



March 8, 2011

To: Councilmember Sally Bagshaw
Chair, Parks and Seattle Center Committee

From: Christopher Williams
Acting Superintendent of Parks

Re: Paid Parking Analysis SLI – Preliminary Briefing Memo
Response to SLI 98-1-A-3

Summary:

This report provides a response to the City Council's request for a preliminary briefing on prior analysis conducted on paid parking in parks and on an approach to new analysis. The focus of the report, at this stage, is to provide initial information requested in the SLI.

The full SLI report due in July requests that the Department conduct a robust parking study which will require extensive data collection and analytical work. At a minimum, participation and support from involved City departments will be needed in order to complete this task. The Department is concerned about the resources available to complete this task, as well as the impacts of displacing staff and, subsequently, services to the public.

Given a number of program implementation issues outlined below, the Department is seeking direction on potential alternatives for consideration. Also, given the political climate around parking issues in the city, the Department also seeks direction from Council on whether further work on paid parking options should be undertaken.

Background:

In developing this preliminary response, Parks coordinated with the following departments:

- Seattle Department of Transportation (SDOT): provided input concerning on-street parking and potential neighborhood impacts at potential park sites;
- Seattle Police Department (SPD): provided input on feasibility and cost/revenue impacts of enforcement;
- Park Rangers (DPR): provided input on feasibility of internal enforcement;

- City Budget Office (CBO): provided support on development of SLI response and communications with the Mayor's Office and City Council; and
- Finance and Administrative Services (FAS): Parks will engage the Department of Finance and Administrative Services on the collection and accounting of parking fees.

The Department first explored paid parking program options in 2003. At that time, Parks' intent in developing a paid parking program was to manage demand at highly used parks. However, the policy goals shifted in 2004 when the Department was facing reductions in revenues from the 2000 Pro Parks levy and the General Fund. That year, the Department hired the Cedar River Group to assess the revenue generating potential of a paid parking program to help offset declining financial conditions. The study focused on potential locations for paid parking programs and on how the parking fees would be structured. The report did not focus on the level of usage needed to generate a significant impact on revenues, and the basic revenue assumptions used to determine demand and compliance levels were not fully examined at that time. So, while the report recommended how to implement a parking fee program and estimated revenues and expenses, it did not ground those conclusions in a market analysis.

The idea of paid parking was considered again in 2009, with a policy focus on both demand management and revenue generation. In developing different options for the 2010 budget, it became apparent that collecting sufficient field data to make reasonable revenue projections would be time intensive and expensive. To determine whether demand levels might be high enough to warrant investing in another consultant study, Parks had field staff conduct some occupancy counts in August 2009, a peak use time of year, at two sites reported to have high parking use. Those counts showed that demand was lower than the 70% utilization threshold SDOT uses when instituting street space metering. More detailed summaries of these studies are located in the Appendix.

Program Implementation Issues

In conducting the initial analysis for this preliminary report, Parks identified five issues which could affect the implementation of a paid parking program and warranted for further consideration.

Issue 1: In larger parks, the parking occupancy varies greatly among parking areas within them. Requiring payment where at a lot demand is highest, but not distant from other lots (as at Magnuson), likely will move cars to free parking spaces nearby whether onsite or offsite, thereby defeating the purpose of the paid parking program. In such cases, the relevant factor is the overall level of occupancy for all nearby spaces, which may not justify having paid parking throughout them.

Issue 2: Implementing a paid parking program in certain parks is likely to cause parking displacement in a residential neighborhood, which will require coordination with SDOT and the community to determine whether a Residential Parking Zone (RPZ) is needed. Consequently,

there would be the additional cost of coordination and staff time to explore establishing a RPZ. As the process for establishing a RPZ takes considerable time (at least several months), this would either delay establishing paid parking in parks or possibly create displacement if implemented immediately. The time and costs involved with this process may far outweigh the benefits to establishing a paid parking program.

Issue 3: If Parking Enforcement Officers (PEO) are engaged to enforce paid parking at most park sites, there may be a negative impact on revenues, as the number of citations issued in areas of high violation rates could decrease with PEOs dedicating more time traveling to scattered parks across the city to site potentially with a lower rate of violations.

Issue 4: If the City considers internal Park Rangers to enforce at most park sites, it almost certainly will require labor negotiations to address the potential overlap with PEO duties. The range in type and location of Park Ranger activity has been a concern of the Police Guild since the program's inception. The Department would also need to obtain special police commissions for the Rangers if parking fees are to be enforceable and violation fines levied.

Issue 5: If Parks staff are involved in revenue collection, controls on cash handling must be developed to institute the procedural checks needed ensure that all proceeds are collected by the City.

