



AGENDA SUMMARY REPORT

SUBJECT: Discussion and Direction Regarding Implementation of an Improved Downtown Parking Management System.

DEPARTMENT: Economic Development

PREPARED BY: Shannon Riley

ATTACHMENTS:

[Attachment 1 - Parking District](#)

[Attachment 2 - Downtown Ukiah Parking Improvement Study 12-20-07](#)

[Attachment 3 - Meter Payback Calculator v3](#)

Summary: A Parking Ad Hoc Committee has proposed an improved Downtown Parking Management System that addresses the current user concerns and budget shortfalls of the Parking District; Council will receive a presentation and provide direction to Staff regarding next steps.

Background: There's no such thing as a free parking space. Someone must cover the cost of constructing and maintaining it. In residential areas, the City—using General Fund money from the taxpayers--assumes this responsibility. In commercial settings, parking is either paid for by the businesses or the users of the system.

Both models are employed in Ukiah. In areas outside of the downtown, businesses are required to provide parking for their employees and customers based on the type of business. For example, Costco was required, at their expense, to construct a parking lot with adequate spaces for their customers and employees. In the downtown, where buildings and streets are more densely situated, businesses cannot construct dedicated

RECOMMENDED ACTION: Direct Staff to proceed with an improved Downtown Parking Management System that would include paid parking in the downtown core, a limited number of permitted spaces, and free parking.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: 64020213 - Parking Improvement District


PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: TBD, depending on next steps

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Parking Ad Hoc Committee

Approved:


Sage Sangiacomo, City Manager

parking for their users. Therefore, public parking lots were developed, and in order to manage the users of the parking lots, permits, meters, and time limits were implemented. The users of the system pay for it. This area is designated as a Parking District, and it extends from Norton to Gobbi, Oak to Main Streets (see Attachment 1).

The alternative to having the users pay for the parking system is to have the businesses pay for it. Since they can't construct their own parking lots, they would pay "parking in-lieu fees," which ensure that they pay their fair share of the public parking spaces that are provided. There are various ways to structure this—number of employees, type of business, per square foot, etc. In-lieu fees around California range from about \$6,000 - \$30,000 per space.

- At \$6,000/space under our current C-1 zoning requirements, a 40-seat restaurant (similar to several downtown restaurants) would pay \$96,000
- At \$30,000/space, a 40-seat restaurant would pay \$480,000

Ukiah does not use parking in-lieu fees, and the application of those fees to existing business would be perceived as punitive and burdensome.

Parking Districts are intended to be sustainable, with the fees collected covering the expenses of enforcing, maintaining, and improving the public parking. However, for many years, the Downtown Ukiah Parking District has operated at a deficit and there is extensive deferred maintenance. While fees for violations were raised in 2016, permit fees and meter rates have not increased in more than 15 years. On top of the financial challenges, few (if any) of the users are fully satisfied with how the system functions.

In 2016, a Parking Ad Hoc Committee was created to develop solutions to the downtown parking system. The Committee consists of Councilmembers Brown and Mulheren, as well as City Staff representing the City Manager's office, Community Development, Community Services, Public Works, Public Safety, and the Finance Department. Their mission is to utilize existing parking more efficiently by maximizing available space, incentivizing employees of the downtown to utilize the spaces further away, thereby freeing up closer spaces for customers, to incorporate other features like electric vehicle parking and centralized garbage storage, and to create a sustainable management system.

The Ad Hoc Committee started their work by reviewing the current conditions and the comprehensive Parking Study that was done in 2008 (Attachment 2).

The current conditions consist of:

- Permitted spaces (in lots)
- Parking meters
- Timed spaces:
 - Five hour
 - Two hour
 - 90 minutes
 - 24 minutes
- No weekend or evening enforcement

In the downtown core, there are over 1,050 spaces.

The peak time is between 11:00 am and 2:00 pm. During that time, the most impacted spaces are the five- and ten-hour spaces, with the 90-minute spaces close behind.

Permitted spaces, though sold out, are only about 60% full at peak time.

Problems with current conditions :

- Business owners and downtown employees are taking customer parking.
- Model is backwards: The closest parking is free, and we are charging for parking furthest away. Therefore, there's no incentive for all-day parkers to park farther away.
- People are parking inappropriately--in privately owned lots and permitted spaces.
- Some people with permits are parking in the free, 90-minute parking—because it's more convenient and free, thereby taking up TWO spaces.
- Jurors significantly impact parking, especially the spaces that would be used by employees of the downtown.
- 90 minutes is either too long or not long enough, depending on your opinion.
- The current meters are obsolete and dying.
- Not enough revenue is generated to cover the expenses of the Parking District.

