



COUNCIL AGENDA: 9/20/05

ITEM: 9.1

Memorandum

TO: HONORABLE MAYOR, CITY
COUNCIL AND REDEVELOPMENT
AGENCY BOARD

FROM: Del D. Borgsdorf
Harry S. Mavrogenes

SUBJECT: EVENING PARKING RATES FOR
4th STREET PARKING GARAGE

DATE: 9-14-05

Council District: 3

RECOMMENDATION

Adoption of a resolution to update the Master Parking Rate Schedule for Municipal On and Off Street Parking Facilities by establishing evening parking rates after 6:00 pm from Monday through Thursday at the 4th Street Parking Garage of \$0.75 for every 20 minutes, up to a maximum amount of \$5.00 per space beginning October 11, 2005, and to repeal Resolution #72639.

BACKGROUND

In April 2005, the Downtown Parking Board (DPB) held a retreat to review the status of the Downtown parking program, with particular emphasis on alternative rate structures, validation and free parking programs. Although information was presented and discussed about the entire Downtown parking system, particular attention was paid to the 4th Street Parking Garage given the high utilization on weekday evenings by SJSU students during the free period, the anticipated reduction in size of the Block 3 parking lot (San Fernando Street between 2nd and 3rd Streets) due to the anticipated development in October 2005, and its poor revenue performance and inability to defer any of the outstanding annual \$3.4 million debt obligation.

In June 2005, the Mayor's Budget Message proposed the removal of the 4th Street Parking Garage from the Free Parking Program on weeknights. During City Council deliberations of the Mayor's Budget Message, the proposal was referred to the Downtown Parking Board to explore alternatives with direction that, if no acceptable alternative was developed, the Garage would be removed from the Free Parking Program effective August 30, 2005.

The DPB held a special meeting on July 12, 2005, to discuss the Council's direction. On July 26, 2005, the DPB held a community meeting to obtain input from stakeholders including the Downtown Association, MLK Library users and the Library Commission, businesses and residents. The Downtown Association and all the business representatives present were in opposition to removal of the 4th Street Parking Garage from the Free Parking Program, even with the understanding that parking would likely be more difficult to find in this area of Downtown

9-14-05

Subject: Evening Parking Rates for 4th Street Parking Garage

Page 2

once the Block 3 parking lot is partially closed for construction. The MLK stakeholders were also in opposition to weeknight removal of the 4th Street Parking Garage from the Free Parking Program, but did suggest alternatives to the current Free Parking Program in the evenings.

At the August 2, 2005, meeting of the DPB, the Board reviewed 13 alternatives to the existing evening Free Parking Program, many of which had been received from the community. The alternatives discussed are at Attachment 1. The DPB debated the alternatives at length the DPB voted against the removal of the 4th Street Garage from the Free Parking Program effective August 30. The DPB requested that the Free Parking Program be evaluated within the context of the overall Parking Management Plan.

On August 17, 2005, the DPB forwarded a memorandum to the Mayor and City Council outlining their recommended alternative to the City Council's directive. A copy of this memorandum is attached as Attachment 2 and the highlights are listed below:

- Leave the Free Parking Program at the 4th Street Parking Garage as it currently exists.
- Closely review the impacts of the opening of the new City Hall, the Block 3 parking lot reduction, and San Jose State University's proposed parking changes to accommodate Downtown visitor parking in the evenings, through the end of 2005.
- Develop a strategic plan to address the Free Parking Program and its relation to the overall Parking Management Plan.

As a result of no specific action by the deadline of August 30, 2005, the Council's directive of June 14, 2005 to remove the 4th Street Garage from the Free Parking Program became the default action. However, since no specific evening parking rate exists for the Garage, the City Council would need to take specific action to establish an evening rate. At its September 7, 2005, meeting, the DPB discussed at length the potential implementation of weeknight evening parking rates at the 4th Street Parking Garage, but failed to reach consensus on any recommended action related to establishing an evening parking rate as proposed by staff.

