



CITY OF SAN MATEO

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Administrative Report

Agenda Number: 10., Status: Passed

File ID: 2016-23

TO: City Council

FROM: Larry A. Patterson, City Manager

PREPARED BY: City Manager's Office

MEETING DATE: Monday, February 01, 2016

SUBJECT:
Downtown Parking Permit Changes

RECOMMENDATION

Approve the recommended parking permit rate structure to be included and adopted with the 2016-17 Comprehensive Fee Schedule.

BACKGROUND

For many years, the City of San Mateo has sold quarterly parking permits to allow users to park in any of the 10-hour spaces in off-street downtown parking facilities and along Railroad Avenue between 5th and 9th Avenue (approximately 1,050 spaces total). These permits provide a convenient way of pre-paying for anticipated parking usage particularly for employees who work downtown. A total of 750 permits are sold each quarter at City Hall and the Downtown San Mateo Association (DSMA) office and cost \$126 per quarter or the equivalent of \$42 per month. This cost has not changed in many years and is lower than many private facilities in the area as well as the cost of permits in nearby cities such as San Francisco, Oakland, San Jose, and Redwood City. There is a high demand for these permits given increased business activity downtown and the permits have typically sold out within a few days after going on sale. This demand has increased significantly in the past two quarters with the permits selling out within an hour this quarter and a lengthy waiting list of customers who were not able to purchase permits.

One of the key priorities this year in implementing the Downtown Parking Management Plan is revamping the long-term permit program. Staff has worked with the City's parking management consultant SP+ to develop short- and long-term changes to improve the effectiveness of this program as a parking management strategy. Initial changes have included converting 75 underutilized three-hour spaces to 10-hour spaces, increasing the number of permits sold to 850, limiting the number of permits that could be purchased at one time, and talking with businesses who purchase large quantities of permits about opportunities to reduce parking usage by their employees.

As presented to the Council at the November 16, 2015 study session, more significant changes are proposed for this year and summarized below:

Online Purchase

Requiring users to purchase permits over the counter at City Hall or the DSMA office represents a time burden particularly for employees taking time out of their work schedule. This burden has been exacerbated in recent quarters as customers have begun waiting in line at 7:00 a.m. with many have been unable to purchase permits. Providing online purchase will alleviate this burden by allowing customers to purchase permits from their computer or mobile device rather than in person. Following a competitive selection process involving multiple vendors, the City has developed an agreement with a third-party vendor ParkMobile to provide online permit and reservation services which the vendor provides in other cities including San Rafael, Capitola, and Fresno. As part of this service, customers will be able to purchase a permit at a specific parking facility at the rate tied to that facility and print out the permit to display on their vehicle (the City can also mail the permit if needed). Online purchase will be available through a new parking website the City is creating and customers can also purchase permits over the phone through the ParkMobile customer service center. There is a one-time cost to the City of \$6,500 for starting the online payment service and a service fee of \$2 per permit that will be

charged to the customer along with a credit card fee.

Monthly Permits

A second change is switching from a quarterly parking permit to a monthly permit. The Downtown Parking Management Plan indicated that selling quarterly permits at one price was not an effective way to optimize limited parking supply as parking needs can change more frequently than on a quarterly basis. Some businesses purchase quarterly permits in case new employees join the business in subsequent months, which can reduce the number of permits available for current users. As a result, the City is proposing to sell permits on a monthly basis to better tie parking usage to demand and provide greater flexibility to customers. These monthly permits will be sold for each facility as described below.

Permits by Facility and Rate

Lastly, the City is proposing to sell monthly permits by individual parking facility at a rate specific for that facility in contrast to selling quarterly permits at the same \$126 that can be used at any facility. This change was also recommended in the Downtown Parking Management Plan to better manage the parking system by tying pricing to demand and balancing parking availability for visitors and employees. By including the spaces at the Workers Resource Center and Kinkos lots, there would be approximately 1,250 spaces available for 10-hour use at the off-street facilities. The proposed number of permits sold for each facility is based on 80% of the number of 10-hour spaces at the facility, which is an industry standard and allows for long-term parking by those who do not have a permit. As a result, approximately 1,000 permits would be sold as part of the updated program compared with the 850 sold currently. Based on facility usage, an oversell percentage would be used to increase the number of permits sold at individual facilities.

