



Land Use/Sustainability/ Resilience Committee

City of Arts & Innovation

TO: LAND USE / SUSTAINABILITY / RESILIENCE COMMITTEE MEMBERS DATE: SEPTEMBER 13, 2021
WARD: 1

FROM: PUBLIC WORKS DEPARTMENT

SUBJECT: PUBLIC PARKING PROGRAM – REVIEW OF THE PUBLIC PARKING FUND AND CONSIDERATION OF A PARKING ECOSYSTEM SUSTAINABILITY PLAN PART 2 – DIRECT SUBMITTAL

ISSUES:

Receive an update on the Public Parking Program, review the Public Parking Fund; and recommend that the City Council approve a Parking Ecosystem Sustainability Plan to improve the program, adopt rate changes, review hours of operation, and ensure its long-term sustainability.

RECOMMENDATIONS:

That the Land Use/Sustainability/Resilience Committee:

1. Receive and file the Public Parking Program update; and
2. Recommend that the City Council approve the Parking Ecosystem Sustainability Plan to include program improvements and rate changes.

COMMITTEE RECOMMENDATIONS:

On November 9, 2020, the Land Use, Sustainability, and Resilience Committee considered the Parking Ecosystem Sustainability Plan (PESP) Part 1, “Infrastructure and Equipment Needs”. Following discussion, it was moved by Vice Chair Edwards and seconded by Chair Plascencia to (1) receive and file the Public Parking Fund update; (2) recommend that City Council approve to replace the 157 single-space meters with 22 multi-space pay stations and signs; and (3) direct staff to bring the Parking Ecosystem Sustainability Plan Part 2, “Parking Management Strategies and Demand Responsive Rates,” to the Land Use, Sustainability and Resilience Committee, after the Finance Committee received a report of surplus Parking properties. The motion carried unanimously.

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, the 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 years.

In 2018, staff provided the City Council and the Transportation Committee with several program updates including data demonstrating the impacts of downtown growth on parking operations, the operational challenges and customer impacts caused by technologically outdated parking equipment, and recommended strategies that would result in the program's financial sustainability.

On June 13, 2019, the Transportation Committee considered the Public Parking Program Improvement report. Staff was directed to return within with an update on parking technology solutions and recommend alternate parking program initiatives to (a) extend the hours of operation in the parking garages; and (b) implement a demand responsive rate structure in the parking garages.

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, the Committee (1) received and filed the Public Parking Program update; and (2) directed staff to expedite Budget Engagement Commission review of potential parking garage sales and return to Committee with and update.

DISCUSSION:

The Strategic Parking Plan strategies adopted meet stakeholder needs and contributed towards positive short-term impacts; however, the parking program faces challenges to reach maximum efficiency and long-term solvency. A Parking Ecosystem Sustainability Plan (PESP) was developed in collaboration with stakeholders to address critical maintenance, mobility, and financial sustainability. Discussion of the PESP was separated across two public meetings; PESP Part 1, "Critical Infrastructure and Equipment Needs," was discussed in November 2020, and staff was requested to return with PESP Part 2, "Parking Management Strategies and Demand Responsive Rates" to consider operation and rates changes to ensure the program is self-sustainable

PESP Part 2 – Parking Management Strategies and Demand Responsive Rates

The goal of the PESP Part 2 (attachment 1) is to apply parking management strategies over a three-year period in individual program areas and create a healthy parking ecosystem that balances user needs with the fiscal sustainability of the parking program.

Parking Management Strategies

The below strategies will allow drivers to park quickly, reduce congestion, and improve utilization.

1. Maximize Limited Space

In the last five years, the Public Parking Program's inventory has been reduced by approximately 250 spaces and replaced by development projects. The inventory is set to be reduced further by 325 spaces upon the potential sale of Garages 1 and 2.

Currently, the City offers reserved parking spaces for specific customers which reduces the number of stalls that could provide service to more vehicles and generate additional revenue. PESP initiatives include strategies to reduce the number of reserved parking spaces, phase out free parking, and deter long-term parking on-street. Such strategies will induce turnover and free spaces for shared use.

2. Hours of Operation

The current operating hours provide opportunities to avoid paying for downtown parking. Customers take advantage of the system by arriving during the free parking window of 5:00 pm through 9:00 pm and reduce parking availability in high demand areas. Recently the Riverside Downtown Partnership (RDP), who subcontracts the City's parking garage security efforts, has recommended changes to garage hours of operation to curb the issues caused by individuals who take advantage of free parking and tailgate in the garages. In addition, the Riverside Police Department has supported RDP's assessment.

By adjusting the hours of operation, all parking customers will be responsible for their share of costs in occupying a parking space and visiting downtown. A portion of revenues will be invested in increased police presence to help deter unwanted behavior in parking facilities.

3. Demand Based Pricing

Implementing a demand responsive rate structure for both on and off-street facilities will create value rate pricing in underutilized spaces and premium rates in high demand spaces. Demand based pricing encourages a balanced distribution of parking demand across facilities.

To lower demand in Garages 1 and 2 in preparation for their potential sale, the price point of parking in these core garages should increase to begin the shift of vehicles to other locations.