ANALYSIS

The 4th Street Parking Garage's primary weekday use is by Downtown visitors and employees with a current average occupancy of 60% or 450 vehicles out of 750 available parking spaces. San Jose State University (SJSU) students predominately use the garage in the evenings (Monday through Thursday) and the current average occupancy during weeknights is 83% or 620 vehicles. On occasion, the 4th Street Garage fills to capacity. As recently as Thursday evening, September 8, 2005, with an event in the rooftop Banquet Center, the Garage reached capacity with no available spaces.

There is a concern from certain stakeholders that there will be a lack of available parking in this part of Downtown with the reduction of approximately 190 public parking spaces at the Block 3 parking lot due to development, which is expected to begin on October 3, 2005. This concern is

9-14-05

Subject: Evening Parking Rates for 4th Street Parking Garage

Page 3

further exacerbated because the 4th Street Garage is one of the primary parking alternatives to accommodate displaced parkers from Block 3 and the Garage is experiencing high evening occupancy primarily by SJSU students because it is free.

The proposed evening parking rate (Monday through Thursday) for the 4th Street Parking Garage is \$0.75 for each 20-minute interval (similar to the daytime rate), but with a maximum cap of \$5.00. The review of current garage occupancy data indicates that the occupancies are fairly low on Friday evenings. Therefore, it is not necessary to exclude Friday evenings from the existing free parking program. The rate would apply from 6 pm to 6 am and is proposed to take effect October 11, 2005. The suggested implementation date would allow staff the time to properly notify the public and stakeholders of the rate adjustments under consideration. The proposed rate structure will allow for the acceptance of all City-sponsored parking validation programs, including the retail/restaurant/nightclub parking validation program that provides up to two hours of free parking for visitors, and the Cinema validation program.

Currently, SJSU has over 5,000 parking spaces located on their campus that are underutilized during evening hours. In an effort to attract SJSU students and other visitors to park at campus parking facilities, SJSU has agreed to offer public parking at the SJSU 4th Street Garage and reduce the current parking rate from \$8.00 (flat rate) to \$1.00 for each 30-minutes of parking, with a maximum of \$5.00 after 6 pm. The concept is that by promoting the availability of campus parking at a parking rate comparable to the proposed evening rate at the City's 4th Street Parking Garage, it will help to redistribute parking demand to the campus facilities that have available space and reduce the high demand by SJSU students on the City's 4th Street Garage, making it more accessible to the general public.

OUTCOME

Members of the public would have to pay up to a maximum of \$5.00 for parking at the 4th Street Garage after 6:00 pm Monday through Thursday evenings. Additional parking spaces would likely become available in the 4th Street Garage due to parkers choosing other parking alternatives. The revenue that would be generated would partially offset the shortfall that currently exists for the annual debt service payment made by the Redevelopment Agency.

PUBLIC OUTREACH

The Downtown Parking Board has held numerous public meetings to review, discuss, receive input and provide feedback to the City Council on the proposal to remove the 4th Street Parking Garage from the Free Parking Program and implementing an evening parking rate.

COORDINATION

This report has been coordinated with the Department of Transportation and the City Attorney's Office.

COST IMPLICATIONS

The 4th Street Parking Garage's financial performance continues to fall well short of the level needed to support its annual \$3.4 million debt service payment. Annual debt service payments will continue through year 2027. The garage operated in deficit in its first two years of operation, generating a negative operating loss of approximately \$265,000. Fiscal Year 2004-05 was the first year that parking revenues at the 4th Street Parking Garage exceeded operating and maintenance costs (a net surplus of \$196,000). Even at this level of performance, revenues remain \$3.2 million short of the annual debt payment and are insufficient to entirely eliminate the accumulated debt owed to the Parking Fund for the previous year's operating losses. The implementation of an evening parking rate will produce additional parking revenues of approximately \$200,000 to assist in covering the cost of annual debt payments, which provides opportunity for additional redevelopment funds for other programs and services.



