



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: James R. Helmer
Robert L. Davis
Abi Maghamfar

**SUBJECT: STATUS REPORT ON PARKING
SECURITY, CLEANING AND \$5
PILOT PARKING RATE IN GARAGES**

DATE: 11-02-07

Approved

Date

11/2/07

COUNCIL DISTRICT: 3

RECOMMENDATION

Accept the second status report on the implementation of the Enhanced Parking Security and Cleaning Plan, and the six-month pilot program on the \$5 rate at City parking garages after 10 pm on Thursday, Friday and Saturday that began July 1, 2007.

OUTCOME

The implementation of the six-month pilot program is expected to result in cleaner, safer and more convenient parking for the thousands of customers and employees that come to Downtown San Jose. The pilot program is consistent with one of the primary goals of the newly adopted Parking Management Plan Update – To provide “Clean, Safe and Inviting Parking Facilities.”

BACKGROUND

At its June 12, 2007 meeting, the City Council and the Redevelopment Agency Board approved the enhanced security plan, enhanced cleaning plan, and a six-month pilot program authorizing a \$5 flat rate after 10 pm on Thursday, Friday and Saturday at five City parking garages located at Market/St. Pedro, 3rd/Santa Clara, 2nd/San Carlos, 4th/San Fernando, and the Convention Center. The purpose of the pilot program is to improve the security and cleanliness of the garages, and the customer experience, while deterring loitering and inappropriate activities. The pilot program is generating sufficient revenues to support the enhanced security and maintenance.

To evaluate the pilot program, staff developed specific measurements to assess the impact of the \$5 rate on parking occupancy, Downtown businesses, and inappropriate and illegal activity in parking garages. The following measurement categories were included in an Information Memorandum sent to the City Council on June 27, 2007:

1. Parking customer survey feedback on the safety and cleanliness of parking garages
2. Reported incidents of inappropriate/illegal activities (vandalism, loitering, drinking, etc.)
3. Reported sales tax revenue from a representative sample of entertainment venues
4. Late night parking garage entries on Thursdays, Fridays and Saturdays
5. Reported on-street parking occupancy in the Downtown core and adjacent neighborhoods
6. Observations of conditions in and around the garages

At its September 11, 2007 meeting, the City Council accepted the first status report on parking security, cleaning, and the \$5 pilot parking rate in garages. The status report provided an update on all six measurement categories.

ANALYSIS

This section of the report presents the six measurement categories, available “before” and “after” data, and the most current feedback on the impact of the pilot program.

1. Parking Customer Survey Feedback

In mid August 2007, staff initiated “after” customer surveys to determine customer perceptions about the safety, security, appearance and cleanliness of parking facilities. The “after” surveys are part of the regular customer survey process and can be used as a comparison point with the “before” surveys conducted in April, May and June of 2007. The table below represents the “before” and “after” customer survey data:

Parking Customer Survey Measurements (5 point scale)		
	“Before” (April, May & June 2007)	“After” (August & September 2007)
Market Street Garage		
	<u>Rating</u>	<u>Rating</u>
Security Presence	2.62	3.37
Feeling of Safety*	n/a	3.62
Appearance and Cleanliness	3.05	3.74
3rd Street Garage		
	<u>Rating</u>	<u>Rating</u>
Security Presence	2.36	3.15
Feeling of Safety*	n/a	3.17
Appearance and Cleanliness	2.75	3.45

* A new question was added with the latest survey asking if customers feel safe in the garage.

The goal in terms of customer satisfaction on security, safety, appearance and cleanliness in parking facilities is to raise the ratings to an average of 4 or better on the 5 point scale. The

customer survey results indicate that the security and appearance conditions are headed in the right direction with improvements in each measurement category. The average rating for security presence went from a 2.49 to a 3.26, a 0.77 improvement. The increased rating can be attributed to increased police patrols in the garages, the overall security effort being coordinated by the new Security Services Supervisor, and more visible private security, and operations staff working in the evenings. The average rating for appearance and cleanliness went from 2.90 to 3.60, a 0.70 improvement. The increased rating can be attributed to the enhanced maintenance program which includes more regular power washing of high traffic areas, late night cleaning teams on Thursday through Saturday nights, refurbished stairwells and more proactive monitoring and cleaning. The next customer survey will be conducted in mid-November and the results will be included in the final report to City Council in early January 2008.