Below is a table showing the number of 10-hour spaces, number of permits proposed to be available based on the 80% level, and proposed pricing for each facility:

Facility	10-Hour Spaces	Permits Available (80%)	Proposed Monthly Rate
Central Garage	209	167	\$80
2 nd and El Camino Real Garage	240	192	\$50
Main Street Garage	224	179	\$50
Transit Center Garage	216	172	\$50
Tennis Court Garage	84	67	\$50
Railroad Avenue between 5 th to 9 th	75	60	\$30
Kinkos Lot - Lot 10	108	86	\$30
Workers Resource Center Lot - Lot 11	84	67	\$30

As shown in the table, the monthly permit rate would vary from \$30-80 based on the occupancy and location of the facility. These rates, while an increase from the current effective monthly rate of \$42, are still equal or below permit rates in nearby cities and consistent with the recommendations in the Downtown Parking Management Plan. This approach is similar to the recent changes in the on-street parking rates to charge a higher amount in the higher demand downtown core to encourage customers to park further out and better utilize available spaces. The Central Garage is within the downtown core and the highest demand facility and thus the rate is proposed to be set at \$80. Facilities further out such as the El Camino and Tennis Court garages would be priced at \$50 while permits for Railroad Avenue between 5th and 9th and the Kinkos and Workers Resource Center lots would be priced at \$30.

As the Council is aware, the approximately 200 spaces at the Kinkos and Workers Resource Center lots are currently free without parking restrictions. These lots are well-used particularly for long-term employee parking and typically fill up by mid-morning. Two user surveys were conducted in November and December 2015 with most respondents indicating they were downtown employees with around 1/3 of respondents working in jobs that could be considered low-wage such as dishwashers or baristas, which has been an issue raised by the Council. Other respondents self-identified in higher wage jobs such as lawyers, business owners, and store managers. In addition, approximately 2/3 of the respondents indicated they were willing to paying \$30 a month to continue parking at either of the facilities. Of those who were not, most indicated they would walk or bike to work or park in other downtown parking lots closer to their work. Staff would monitor nearby on-street parking to assess the potential impact to surrounding residential areas and take appropriate

enforcement actions if needed.

As a result, staff proposes to charge a \$30 monthly rate or the equivalent of \$1.50 per day for a permit at these lots and officially designate almost all of the spaces at each facility as 10-hour spaces. Approximately 20 spaces at the two facilities would be used for short-term parking at the rate of \$0.25 per hour (or \$2.50 for the day) set previously by the Council and staff is exploring the appropriate payment equipment to install for these two lots. The lots would continue to be free after 6:00 p.m. and on Sundays. This proposed approach would improve parking management by using these spaces to better manage overall parking supply, better reflect the costs of providing parking services, and provide additional parking revenue to support downtown improvements.

Implementation

Pending Council direction, staff will incorporate the permit rate changes into the Comprehensive Fee Schedule for 2016-17 that will be presented to the Council in April. Staff will also work with ParkMobile to finalize the online purchase system and conduct user testing to ensure the system's effectiveness. Staff will work with DSMA and downtown businesses to extensively communicate these changes to the permit program and answer questions that may arise. Staff is planning to sell the new monthly permits beginning in July to provide sufficient time for this system testing and communication to customers and will also sell permits in-person as a backup option for the first few months of implementation. Given this timing, the City will continue selling quarterly permits as part of the current permit program for the April-June quarter.

BUDGET IMPACT

All revenues and costs for the downtown parking program are included in the Downtown Parking and Maintenance Fund. The annual revenue from these changes to the permit program is estimated to be approximately \$600,000 compared with current revenue of \$380,000, or an annual increase of approximately \$220,000. These funds will be used for operational and capital improvements related to downtown parking and maintenance including providing funding towards the creation of additional downtown parking spaces given demand.

ENVIRONMENTAL DETERMINATION

Categorically exempt pursuant to CEQA guideline 15378(b)(4) (government funding mechanism that does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment).

NOTICE PROVIDED

Pursuant to Government Code Section 66018 and 6062a, notice of this public hearing was provided at least 10 days before the hearing.

ATTACHMENTS

N/A

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