HARRY S. MAVROGENES
Executive Director



DEL D. BORGSDORF
City Manager

Attachments

**4th Street Parking Garage
Weeknight Removal from Free Parking Program
July 26, 2005, Community Meeting**

Alternative Options

1. Leave as is
2. Leave as is, start the free parking at 7:00 pm
3. Leave as is, start the free parking at 8:00 pm
4. Remove from FPP Monday-Thursday only
5. Provide 1st-hour free parking
6. Ask SJSU to consider charging higher student fees and to offer free parking
7. Ask SJSU to offer free parking to 1st 1,000 students
8. City to subsidize SJSU so campus parking could be free
9. Delay the construction of the Block-3 until 2nd/Santa Clara garage is ready
10. Delay the decision to a later time
11. Delay the implementation until effects of Block-3 and the new City Hall is known
12. Delay implementation by one semester
13. Wait to review it in context of overall Parking Management Plan



CITY OF SAN JOSE, CALIFORNIA

DOWNTOWN PARKING BOARD

MEMORANDUM

Date: August 17, 2005

From: Janis Gemignani
Chair, Downtown Parking Board

To: Honorable Mayor and City Council

Subject: 4TH STREET PARKING GARAGE WEEKNIGHT REMOVAL
FROM FREE PARKING PROGRAM

With the approval of the Mayor's Budget Message on June 14, 2005, the proposal to remove the 4th Street Parking Garage from the Free Parking Program on weeknights only was referred to the Downtown Parking Board. The Council directed that if no acceptable alternative was presented, the Mayor's proposal would be implemented effective August 30, 2005.

The Downtown Parking Board (DPB) held a special meeting on July 12, 2005 to discuss and prepare a strategy on the Council's direction. Subsequently, on July 26, 2005 a community meeting was held to obtain input from members of the community and stakeholders including the Downtown Association, MLK Library, businesses and residents. The July 26th meeting was attended by 27 members of the community. The meeting began with a thorough presentation from staff outlining the current and changing parking landscape, including the impact of San Jose State students' use of the 4th Street garage and the upcoming closure of the Block 3 parking lot at San Fernando between 2nd and 3rd Streets. Throughout the meeting there was no support for charging weeknight evening rates at the 4th Street garage.

In relationship to the upcoming Block 3 closure, most attendees (restaurants/bars) indicated they preferred a free garage filled with San Jose State University students attending night classes rather than a garage that charged for parking that will offer more availability. Most of the alternative suggestions and ideas offered by members of the community had either already been considered and found unfeasible by the Board or were not practical given financial and jurisdictional constraints.

Honorable Mayor Gonzales and City Council
4TH STREET PARKING GARAGE WEEKNIGHT REMOVAL
FROM FREE PARKING PROGRAM
August 17, 2005

Page 2

Subsequently, at a regular meeting of the DPB on August 2nd, the DPB reviewed 13 alternatives, many of which had been received from the community. After extensive deliberation and further community input, the DPB members approved the following option on a vote of four to two (Board members Monley and Renelle voted no) as an alternative to the Mayor's proposal:

1. Leave the program at the 4th Street garage as is;
2. Closely review impacts of City Hall Opening, Block 3 closure, and San Jose State University's proposed parking changes through the end of the year; and
3. Develop a strategic plan to address the free parking program and its relation to the overall Parking Management Plan (PMP).

This alternative allows the Board to monitor and potentially revisit the status of the 4th Street garage once we have seen the impacts of the upcoming parking changes (City Hall opening, Block 3 closure and SJSU parking rate reduction). In addition, the Parking Board will evaluate the current free parking program on an overall basis. Although the principles of the PMP adopted in 2001 remain sound, the Downtown Parking Board believes specific programs such as the Free Parking Program need to be carefully evaluated in a system-wide context.

Members of the DPB are appreciative of the Mayor and the Council's commitment to the Downtown and the Parking Management Plan. We respectfully request that the Mayor and the Council support the Downtown Parking Board's recommendations. We look forward to continuing to serve the Mayor and City Council, by helping to improve parking resources in San Jose.



JANIS GEMIGNANI
Chair, Downtown Parking Board

cc: DPB members
Harry Mavrogenes
Del Borgsdorf