2. Reported Inappropriate/Illegal Activity

Resolving security concerns and reducing inappropriate and illegal activity in City parking garages was an urgent priority that the Departments of Transportation and Police immediately acted upon after receiving City Council approval of the pilot program. A DOT Security Services Supervisor began coordinating the overall security effort on July 1, providing direct security oversight on Thursday, Friday, and Saturday nights, coordinating with the Police Department, Central Parking, the City’s parking operator, and private patrols. Effective July 6, a dedicated Police Parking Security detail commenced patrol of the City’s parking garages from 9:30 pm to 3:30 am on Friday and Saturday nights. The detail included a Sergeant and six officers that patrol the garages to reduce loitering, alcohol consumption, urination, vandalism, and violence. Effective October 5, as part of the original plan, the size of the dedicated Police Parking Security detail was adjusted to a Sergeant and four officers. The size of the detail was adjusted to match the seasonality of the late night garage usage during the fall and winter and to control costs.

The following tables provide “before” and “after” data related to private security reports, police calls for service, and self-initiated police activity for July to December 2006 and July to October 2007 in the Market and 3rd Street Garages respectively.

Reported Inappropriate/Illegal Activity							
“Before”				“After”			
Category	Jul-Sep 2006	Oct-Dec 2006	Total	Category	Jul-Sep 2007	Oct 2007	Total
Market Street Garage							
Private Security Reports	98	23	121	Private Security Reports	21	n/a	
Police Calls for Service	5	3	8	Police Calls for Service	3	n/a	
Police Self-initiated	57	53	110	Police Self-initiated	529	116	

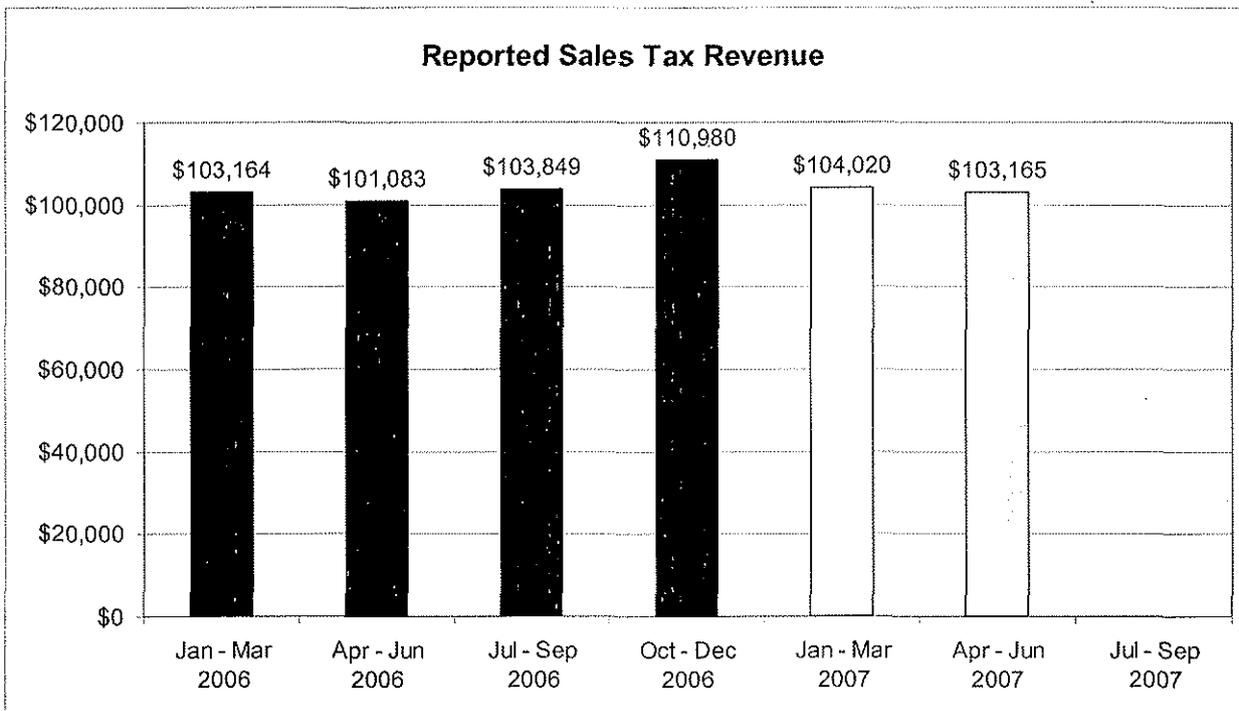
Reported Inappropriate/Illegal Activity							
“Before”				“After”			
Category	Jul-Sep 2006	Oct-Dec 2006	Total	Category	Jul-Sep 2007	Oct 2007	Total
3rd Street Garage							
Private Security Reports	35	8	43	Private Security Reports	41	n/a	
Police Calls for Service	5	0	5	Police Calls for Service	6	n/a	
Police Self-initiated	66	43	109	Police Self-initiated	235	46	