Together, these usage issues present significant questions about the effectiveness of a paid parking program in parks and whether the financial costs and public impacts of implementing a parking program is a practical decision.

Alternatives for Scope of SLI Response

The full level of study outlined by the SLI requires budget and staff time, and the Department does not have the dedicated resources required for effective completion of this effort. Note that this would include not only study by a parking consultant, but also a survey of park users to determine use patterns to enable a meaningful analysis of alternate park choice. Even with sufficient resources to undertake a full parking study, there are still some concerns about the effectiveness of the work. With the final report due July 2011, the study would not include parks' peak season parking information. Further, while a community outreach plan could be developed in this timeframe, its implementation would occur only in the latter half of 2011, after the 2012 budget planning, so the Department could not recommend any major program changes until the 2013 budget process.

If Council chooses to continue exploring paid parking options in City parks, the Department has outlined several approaches for this work. In developing these alternatives, Parks chose seven locations, shown in the attached Table 1, to assess suitability for paid parking. The first three were identified as the strongest contenders for a paid parking program:

- **Lake Union Park**
- **Lincoln Park south lot**
- **Green Lake Community Center**
- Green Lake Small Craft Center (by the old Aqua theater)
- Lower Woodland Park sports fields and tennis courts
- Golden Gardens beach lot
- Magnuson Park off-leash area and central lot

Major parks not included are: Alki Beach Park (no park parking), golf courses (parking fees are not used in golf industry), and Woodland Park Zoo (already charges for parking). Parks' assessment considered the number of spaces, the type of demand, the pattern of demand, nearby street parking, enforcement, and transportation alternatives.

The Options:

- A. Implement a small pilot program at 1-3 sites, without conducting broader occupancy counts. The sites may include Lake Union Park, Lincoln Park south lot, and Green Lake Community Center. These sites have the least variation in use weekly and seasonally, good transportation alternatives, and controlled nearby street parking. If conducted at all three sites by City staff, the approximate cost of this option would be \$182,000, which covers \$90,000 for 6 pay stations, and \$92,000 in staff costs. Lake Union by itself however would be \$27,000 (\$15,000 for the pay station and \$12,000 for operating costs) with no cost for parking enforcement as it is within an area frequently patrolled by PEO. If Parks hires a private party to manage the parking program, there would be no cost, but the operator typically takes half the gross revenue.
- B. Appropriate funding to conduct a consultant study as outlined in the SLI. The estimated cost of this alternative is \$50,000-\$70,000, which covers the cost of the consultant only. Note that the costs are for data collection and analysis at three sites with two field days each. If a fuller study is requested, the cost would likely be higher.
- C. Do not conduct any further parking studies and do not initiate a paid parking program at this time.

Conclusion

With the wide range of potential costs and questionable effectiveness of a paid parking program in City parks, the Department seeks guidance from the Council on next steps for the full SLI report due in July.

Attachment: Table 1. Focused Site Analysis for Parks Parking Lots

APPENDIX

Summary of Similar Analyses Conducted in the Prior Decade

Parks Pay Parking Staff Report - In 2003, Parks staff undertook a preliminary examination of parking issues at parks. This work focused on demand management and included a survey of where within lots parking occurred, and locations where there was frequently a scarcity of spaces. Staff rated 19 parks on 12 suitability criteria. It began to assess/consider potential for displacement of parking into neighborhoods. Staff also contacted other jurisdictions about their parking policies, notably the daily fee charged at King County's Marymoor Park. The report contains brief general information on San Francisco, Columbus OH, Minneapolis (all charge) and San Diego (does not charge).

Parking Fees in Seattle's Parks - A larger study was conducted by the Cedar River Group in 2004. The purpose was to assess the potential of parking as a revenue source to offset reductions in revenues from the 2000 Pro Parks levy and the General Fund. This study cites a national trend toward increasing use of parking fees at parks. The study's goals were:

- To increase earned income
- Enforce parking limitations to ensure availability of parking for park users
- Use pricing to improve traffic and parking management
- Pass costs to nonresident users
- Minimize neighborhood disruption – no fees in neighborhood parks or lots shared with public schools
- Enhance community partnerships - sharing revenues with community groups

The work covered:

- An inventory of available parking spaces in parks – 10,572 in 84 parks, excluding the Zoo
- Review of local jurisdictions' experience - Zoo (since late 1970s, fees not legally enforceable, grossed \$745 per stall), Seattle Center (rates set by SMC 17.19.010, fees not legally enforceable, grossed \$988 per stall), Marymoor Park (under Omnibus ordinance, annualized revenue \$167 per stall), Lake Sammamish State Park (called "Natural Investment Permits," enforceable with fine, gross annualized revenue \$243 per stall), SDOT pay station initiative
- Mention of four cities which charge for parking in at least some parks– Minneapolis, San Francisco, Columbus, OH, and Vancouver, BC
- Analysis of projected revenues and expenses
- Parking rate recommendations

