



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: 8/9/2012

Report Type: Staff/Discussion

Title: Parking Modernization

Report ID: 2012-00641

Location: Citywide

Recommendation: Pass a motion 1) directing staff to pursue parking modernization through technology / rate enhancements, expansion, and legislation; and 2) directing staff to return to Council with specific details for consideration and approval.

Contact: Howard Chan, Parking Services Manager (916) 808-7488, Department of Public Works

Presenter: Howard Chan, Parking Services Manager (916) 808-7488; Jerry Way, Director of Public Works (916) 808-6381, Department of Public Works

Department: Public Works Department

Division: Off-Street Parking Admin

Dept ID: 15001211

Attachments:

1-Description/Analysis

City Attorney Review

Approved as to Form
Gerald Hicks
7/17/2012 3:27:37 PM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
7/9/2012 12:11:04 PM

Approvals/Acknowledgements

Department Director or Designee: Jerry Way - 7/12/2012 3:45:10 PM

Description/Analysis

Issue: At the May 1, 2012 City Council meeting, a request was made to provide a report regarding potential next steps on Parking Monetization directed towards Parking Modernization. This report provides a roadmap by the Department of Public Works that will lead to recommendations for consideration by Council.

Policy Considerations: This recommended action is consistent with:

1. Sacramento City Code Title 3;
2. City of Sacramento Strategic Plan goals of achieving sustainability and neighborhood livability and expanding economic development throughout the City; and
3. Goals of the Central City Parking Master Plan.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): This activity is not considered a project as defined by Section 15378 of the California Environmental Quality Act (CEQA). The activity involves no physical construction and, therefore, has no potential to cause a significant impact on the environment (CEQA Section 15061 (b)(3)).

Sustainability Considerations: This project is consistent with the City's Sustainability Master Plan. It conforms to the Air Quality Focus Area by encouraging bicycling and walking and improving and optimizing transportation infrastructure.

Other: None

Commission/Committee Action: None

Rationale for Recommendation: At the May 1, 2012 City Council meeting, a request was made to provide a report regarding next steps on Parking Monetization directed towards Parking Modernization. This report provides a roadmap by the Department of Public Works which will lead to recommendations for Council to consider.

Under the parking monetization plan considered for the Entertainment & Sports Complex in late 2011 and into the spring of 2012, the "Wall Street Model" was given the highest external finance consideration. In March of 2012, an internal finance model was included and reviewed, as well. The internal finance model indicated that the City could maintain all parking assets and operations and still have the capacity to finance a substantial capital investment.

Payback of the financing may be accomplished by increasing revenues relative to modernizing parking operations or by defining a new revenue backfill opportunity. Staff recommends a three-pronged approach to parking modernization which could lead to: 1) a substantial capital investment opportunity, 2) enhanced customer satisfaction, and 3) greater alignment with meeting the mandates set out in SB375 and AB32 for reducing greenhouse gas emissions.

The three-pronged approach includes, but is not limited to:

- New Technology / Rates
- Expansion
- Legislation

New Technology/Rates

Historically, nearly all of the revenues collected from parking meters, parking enforcement, and off-street parking facilities are returned to the General Fund to support other essential city services and to fund ongoing parking facility maintenance and operations. A capital investment of \$2 to \$4 million would allow for investment in the type of new technology that will improve the overall customer experience, increase operational efficiencies, and generate additional parking revenues.

One of the primary technology initiatives staff is considering is the upgrade of existing on-street parking meters to the latest generation models that accept credit card payments, are solar-powered, have pay-by-phone/texting capabilities, and can be equipped with vehicle detecting sensors. These new meters will position the City to implement a demand-based pricing model by providing parking statistics, allowing the City to set pricing structures that will maintain optimal turnover/vacancy rates of on-street parking spaces. This in turn will improve air quality through the reduction of greenhouse gas emissions from vehicles looking for on-street parking spaces. Similar parking meters and rate programs are currently being piloted in San Francisco, Los Angeles, and Santa Monica.

In addition to upgrading the actual parking meter hardware and software, authority will need to be granted for staff to adjust parking meter rates over a broad range to effectively facilitate such a program in Sacramento.

Other technologies being considered include the creation of a city parking application for mobile devices. Initially, this application will allow the public to access essential information regarding the City's parking program (e.g. location of parking facilities, rates, hours of operation, how to apply for a residential permit, etc.) through a mobile device. In the future, this application could include real-time information regarding parking availability for both on-street and off-street parking.

Staff is also considering the upgrade of existing license plate recognition systems and electronic parking citation issuance devices used for the City's parking enforcement program. These technology upgrades are critical to increasing the efficiency of the City's on-street parking operations.

Expansion

Expanding the City's parking program is not a new concept. In fact, the Parking Services Division has seen its fair share of success in partnering with both the public and private sectors to provide its parking expertise and services. Some examples include agreements to manage off-street parking for the following entities:

- The State of California's East End facility and Department of Motor Vehicles' Evergreen facility.