The data for July through September 2007 provides some initial indications as to what is occurring in the Market and 3rd Street Garages from a security and appropriate use standpoint.

- 529 and 235 citations have been issued or arrests made in the Market Street Garage and 3rd Street Garage respectively. The addition of the dedicated Police Security Detail provided the resources to proactively patrol garages throughout the night, as opposed to responding to calls for service or patrolling when time permits. As expected, it has resulted in higher levels of citation issuance and arrests as compared to this time last year. Staff expects that over time the level of citation issuance and arrests will have a significant impact on reducing inappropriate activity that results in citations and arrests.
- The overall level of loitering, inappropriate and violent activity appears to be on the decline when compared to observations made prior to the enhanced security efforts and \$5 rate, resulting in an environment that feels more comfortable and secure. Although the numbers of citations issued from July through September for inappropriate activity, such as drinking and urinating in public, is significant, the size of loitering crowds and the open and blatant nature of inappropriate activity has been curtailed significantly.
- During the month of October, 116 and 46 citations were issued or arrests made in the Market Street and 3rd Street Garages respectively. The numbers are down compared to the first three months of the pilot program, which can be attributed to the seasonality of activity in the garages, the impact of the proactive security effort, and the adjustment in the size of the Police Security Detail in the fall reducing the resources available for proactive patrol. The remaining two months of the pilot will be an important period to institutionalize clean, safe and inviting garages in way that balances the use of security resources, market forces, and system management.

3. Reported Sales Tax Revenue and Business Activity from Entertainment Venues

Downtown entertainment venues (e.g. nightclubs, bars, etc) have grown considerably over the past few years. The diverse entertainment options attract thousands of visitors every weekend to Downtown San Jose from cities throughout the Bay Area. The \$5 rate was approved as a means to reduce loitering in the garages, and provide the funding to enhance security and cleaning. Concerns were raised by some entertainment venues that the charge may have a negative impact on business, and that it should be monitored. The bar chart below presents sales tax revenue for the past six quarters from 39 establishments. The official sales tax revenue from the State Board of Equalization for the July to September 2007 quarter will be available in mid to late December 2007 and will be included in the final report to City Council in early January 2008. The data from the preceding six quarters shows a fairly stable level of reported sales tax.



The first status report to the Council outlined a variety of methods to assess the potential impact of the \$5 parking rate on nightclub and bar business. The most reliable source of data to make “before” and “after” comparisons is sales tax data reported by the State Board of Equalization. That data set represents a broad cross section of all Downtown nightclubs/bars and is reported in a consistent manner by all businesses.

