



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: James R. Helmer

SUBJECT: CONVENTION CENTER PARKING RATES AND VALIDATIONS
DATE: 02-23-05

Approved *Ray Wines* Date *2/24/05*

Council District: 3

RECOMMENDATION

Adopt a resolution to amend the Master Parking Rate Schedule in order to modify parking rates charged at the Convention Center Parking Garage and expand the current Downtown Retail Validation Program to include nightclubs and bars through the following actions:

1. Extend public access at the Convention Center parking garage to provide public parking on a 24/7 basis.
2. Establish an Evening/Weekend Incremental Parking Rate at the Convention Center parking garage for public parking effective March 1, 2005.
3. Expand the Downtown Retail Validation Program to include nightclubs and bars as eligible businesses.
4. Rename the Downtown Retail Validation Program to "Downtown Parking Validation Program" to accurately reflect all eligible businesses.
5. Expand the Downtown Retail Validation Program to be effective on a 24/7 basis at parking facilities that currently participate in the program.
6. Reassign the authority previously bestowed to the Director of Convention, Arts and Entertainment Department to determine the event flat-rate parking fee for the Convention Center parking garage to the Director of Transportation.
7. Include the parking lot located at Market/San Salvador Streets, also referred to as the Dimension Site, into the Free Parking Program.

BACKGROUND

Parking Facilities in Convention Center Area

The Convention Center parking garage is open for public parking from 6:00 am to 11:00 pm, seven (7) days a week and allows for hotel valet access on a 24/7 basis. The current parking rates on non-event days are \$1.00 for each 20-minute interval (\$3.00 per hour, maximum daily rate of \$18.00) from 6:00 am to 6:00 pm and a flat rate of \$5.00 from 6:00 pm to 11:00 pm and all day on weekends. A variable flat event-parking rate, ranging between \$4.00 and \$18.00 is applied to events that are negotiated by the Convention Center management (Team San Jose) in coordination with the Department of Transportation.

The Market/Balbach parking lot, the site of the interim Convention Center expansion, was developed by the Redevelopment Agency as a temporary parking lot in 1999. This 308-space parking lot participates in the Free Parking Program and provides overflow parking for the Convention Center, the SoFA District businesses including retail establishments, restaurants, nightclubs and bars and the recently opened California Theatre.

In December 2004, following the completion of the California Theatre rehabilitation and demolition of the Dimension building on South First Street, the Redevelopment Agency developed a 126-space temporary parking lot at the northeast corner of Market and San Salvador streets. This temporary parking lot is the site of a high-rise housing development proposed by the Mesa SoFA Partners, which is expected to commence construction prior to June 2006.

Downtown Parking Validation Program

The Downtown Retail Validation Program was implemented in 1985. The program was originally intended to assist merchants overcome the difficulties associated with the construction of the Transit Mall. Subsequently, the program has been modified to provide an opportunity for Downtown merchants to better compete with retailers in neighborhood business districts and shopping malls. The Program provides retailers and restaurants with the opportunity to offer their customers with up to two hours of free daytime parking at a low cost participation fee of 5 cents to 10 cents for every \$1 parking fee.

The San Jose Downtown Association in partnership with the Department of Transportation promotes and markets the Downtown Retail Validation program to the Downtown merchants. The program has been reasonably effective in meeting retailer and customer needs over the past 20 years. Currently, 126 downtown businesses participate in the program. The non-participating businesses either have their own parking facilities or are not located within a comfortable distance from participating parking facilities. Validations are accepted at the following facilities:

- 2nd and San Carlos Garage
- 3rd Street Garage
- 4th Street Garage
- Market Street Garage
- Market and San Carlos Lot
- Fountain Alley Lot
- 2nd and San Fernando Lot
- 3rd and San Fernando Lot
- Pavilion Garage

ANALYSIS

As the City prepares to proceed with the interim Convention Center expansion at the Market/Balbach site, staff developed a parking relocation plan to address the closure of the Market/Balbach parking lot, which is expected to occur on March 1, 2005. The relocation plan addresses the needs of monthly, daily/transient and evening/weekend parkers and has been fully coordinated with the San Jose Downtown Association and the South of First Street Area Committee (SoFAC).

The Convention Center parking garage is an integral piece of the parking relocation plan due to its proximity to the Market/Balbach lot and its supply of available parking spaces evenings and weekends, and on non-event days. The Convention Center parking garage was recently retrofitted with new automated parking revenue control equipment, which has the capability to accommodate incremental and flat parking rates, and Retail Validations on a 24/7 basis.

The proposed relocation plan includes the following recommendations:

- Provide the 43 monthly parkers that currently park at the Market/Balbach parking lot with alternative parking options at various parking facilities within the immediate area (Almaden/Balbach, Almaden/Woz, Market/San Salvador, etc.);
- Provide public access to the Convention Center parking garage on a 24/7 basis to accommodate the demand for evening/late-night parking that currently exists at the Market/Balbach parking lot;
- Implement a reduced evening/weekend incremental rate of \$0.50 for each 20-minute interval (\$1.50 per hour, maximum evening/weekend rate of \$18.00) from 6:00 pm to 6:00 am, and all day on weekends;
- Expand the Downtown Retail Validation Program to include nightclubs and bars as eligible businesses to be equally competitive with comparable Downtown establishments;
- Extend the Downtown Retail Validation Program hours to be effective on a 24/7 basis at parking facilities that currently participate in the program;
- Include the Market/San Salvador interim parking lot into the Free Parking Program;

The proposed evening/weekend incremental parking rates at the Convention Center parking garage will be valid on non-event days and times. In order to promote the availability of public parking and direct motorists to the Convention Center parking garage, additional parking directional signage will be installed in the SoFA District. Additionally, staff will evaluate current lighting levels at the Market Street entrance of the Convention Center parking garage for possible improvement to promote the availability of public parking.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, Redevelopment Agency, Team San Jose and the City Manager's Budget Office.

PUBLIC OUTREACH

The Downtown Parking Board reviewed the item at length at their February 7, 2005 meeting and supported the staff recommendation. The recommendations were presented to the SoFAC Committee of the San Jose Downtown Association on January 27, 2005. The SoFAC Committee supported each of the recommendations in this report, except the incremental evening/weekend Convention Center parking rate of \$1.50 per hour and instead requested free parking. The Hilton Hotel and Towers, San Jose Marriott Hotel and the Hyatt Saint Claire Hotel are also in support of the staff recommendation.

COST IMPLICATIONS

Convention Center parking garage transient revenues have averaged approximately \$82,000 a month during FY2004-05 and are highly dependent upon Convention Center events. There are negligible cost implications of expanding the Retail Validation Program to include nightclubs and bars on a 24/7 basis, because the majority of public parking facilities currently participate in the Free Parking Program evenings and weekends and the majority of nightclub and bar activity is after 6:00 pm. There will be additional costs to operate the Convention Center parking garage on a 24/7 basis, such as additional parking and security staff, but it is projected that the closure of the Market/Balbach parking lot, implementation of the evening/weekend rate, and promoting public parking on a 24/7 basis will attract more customers and increase parking revenues, offsetting any added costs.

CEQA

Not a project.

for James R. Helmer
JAMES R. HELMER
Director of Transportation