In projecting revenue from a paid parking program, this study assumed:

- Gross revenue per stall is \$200, based on the review of local jurisdictions
- Parks operates and enforces the program

The study made no estimate of demand or displacement, and did not examine occupancy rates. Lack of discussion of elasticity of demand indicates an assumption that there would be no

impact on demand. It also did not discuss whether single site unit revenues could be projected across a system as was proposed for Parks. It is notable that the comparison sites are ones with significant draw or are in isolated “markets” for park facilities.

Study Recommendations:

- Impose fees only at selected parks which cover 80% of the total spaces, in major urban parks, tennis and golf centers, and moorage and launch facilities, and in three neighborhood parks heavily impacted by non-park users would be in a monthly permit system.
- Use a flexible rate schedule to differentiate types of use
 - Daily use \$1.00-3.50 per 2-10 hrs
 - Special events \$3.50-5.00 per 2-10 hrs
 - Parking passes \$100 per year/\$10-100 per month
 - Affiliated organizations \$5.00 off annual pass, organization retains \$5.00
 - Employee 10% of lowest monthly rate (i.e., \$7.50 per month)
- Parks would operate parking with pay stations, parking enforcement, cash handling, signage, and staff (a parking manager and administrative specialist and hourly attendants).
- Parks would develop a branding strategy to promote a message about how parking fee supporting parks.

Cost and revenue projections indicated the initial investment of \$1.5 million for installing pay stations and signage would have a payback period of less than a year from gross revenues, or about 2.4 years from net revenue (about 40% of gross). There was no sensitivity testing of the utilization assumptions to indicate how changes in parking demand could alter this projection.

2005-2006 Parking Fee Budget Proposal Response

With the 2000 Pro Parks Levy approaching expiration, Parks began to seek earned revenue sources to replace the levy funds that supported operations. This one-page proposal relied on the Cedar River Group’s study. The proposal outlined parks for a pilot program and a tentative fee structure which would be modified based on input from SDOT staff.

Locations for 2005 were: Green Lake/Woodland, Seward/Lake Washington Blvd, and Lincoln, 2,319 spaces altogether. In 2006, Parks would add the Washington Park Arboretum, Camp Long, Carkeek Park, Discovery Park, Gas Works Park, Golden Gardens Park, McCurdy Park, Magnuson Park, Lake Union Park, Volunteer Park, Amy Yee Tennis Center, Seacrest Park, and the golf courses. The basic fee was \$1 for 4 hours, with \$15 monthly and \$150 annual permits. Collection method was to be determined by a RFP process, and Rangers would conduct enforcement by rangers with Special Police Commissions, similar to those of the existing boat ramp rangers.

Parks staff survey summer 2009

As Parks continued to explore the revenue potential of parking fees, we recognized the need to determine utilization levels to gauge whether there is potentially sufficient demand worth studying in more detail. Since budget shortfalls had begun to occur, there needed to be sufficient grounds to fund a consultant study. Parks ran a staff-based hand utilization count at Gas Works Park and the Lower Woodland ballfields' parking lots on weekdays in August over two weeks, collecting data several times a day. Because field staff were also handling other assignments, collection intervals were not completely regular.

Analysis of those manual counts showed short term occupancy peaks for Gas Works Park at about 45% and for Lower Woodland at about 60%, both significantly below the overall 70% utilization that SDOT uses as the threshold to get 60% payment compliance.

Revenue Forecast for Paid Parking at Lake Union Park

As part of the development of Lake Union Park, Parks worked with SDOT to estimate revenues from the 40 spaces accessed from Valley Street to test if that would support installation and operation of a pay station there. The installation was to be covered by the capital project, and operation conducted by SDOT with PEO enforcing. The net revenue was estimated conservatively to be \$100,000 annually.

2010 BIP analysis for Parking Fee Pilot

To respond to a City Budget Office request that Parks include a parking fee pilot as a Budget Issue Paper, staff used the analysis and cost estimating done for parking at Lake Union Park as part of the overall development there, to indicate the impact per pay station of implementing a pilot. In the short turnaround, there was not sufficient time to explore how the assumptions for this location would need to be tailored to fit other locations. These assumptions include cost of and revenue impacts on enforcement, nearby street parking rates and availability, and whether a neighborhood is commercial rather residential. The BIP did not project the level of revenue, as the 2-4 pilot site were to be selected after it was submitted. The fee range was indicated at \$1.50-\$2.00 per hour.