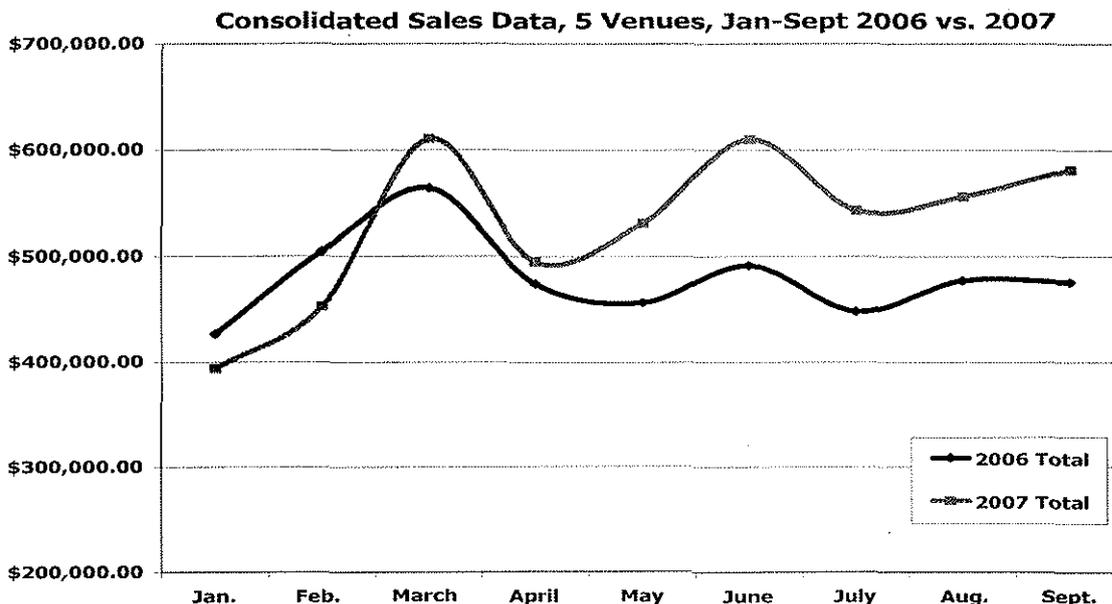
Additionally, the San Jose Downtown Association in coordination with the Redevelopment Agency contacted the 39 downtown entertainment venues, including nightclubs, bars, and restaurants with entertainment permits and requested their voluntary participation in an assessment of the \$5 parking fee pilot program by providing activity data for 2006 and 2007.

Finally, in an effort to determine the potential immediate impact of the \$5 parking fee on businesses, a focused outreach effort was initiated by the Redevelopment Agency with the assistance of Council District 3. The outreach focused on ten businesses out of the larger group of 39 night club/entertainment businesses Downtown, requesting gross sales data for 2006 and 2007. By the end of August 2007, sales data was received from five businesses and reported in an update status report to the City Council on September 11, 2007.

The consolidated sales data from the five businesses showed slightly higher sales activity in July and August 2007, as compared to the same period during 2006. On an individual basis, three of the businesses reported higher sales and two reported lower sales during July and August 2007 than in the same period in 2006. The September status report to the Council concluded that due to the limited amount of data and time, it was premature to draw a definitive conclusion on the affect of the \$5 parking rate on the nightclub/bar industry in Downtown San Jose.

Subsequently, Redevelopment Agency staff requested updated data from the ten businesses for 2006 and 2007. After numerous attempts to obtain the data, five businesses submitted data, four of which are the same businesses that had reported data previously. One of the original five businesses that had provided data previously, decided not to participate further in the before and after study. To that end, the data from that particular business has been removed from the study and replaced with another business that provided data for 2006 and 2007 through September.

The graph below depicts sales data from five businesses for the months of January through September for 2006 and 2007. To protect the privacy of these businesses, the submitted data has been combined and presented as one set of consolidated data.



The graph indicates that consolidated sales data for the five businesses is tracking at roughly similar seasonal trends between 2006 and 2007. The only difference is in the months of January and February, wherein 2006 sales activity was reported at slightly higher levels than in 2007.

Starting in March 2007, the trend changed and the consolidated 2007 data surpassed 2006 levels at a steady pace of 8% in March to 22% in September. On an individual business basis, four of the five businesses reported an average increase in sales of 20 to 25% for the months of July through September 2007 versus the same period in 2006. One business reported a decrease of 36% for the same period. It is difficult for staff to make any definitive conclusions with limited data both in terms of the number of businesses reporting and timeframe of reporting. In all likelihood, the broader regional economic and entertainment/nightclub industry specific trends are important factors. Based upon that assessment, on a consolidated basis, the data provides no conclusive evidence that the \$5 parking fee is adversely affecting the nightclub and bar industry as a whole in Downtown San Jose since the charge went into affect in July 2007.

