strategies and Demand Responsive Rates*

The Parking Fund balance is insufficient to finance all the infrastructure and equipment discussed above. Therefore, PESP Part 2 – Parking Management Strategies and Demand Responsive Rates will present an opportunity for the Committee to consider optional rate adjustments, develop consistent pricing and rate increases, and guide staff to improve the program’s financial performance needed to fund the items noted in the PESP Part 1 – Critical Infrastructure and Equipment Needs. A report on PESP Part 2 – Parking Management Strategies and Demand Responsive Rates will be provided to the Committee at a future meeting.

**FISCAL IMPACT:**

Staff estimates the following costs for the parking infrastructure and equipment needs as shown in the table below; however, the final costs are still unknown at this time.

<b>Description</b>	<b>Estimated Amount</b>
Replace Outdated On-Street Parking Meters	\$194,000
Replace Technology in Garages 3, 6, and 7	\$1,700,000
Deferred Maintenance of Garages 1 and 2	\$650,000

The structural inspections of Garages 3 and 6 will cost approximately \$8,000 for which there are funds available in FY 2020-2021 in the Public Parking Maintenance/Repair of Buildings account number 4150000-424130. However, this amount does not include the cost of the recommended maintenance or repairs to each facility, this will remain unknown until the inspections are completed.

The Public Parking Fund does not have sufficient capital to fund all the infrastructure and equipment needs. Therefore, until the PESP Part 2 – Parking Management Strategies and Demand Responsive Rates can be implemented to improve the program’s financial performance, staff requests the Committee’s guidance to prioritize these projects with the limited funding available in the Public Parking Fund.

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