- Inland American’s surface parking lots 296 & 297 located within the Railyards.
- Sacramento County Regional Parks, Howe Access & Watt Access sites.
- Railway Express Agency building (REA).

Staff is actively pursuing additional partnering opportunities throughout the Central City. These types of partnerships create more efficient operations for all parties, promote better land use through shared parking, and provide a more consistent parking experience for customers.

There are also many opportunities to expand the City’s on-street parking program. As an example, the Sacramento Regional Transit District has recently added light rail service to the River District (the Green Line). With this new service, there is an opportunity to implement parking controls to affect the turnover of parking spaces that will support businesses throughout the district. In addition, as Downtown and Midtown continue to introduce more restaurants and entertainment venues, parking policies will need to reflect the delicate balance between the business and residential communities. These policies will manifest themselves in the form of modified parking restrictions in these very dynamic transitions zones and include the installation of additional parking meters that affect the turnover of parking. Other opportunities include further expanding into the County Regional Parks system and potentially collaborating with the City of West Sacramento to become its parking policy and operations provider.

Legislation

Legislation is a key component to the success of the City’s parking modernization efforts and will require support from both the City Council and the State legislature. The legislative actions proposed in this report can be prioritized by level of effort and implementation timeframe.

In the near term, staff will recommend an amendment to the City Code enhancing the Parking Manager’s authority to adjust parking rates for its on-street parking operations consistent with that for off-street parking operations. This amendment shall also provide to the Parking Manager, administrative authority to implement/modify time limits for on-street parking throughout the city, and is consistent with the goals of the Central City Parking Master Plan adopted by the City Council. If approved, and when new meter technology is implemented, this change will enable the City to explore the implementation of a demand-based pricing model for the City’s on-street parking program.

Another legislative effort is currently underway that aligns with Sacramento’s modernization goals and will benefit all municipal parking programs in California. This piece of legislation is being initiated by the mayors representing the ten largest cities in California (“The Big 10 Mayors”), and needs continued support from the City of Sacramento. It focuses on closing loopholes in state law that allow for scofflaws to continue evading payment of parking citations. Each year, unpaid parking citations cost local agencies and the State of California millions of dollars in uncollected revenue that help support local and state services. Over the last five years, the City of Sacramento has approximately 132,570 unpaid parking citations with a total value of approximately \$14.4 million. If collected, the

state alone would net approximately \$1.5 million in state surcharges over and above the outstanding amount due to the City.

A third legislative effort addresses existing state law and has sparked debate across the country in terms of its impact on local agencies. In California, disabled placard/plate holders are exempt from on-street parking time limit restrictions and payment at a metered parking space. The loss of revenue is exacerbated by the ease with which an individual may obtain a disabled parking placard or disabled license plate through California's Department of Motor Vehicles. State law has evolved over the years to the point where it is no longer necessary for a physician to certify a patient's need for a disabled parking placard or license plate; rather, it is now permissible, under certain conditions, for the following health care providers to approve issuance of a disabled placard or license: Nurse Practitioners, Certified Nurse Midwives, Physician Assistants, Licensed Chiropractors, and Licensed Optometrists.

In Sacramento County alone, there are over 100,000 people who are issued disabled parking placards/plates. Unfortunately, while disabled placards/plates continue to serve a growing number of motorists, it comes with economic consequences that create a substantial negative domino effect. A parking survey was recently conducted in Downtown Sacramento with staggering results. On a typical weekday, N Street between 3rd and 10th Streets showed that out of 158 metered parking spaces, 115 spaces (73%) that are intended to collect revenue by way of parking meters, were occupied for the majority of the day by disabled placard/plate users exempt from parking fees.

The direct and indirect results are: 1) hundreds of thousands of dollars in annual lost General Fund revenue, 2) individual motivation for seeking alternative mode use is diluted because now parking in many cases is available directly in front of a person's job site at no cost, 3) reduced turnover of parking which negatively impacts businesses, 4) reduction of greenhouse gas emissions are not achieved as intended by the substantial public investment in alternative mode infrastructure improvements, and 5) it creates financial inequity because only individuals displaying a disabled placard/plate receive payment amnesty while all others are required to pay. Changing the current legislation to require everyone to pay for on-street parking will have a positive influence on all five issues identified.

The debate over disabled parking legislative reform is occurring throughout California and has been identified as the highest priority for the California Public Parking Association (CPPA). With over 220 agencies throughout California, the issue is the primary focus of its current legislative agenda. Staff is collaborating with the CPPA and two of its largest members, the City of San Francisco and the City of Los Angeles, to commence discussions with the State Legislature on this issue.

Financial Considerations: There is sufficient funding within the Parking Services Division of the Public Works Department to fund the analysis necessary to bring the detailed information back to City Council for further consideration.

Emerging Small Business Development (ESBD): Not applicable.