Factors that will likely impact parking in the future:

Courthouse relocation: the new courthouse, when built, will also have a dedicated parking lot for employees and jurors. Anticipated completion date—at least five years from now.

Downtown Streetscape Project: Few, if any spaces will be lost. However, State Street will become much safer for pedestrians and there will be additional bike racks and wider sidewalks.

Reuse of current courthouse: the current courthouse is owned by the County and the State, so the reuse of this building will largely depend on those agencies. The use will determine how much traffic is associated with it.

Future development: Whether it's a new hotel downtown or the rehabilitation of the Palace Hotel, future development may impact parking. Any plan developed now will need to be flexible enough to work with whatever happens.

Electric vehicle chargers: Tesla donated four electric vehicle chargers to the City of Ukiah that will be installed in the public parking lots.

Central garbage collection: A goal of the City's is to have one or more centralized garbage locations for downtown businesses who are not able to store garbage onsite. This will prevent dumpsters and totes from being stored on the sidewalks and streets, will keep the downtown cleaner, and will provide a valuable service to the businesses.

Antiquated parking meters: The City's meters are obsolete. Parts can no longer be obtained for them and there are no extras to replace broken ones. If the City is to keep a metered system, new meters will need to be purchased.

2008 Parking Study

In 2008, a comprehensive parking study was performed. That study included an inventory of the existing conditions, an analysis of opportunities and constraints, and provided recommendations. A summary of some of those recommendations and any implementation measures that has occurred follows:

- Improve parking signs and maps
 - Some of this was done; could still use improvement
- Eliminate on-street permit parking
 - This was done; there are no longer permitted spaces on the streets
- Create additional diagonal parking on School Street
 - This was not done. However, a recent analysis has determined that by adding diagonal parking on School Street between Stephenson and Seminary, 11 spaces could be gained. This change will be made in the near future.
- Update parking rate structure
 - This has not been done. Permit fees have not changed since 2002.
- Update parking fines on an ongoing basis
 - Parking fines were recently adjusted, but had not been changed since the early 2000's.
- Oversell permits by 10%
 - This has not been done, but is a good solution. Permit lots would become first come, first serve unless a premium was paid for a dedicated space. This could alleviate the problem that the lots are only 60% full at peak time.
- Re-establish on-street parking where driveways have been abandoned
 - This has not been completed. There are still curb cuts (without parking) where driveways no longer exist.
- In public lots, replace meters with kiosks
 - This has not been done. Kiosks were popular when the 2008 study was done and have fallen out of favor for a number of reasons. If the lots are to be controlled, there are now more effective and user-friendly ways to accomplish it.
- Convert 90-minute parking to two-hour parking and add kiosks
 - This has not been done. Again, kiosks are no longer viewed as a viable solution. However, meter technology and even meter-less technology have significantly evolved. Some places even have a parking app for smart phones with no meters at all.
- Eliminate five-hour parking and expand 10-hour parking on periphery of downtown
 - This has not been done.

Discussion: The current downtown parking model is not efficient for the users, nor is it generating sufficient revenue. Therefore, a new model must be created for the Parking District that:

- Helps ensure adequate and convenient parking for the visitors of the downtown
- Provides adequate and affordable parking for the employees of the downtown
- Generates enough revenue to cover expenses and maintenance of the Parking District

With this, the Parking Ad Hoc Committee has explored virtually every parking option possible. Three public workshops have been held, a survey of parking permit holders has been conducted, and all of this information has been posted on the City's website and distributed to stakeholders.

First, to address a common suggestion—that we should develop a parking structure. Ukiah already has parking lots; why not go vertical? Unfortunately, the cost of constructing a parking garage is more than Ukiah can afford to bear. For example:

Lot A (near the old Post Office): 106 spaces

- Each space takes an average of 300 square feet
- In 2013 figures, the average parking structure cost \$24,000 per space to construct
- A two-story parking structure (on Lot A):
- $\$24,000 \times 106 \times 2 = \$5,088,000$
- A three-story parking structure:
- $\$24,000 \times 106 \times 3 = \$7,632,000$

These figures don't include ramps, elevators, lighting, and other structural requirements; they also don't include a mechanism for this structure to pay for itself. In conclusion, the structure is not a viable option. The good news, however, is that Downtown Ukiah already has enough parking spaces; they just need to be used properly.

Therefore, the proposal:

1. Install parking meters in the downtown core, roughly from Pine to Main Street (but not including those streets), Smith to Clay Street.

- The meters would be fully programmable, with the first 15-20 minutes being free or 1¢, depending on the type of meter utilized. This would allow someone to pick up a to-go order, drop off a heavy load near his or her business, grab a cup of coffee, etc. without having to pay the meter.

- Meters would take coins, credit cards, or operate through an app that is linked to an account (like Fast Trak). When linked to a smart phone, a meter can notify a user that their meter will expire in XX number of minutes and the user can instantly add more time to the meter via the app.