Staff will provide a comprehensive assessment of the pilot program in early January 2008 with the benefit of 3rd quarter sales tax data from the State Board of Equalization, which will be made available to staff in mid to late December 2007.

4. Parking Garage Entries

This measurement compares the number of entries at the Market and 3rd Street Garages, “before” and “after” the rate change. The “before” data represents the average number of vehicle entries for May and June 2007, while the “after” data is for July through October 2007.

Late Night Parking Garage Entries								
	“Before” (May & June 2007)				“After” (July – October 2007)			
	Thursday	Friday	Saturday	Average	Thursday	Friday	Saturday	Average
Market Street Garage								
9 pm to 10 pm	121	168	162	150	119	156	170	148
10 pm to 12 midnight	501	586	698	595	257	316	443	339
12 midnight to 3 am	93	134	153	127	30	56	82	56
Total	715	888	1,013	872	406	528	695	543
3rd Street Garage								
9 pm to 10 pm	42	74	59	58	37	64	61	54
10 pm to 12 midnight	124	311	394	276	47	172	220	146
12 midnight to 3 am	40	99	105	81	9	37	52	33
Total	206	484	558	416	94	273	333	233

After comparing the first four months of the six-month pilot program with the “before” data, the following preliminary assessments can be made:

- The majority of parking customers continue to arrive between 10 pm and midnight.
- Average entries from 9 pm to 3 am are down 38% percent at the Market Street Garage and 44% percent at the 3rd Street Garage. This reduction in entries may be attributed to a number of factors including the continuing availability of ample free on-street parking

spaces within a block or two of both garages, the \$5 rate replacing free parking after 10 pm, parking activity in private parking facilities, and the trend of evening parking use being down slightly in 2007 when compared to 2006 for the July to October period.

- Comparing entry data at the Market Street Garage and 3rd Street Garage from 6 pm to 9 pm in 2006 and 2007 (free period in both years); there was an 8% reduction and a 3% reduction respectively from 2006 versus 2007 for the months of July through October.
- Cruising, destination use, and loitering in garages appear to be down. Staff noticed in the early months of the pilot that certain vehicles that appeared to be cruising choose not to enter garages. When parking was free, the Police Department observed, on a regular basis, that vehicles with numerous people would cruise and/or loiter in the garages.
- One of the goals of the Parking Management Plan is to encourage private parking facilities to remain open to the public during weekend and evening hours. The \$5 rate continues to make it more viable for private parking facilities, even those that were already open, to build market share and contribute to the supply of parking. Numerous private parking facilities in the downtown core remain open during the evening hours to accommodate the entertainment venue customers. Private facilities are typically charging a flat rate between \$5 and \$7. Some of the facilities include the San Pedro Square Lot, Valley Title Lot, 60 S. Market Garage, 50 W. San Fernando Garage, and the Victory Lot.

Parking Revenues and Costs Associated with the Pilot Program

Parking revenues and expenses for the first three months of the pilot program were \$163,000 and \$152,000 respectively for all five garages, with net revenue of \$11,000. The costs include \$84,000 for enhanced security and \$68,000 for operations and enhanced maintenance. Although revenues have fallen below the preliminary projections, they have covered the costs associated with the enhanced maintenance and security efforts. Staff continues to monitor the operations plan to control costs and ensure they stay within the revenues generated by the \$5 rate. Additional revenue, cost and projection information will be provided in the final report to the City Council in early January 2008.

5. Reported On-Street Parking Occupancy Downtown and In Adjacent Neighborhoods

To monitor the potential impact of the \$5 rate on residential neighborhoods adjacent to Downtown, staff collected “before” and “after” on-street parking occupancy data. The geographic boundary for data collection was Julian Street, 6th Street, Reed Street and Almaden Blvd. Occupancy data was collected at 10:30 pm to assess whether on-street parking was available when parking was most in demand and the \$5 rate was in effect; and at 1:30 am to determine if consistent occupancies continued late into the evening, potentially resulting in new late night impacts in adjacent residential neighborhoods. The following table presents the “before” and “after” data:

On-Street Parking Occupancy Downtown and Adjacent Neighborhoods			
Day/Time	“Before” June 7, 8 & 9, 2007	“After” Oct. 25, 26 & 27, 2007	Change
Thursday 10:30 pm	70%	73%	+3
1:30 am	48%	48%	0
Friday 10:30 pm	73%	78%	+5
1:30 am	46%	37%	-9
Saturday 10:30 pm	82%	80%	-2
1:30 am	43%	41%	-2

After comparing the “before” data with the “after” data, the following conclusions can be made:

- No significant change in on-street parking occupancy has resulted from the \$5 rate.
- Free on-street parking near the Market Street and 3rd Street Garages is available.
- Anecdotal observations from staff indicate that since July 1, motorists are using street parking spaces in the blocks adjacent to the Market Street and 3rd Street Garages as an alternative to parking in public or private parking facilities and paying fees.
- Patrols and observations in adjacent residential neighborhoods revealed no noticeable difference in parking activity, loitering, or other potential neighborhood intrusions.

Staff will continue to monitor the occupancies and trends related to late night street parking use.

6. Observations of Conditions in and Around the Parking Garages

The sixth measurement area used to assess the impact of the \$5 rate is observed conditions in and around the garages by staff (DOT and Police), the parking operator, and Downtown stakeholders. Although this measurement area is not quantifiable, it provides meaningful insight on the “before” and “after” conditions.

The “before” observations made by staff, members of the Downtown Parking Board, and other customers and stakeholders indicated that significant loitering, public drinking, littering, and public urination was occurring. Although not as frequent, more serious problems such as fights, altercations, and assaults were occurring as well.

The “after” observations made by staff, and the parking operator, during the first four months of the pilot program indicate a significant reduction in large group loitering, excessive littering, and blatant public drinking. In addition, the Police Security Detail, and other security patrols, have made a concerted effort to reduce the incidence of public urination, and coupled with new signage, the opening of a restroom facility in the Market Street Garage, and increased cleaning and power washing, has resulted in some improvement related to the foul odors present in the

garages. The three issues that continue to be the most challenging, and require regular attention, are drinking, urination, and avoiding the return of the incidence of physical altercations.

Staff also has observed that the presence of underage youth has significantly declined. Supporting that observation is the fact that very few curfew violations have been issued in the Market Street and 3rd Street Garages since July. Finally, staff has not observed increased or unusual activity in adjacent neighborhoods.

Enhanced Cleaning and Maintenance Activities

Since July, an enhanced cleaning and maintenance effort has been initiated to improve the overall physical condition of the City's parking garages, and to respond to the continuous use, and late night abuse that was being experienced in garages. Some of the efforts are listed below:

- Deployment of a late night cleaning team to remove litter in the evening, and to deal with more significant cleaning needs (e.g. spills, stains, etc.) after late night activities end, resulting in cleaner and more presentable facilities at the beginning of the next day.
- Weekly power washing of stairwells at the Market Street and 3rd Street Garages.
- Bi-weekly power washing of lobby/problem areas at the Market and 3rd Street Garages.
- Painted and refurbished stairwells and restrooms at the Market Street Garage.
- Improved signage to better communicate with the parking customers.

EVALUATION AND FOLLOW-UP

In conclusion, staff believes the Enhanced Security and Maintenance Plan and the \$5 rate pilot program have been implemented successfully to date, and are beginning to achieve the desired results. Staff will continue to make further observations and collect data as the implementation of this pilot program continues through December 2007. In early January, staff will present a final report on the pilot program including recommendations on the late-night parking fee.

POLICY ALTERNATIVES

Not applicable

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**

- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item does not meet any of the criteria identified by the Sunshine Reforms Work Plan. Staff presented a status report on the six-month pilot program to the Downtown Parking Board on October 3, 2007 and November 7, 2007. This memorandum will be posted on the City's website for the November 20, 2007 City Council meeting.

COORDINATION

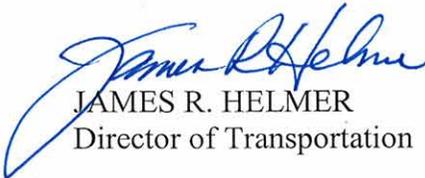
This memorandum has been coordinated with the City Attorney's Office.

COST SUMMARY/IMPLICATIONS

The revenues generated by the program are covering the costs of the enhanced services.

CEQA

Not a project


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