Demand Responsive Rates

The last rate increase was approved by City Council in 2017 which was the first adjustment since 2010. The adopted two-year implementation plan had three program rate increases effective July 2017 and three other rate increases in July 2018. The rate increases impacted six separate program areas that have not been adjusted with the growth of downtown.

This proposed PESP Part 2 includes three years of incremental rates as demonstrated in Attachment 1. The goal is to bring the parking program into a strong financial position to allow enhancements that will contribute towards a vibrant and healthy downtown. The PESP components present an opportunity to finance critical infrastructure needs, adopt strategies to improve customer service, support future development, enhance safety, and improve financial performance.

The approval of the PESP Part 2 as recommended in Attachment 1 will provide: Public Parking Fund stability, a reserve to finance structural projects and generate working capital to sustain the program long term. Table 1 summarizes PESP's anticipated financial impact on downtown parking operations over the three-year implementation phase. Table 1 – Projected PESP

Financial Impacts over a 3-year Period

Projected PESP Financial Impact	July 1, 2022 (Phase 1)	July 1, 2023 (Phase 2)	July 1, 2024³ (Phase 3)
Revenues ⁴	\$5,592,000	\$6,073,000 ¹	\$5,899,000
Expenses ²	\$3,442,000	\$1,414,000	\$1,186,000
Projected Net Revenues	\$2,150,000	\$4,659,000	\$4,713,000

¹Revenues in Phase 2 assume the parking garage smart system is installed by January 1, 2023 allowing 24-hour operation.

²Expenses in Phase 1 includes the projected \$1,500,000 cost of the parking garage smart system and \$600,000 Garage 3 & 6 Structural Maintenance project.

³Revenues and Expenses of Garages 1 & 2 were removed as of July 1, 2024, assuming Garage 1 & 2 are sold.

⁴Revenues based on 80% of 2019 occupancy levels.

The 2016 SPP recommended an allocation of 50% to fund future developments, 25% for enhancements, and 25% to support operations. Program enhancements include LED lighting retrofit of the garages, digital wayfinding, car count signs, integration with mobile applications, 24-hour security patrols, and an updated strategic parking plan.

Public Parking Fund Analysis

The Public Parking Fund (570) includes revenues and expenses related to two primary subdivisions: 1) Public Parking Operations (garages, meters, and lots), and 2) City-wide Parking Enforcement.

City-wide Parking Enforcement was impacted by COVID-19 for over three months as the Regional Stay at Home Order stopped street sweeping enforcement and City-wide parking enforcement except for public safety violations. Table 2 demonstrates COVID-19’s impact on the Public Parking Fund (570) for Fiscal Year 2020-2021. Parking Operations and Parking Enforcement combined for an overall net income loss of \$1,752,164.

Table 2 – COVID-19 Impacts on the Parking Fund

Fiscal Year 2020-2021 – Public Parking Fund Balance (570)			
Type	Actual Revenues	Actual Expenses	Actual Net Income (Loss)
Public Parking Fund – Beginning Working Capital on 7/1/2020			\$ 2,417,124
Operations (4150)	3,102,530	5,064,726 ^{1,2,3}	(1,962,197)
Enforcement (4151)	1,297,867	1,087,835	210,033
Public Parking Fund – Ending Working Capital on 6/30/2021			\$ 664,960

¹Includes \$881,823 of encumbered funds for 100 multi-space pay stations to be carried over and paid in FY21/22.

²Includes \$11,780 of Property Insurance payments to be posted to FY20/21.

³Includes \$23,853 of lease payments for Lot 38 from 3/16/21 to 6/30/21 to be paid in FY21/22.

STRATEGIC PLAN ALIGNMENT:

The PESP aligns with the City's Strategic Priority 5 – High Performing Government, and Strategic Priority 6 Infrastructure, Mobility & Connectivity, and meets the following goals:

5.2 - Utilize technology, data, and process improvement strategies to increase efficiencies, guide decision making, and ensure services are accessible and distributed equitably throughout all geographic areas of the City.

5.4 - Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

6.2. - Maintain, protect, and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

6.3. - Identify and pursue new and unique funding opportunities to develop, operate, maintain, and renew infrastructure and programs that meet the community's needs.

6.4. - Incorporate Smart City strategies into the planning and development of local infrastructure projects.

Furthermore, the PESP aligns with each of the five Cross-Cutting Threads:

1. Community Trust – PESP strategies reflect a careful set of policy programs that have been discussed at numerous public meetings, including key stakeholder community groups.
2. Equity – The PESP promotes the Downtown Parking Program objective of delivering parking opportunities to everyone. The PESP balances affordability to the public with the City's operational needs.
3. Fiscal Responsibility – The PESP manages parking by promoting turnover to create accessible parking and capture revenue opportunities.
4. Innovation – The PESP targets installation of parking equipment that will integrate parking availability to mobile applications and vehicle navigations systems.
5. Sustainability & Resiliency – The reduction in motorist circulation between garages in search of parking will cut down on greenhouse gas emissions, and LED garage retrofits will reduce on energy use.

FISCAL IMPACT:

There is no direct fiscal impact resulting from this report.

Prepared by: Gilbert Hernandez, Interim Public Works Director
Certified as to availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. Parking Ecosystem Sustainability Plan Part 2
2. Presentation
3. Downtown Parking Facilities Map