- The cost to park at a meter would get progressively more expensive. The first 15-20 minutes would be free or 1¢. The next 1-2 hours may be 50¢ per hour. After that, the cost could go up to \$1/hr. Parking meters would likely have a maximum time limit of four hours.

2. Retain a limited number of reserved, permitted spaces in Lots A (near the old post office) and B (on Stephenson, across from the Conference Center parking lot) for people who want and are willing to pay for a dedicated space.

3. Free parking: Create plenty of free parking in Lots C (near library), D (N. School near Henry Street), and on-street outside the meter core. This is designed specifically for the long-term parkers—the employees of the downtown—as well as customers who don't want to pay for parking and are willing to walk a block or two. The goal is to have free parking available within 2-3 blocks of every downtown business.

This proposal addresses all of the major problems of the current model and is largely consistent with the recommendations that were made ten years ago but not implemented:

- It helps ensure that the “prime” customer parking will be available for customers and that those customers can have flexibility in how long they stay in the downtown—a properly managed parking system helps ensure that one-two spaces per block are available.

- It provides plenty of free parking for the employees of the downtown and for customers who are willing to walk a block or two.

- It can easily be adjusted for future impacts and demand.

- It will generate enough revenue to keep the parking district sustainable.

Important note: All the revenue generated by the Parking District stays in the Parking District.

Implementation Options -

Option One:

Implement the full proposal as outlined above. This would entail the purchase of approximately 430 parking meters and the reallocation of permit spaces. Although there is an initial cost to purchase the meters (estimated at \$350,000, including installation and setup), the projected revenue they generate would pay for them in just over one year, even using the most conservative estimates. For a detailed analysis, see Attachment 3, "Meter Payback Calculator."

Option Two:

Borrow against the future revenue of the Parking District in order to make immediate and tangible improvements in the Downtown. The cost of borrowing, including interest rates, for debt financing are still relatively low, and the revenue collected from meters would be used to pay the debt. This would include implementation of the full proposal, plus infrastructure and beautification projects. Examples of these projects could include but are not limited to improving the planter triangles, improving the tree lighting, replacing the garbage/recycling containers, re-funding the Façade Improvement Program (which provided matching grants for façade improvements like awnings, paint, etc.), public art, and resurfacing the parking lots.

Option 2a: \$500,000 would pay for the new meters, lighting and planters, new garbage/recycling containers, and the Façade Improvement Program. Using the same conservative revenue estimates, this debt would likely be repaid in less than three years.

Option 2b: \$1,000,000 would pay for all of the items in Option 2a, plus public art and the resurfacing of the parking lots. Using the same conservative revenue estimates, this debt would likely be repaid in less than five years.

Option Three:

Delay or decline the implementation of the proposed plan. This option would require the purchase of approximately 40 new meters to replace the outdated meters that are currently inoperable. The rates charged for the meters would need to remain roughly the same as current so as to not exacerbate the existing problems. (As long as the closest, most convenient parking is free, it will be abused.) At these rates, it will take roughly four years to pay off the meters.

Parking permit fees and violation fees could be increased to help balance the budget of the Parking District.

New equipment would need to be purchased for the parking enforcement officer in order to continue enforcing the timed parking. One option would be to purchase a new vehicle designed for manual chalking; the cost of this is roughly \$64,000. Manual chalking, however, has led to repetitive motion injuries for the parking enforcement officer and is inefficient. The alternative is an electronic chalking system, which includes a license-plate reader and a new software system. Estimates for this system are approximately \$125,000. Both of these are expenses that would be difficult to recover with the current revenue of the Parking District.

Option Three does not address any of the current problems with the parking system except for the replacement of the broken meters.

Recommendation: After completing extensive research and public outreach with the Parking Ad Hoc Committee, Staff recommends Option 2a, borrowing \$500,000 against the future revenue of the meters. This option corrects the known problems of the current parking management system, provides immediate and

tangible aesthetic improvements to the downtown, rectifies the financial deficit in the Parking District, and provides a mechanism for paying off the meters and improvements in less than three years.

Implementation Timing: Should the Council elect to proceed with Options One or Two, it has been the committee's recommendation to implement a new parking system in conjunction with the Downtown Streetscape Project. Both projects will have a significant impact on the downtown; there are benefits to doing all the work at once, rather than stretching out the impacts over a longer period of time. However, it has recently been determined that the Streetscape project will not enter the construction phase until the beginning of 2020.

Therefore, Staff is seeking Council's direction and public input regarding the timing of the project and whether the parking improvements should move ahead in advance of the Streetscape Project.

For additional information regarding the public workshops, please see www.cityofukiah.com/projects/parking/