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Staff Report for Adoption of a Resolution Amending the Parking Space Rental, Estudillo Garage Fees in Title 6, Chapter 4 of the San Leandro Administrative Code

RECOMMENDATIONS

Staff recommends the City Council adopt a resolution to set the Parking Space Rental, Estudillo Garage Reserved Fee at \$70 per month, the Unreserved Fee at \$45 per month and establish a new Daily Parking Fee of \$2.50 per day effective January 1, 2012.

BACKGROUND

In 2002, research and planning began on a project to upgrade the City’s Estudillo Parking Garage. Funding was secured in 2008, and construction began in 2010. The new modern structure, scheduled to be completed in spring 2012, will meet current seismic structural standards, will be compliant with Americans with Disabilities Act (ADA) requirements and will be Leadership in Energy and Environmental Design (LEED) certified.

The parking garage is a critical component of the City’s award winning Transit Oriented Development (TOD) Strategy. Centralized parking encourages downtown retail patrons to park once and walk to multiple destinations and promotes pedestrian activity in the downtown. The added capacity from the new garage will facilitate additional development in downtown San Leandro.

In order to facilitate a smooth transition back to the garage, proper signage and planning is required. The establishment of slightly reduced permit parking fees for reserved spaces and unreserved spaces is recommended to increase garage patronage, thereby leaving the public parking lots near

retail and services available for short-term customer parking. It is likely that rates will be increased over time to reflect demand from greater activity downtown and new development.

Analysis

Estudillo Parking Garage Configuration and Goal

The configuration of the new parking garage and surface lot will have approximately 77 ground floor limited time parking spaces (comprised of 14 24-minute spaces for Wells Fargo as required by contract and 63 2-hour customer parking spaces). The remaining 303 spaces will be used for longer-term parking. The new garage configuration differs with respect to permit parking accessibility. The former garage had a gate which prohibited those without a parking key card to access the spaces on nights and weekends. The new garage will not have a gate and therefore permits and fees will only apply Monday - Friday, 8am - 5pm. This should serve to encourage shopping downtown.

One goal of the parking garage is to free up the short-term parking lots near retail and services for customers by providing safe and convenient long-term parking for downtown retail and office employees, many who currently utilize the short-term parking lots and move their cars every two hours. In addition to freeing up the short-term public parking lots for customers, the new parking garage was identified in the TOD Strategy as an important element to creating a pedestrian friendly downtown. The garage will allow the development of greater density including the Village Marketplace and Town Hall Square projects.

Former Garage Rates

A reserved parking permit in the old downtown parking garage was \$80/month and an unreserved parking permit was \$55/month. To encourage individuals to park in the temporary parking lots created during the garage demolition and construction, temporary reserved and unreserved parking fees were established at the rates of \$50/month and \$30/month, respectively.

Garage Occupancy

The new garage has 134 additional parking spaces, significantly increasing the capacity of the paid parking. At the time the garage was demolished, there were 172 parking permits issued in the old garage. The new parking garage contains 210 permit parking spaces (allowing for approximately 236 permits to be issued assuming a 15% over-subscription rate) plus an additional 93 top floor parking spaces for daily parking for a fee.

	<u>Former Garage</u>	<u>New Garage</u>
Ground Floor Spaces	74	77
Permit Spaces (floors 2 & 3)	172	210
Daily Long-Term Spaces (4 th floor)	<u>0</u>	<u>93</u>
	246	380

New Garage Rates

The permit parking fees should be established to achieve maximum garage occupancy since the goal is to drive long-term parkers to the garage. However, the rates should also be set high enough to cover the cost to operate and maintain the garage. Although the garage cannot be a revenue generator for the City or Redevelopment Agency, parking revenue could be used to cover debt service on the bonds.

Without comparable facilities in San Leandro, a rate comparison study to determine the optimum rates for the garage is not practical. The following factors should be considered when determining rates:

- The estimated annual cost to maintain the garage is approximately \$125,000.
- A parking ticket in the City of San Leandro currently costs \$45.
- Of the 172 parking permits in the old garage, 35 were reserved and 137 were unreserved.
- There are currently 112 parking permits issued for the temporary parking lots - 39 reserved (at the Davis/Hays lot) and 73 unreserved (at the Albertsons lot).
- It is anticipated that the 60 former permit holders who chose not to park at the Albertson lot will return to the parking garage.
- The 10-hour on-street parking meter rate is \$0.25/hour or \$2.50/day.

A reserved parking permit rate of \$70/month, an unreserved rate of \$45/month and a daily rate of \$2.50 is recommended. Staff recommends slightly lower rates as the goal is to increase the permit holders from the current 112 to 210 and attract 93 additional long-term parkers to the top deck, while still covering the costs of operation and maintenance. Rates will be increased over time to reflect demand from greater activity downtown and new development.

	<u>Former Garage</u>	<u>Temporary Parking</u>	<u>New Garage</u>
Reserved Permit Fee	\$80	\$50	\$70
Unreserved Permit Fee	\$55	\$30	\$45

The unreserved permit rate is set such that it is the same cost as a parking ticket. The daily rate is set such that it is equal to the unreserved permit rate, encouraging the office employees to purchase a permit and park in a covered space, leaving the top deck for retail employees who may have more variable schedules.

Assuming 150 permits for the 210 permitted spaces will be issued, and 80% of the 93 daily rate spaces will be occupied, the estimated annual revenue is \$156,000. Assuming the garage is at full capacity and 236 permits are issued, the estimated annual revenue is \$196,000.

Current Agency Policies

The Transit Oriented Development Strategy adopted in September 2007 includes a parking strategy that calls for off-site parking, such as a strategically located public parking structure, to provide

capacity for the parking needs of many, to lower parking standards for development downtown, to promote walking, and to provide future flexibility to use parking pricing as a Transportation Demand Strategy.

Committee Review and Actions

The Facilities and Transportation Committee at the November 8, 2011 meeting recommended adjustment of the Estudillo Parking Garage Reserved Permit Fee to \$70/month and the Unreserved Permit Fee to \$45/month and the addition of a \$2.50/day Daily Parking Rate.

Applicable General Plan Policies

General Plan Goal 6 - Downtown Revitalization includes the following action regarding the Downtown Parking Structure. Study the feasibility of developing an attractively designed Downtown Parking structure or expanding and redesigning the existing city-owned Downtown parking garage.

Summary of Public Outreach Efforts

The following three public meetings were held regarding parking downtown.

- Downtown Association, May 27, 2011
- Downtown Employees, June 16, 2011
- Community, July 19, 2011

Fiscal Impacts

The estimated garage revenue to be deposited into the Parking Garage Revenue account No. 132-3312, assuming the garage opens on April 1, 2012, is \$39,000 in FY 2011-12 and \$156,000 in FY 2012-13. The revenue should cover the estimated annual cost to maintain and operate the garage.

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