



COUNCIL AGENDA: 10-20-09
ITEM: 2.12

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: James R. Helmer

**SUBJECT: MASTER PARKING RATE
RATE SCHEDULE**

DATE: 09-28-09

Approved

Date

10/2/09

COUNCIL DISTRICT: 3

RECOMMENDATION

It is recommended that City Council adopt a resolution to repeal Resolution No. 74769 and to set forth the Master Parking Rate Schedule to:

1. Continue the Parking Incentive Programs for Software and Environmental Businesses, Downtown Incubators, and new Business/Tenants in Class "B" & "C" buildings, and the Clean Air Vehicle Program through June 30, 2011.
2. Add a special event rate (\$3-25) for the Woz/87 Parking Lot, Almaden/Balbach Parking Lot, and the City Hall Garage.
3. Establish a flexible rate (\$0-25) for the Arena/Diridon Area Parking Meter District.

OUTCOME

The proposed Resolution will:

1. Extend and expand various parking incentive programs to June 30, 2011.
2. Establish a special event parking rate for major events at the Convention Center and Discovery Meadow at the Woz/87 Parking Lot and Almaden/Balbach Parking Lot.
3. Establish a special event parking rate at the City Hall Garage for private events held during evenings and weekends at City Hall.
4. Establish a flexible rate for the multi-space meters near the HP Pavilion and Diridon Caltrain Station, including charging for parking during nights, Sundays, and holidays.
5. Establish rates for each Parking Meter District.
6. Make certain other updates and clarifications as described herein.

BACKGROUND

The Parking Incentive Programs for downtown incubators, software and environmental businesses; and new businesses and tenants in Class "B" & "C" buildings were approved by the City Council as part of the 2007 Downtown Parking Management Plan Update. The Clean Air Vehicle Program was approved by the City Council in June, 2007. The Director of Transportation (DOT) is authorized to extend the above programs, on a year-to-year basis, if sufficient parking supply remains available to meet demand at the time of extension.

On December 9, 2008, the City Council/Redevelopment Agency Board approved the Mayor's FY08-09 Budget Message for the Redevelopment Agency Capital Budget and Economic Stimulus plan. Included in the Mayor's Budget Message was direction to the City Manager to extend the parking incentive program providing reduced monthly parking rates for start-up companies to June 30, 2011. The extension would provide for further retention and help attract new businesses and create new jobs in the Downtown.

On September 15, 2009, the Redevelopment Agency Board approved a five-year lease for office space at 100 East Santa Clara Street for the San José Innovation Center to consolidate lease space for various start-up companies within the Downtown Incubator Programs.

On September 22, 2009, the City Council approved an ordinance to establish the Arena/Diridon Area Parking Meter District.

ANALYSIS

The current Master Parking Rate Schedule has not been thoroughly updated in the past three (3) years. It includes references to six (6) parking facilities which are no longer operated by the City, lists programs no longer offered by the City or the Redevelopment Agency, and offers limited flexibility to adjust special event parking rates for certain facilities. The proposed changes remove all out-of-date references, continues and expands flexibility of several parking incentive programs, increases special event parking rate flexibility at three (3) facilities, establishes parking rates for each parking meter district, establishes a flexible rate for new multi-space meters in the Arena/Diridon Area Parking Meter District, and incorporates new definitions to govern the Master Parking Rate Schedule.

Parking Incentive Programs

As directed in the adopted Mayor's FY08-09 Budget Message for the Redevelopment Agency Capital Budget and Economic Stimulus plan, the parking incentive program for start-up companies will be continued through June 30, 2011. Since the Downtown public parking facilities continue to have available capacity, there are additional parking incentive programs that help to attract and retain businesses and tenants to Downtown, and that encourage the use of clean air vehicles that should also be continued. All of these incentive programs are discussed briefly below:

- a. Downtown Incubators: This program currently provides a maximum of 24 months of discounted monthly parking (50%) to start-up companies that are provided office space and business development and other support services in Downtown Incubator Programs sponsored by the Redevelopment Agency. These Incubator Programs will be provided in the San José Innovation Center. As some of the incubating companies may require more than 24 months of support, it is recommended that they continue to be eligible for discounted monthly parking while they remain in the programs at the San José Innovation Center.
- b. Software and Environmental Businesses: This program provides a maximum of 24 months of discounted monthly parking (50%) to software and environmental companies.
- c. New Business/Tenants: This program serves new businesses and tenants locating downtown in Class "B" & "C" buildings or buildings without dedicated parking. Businesses may lease from 5 to 300 parking spaces for 6 to 24 months for \$75 a month per space. To support the retention of companies in the Downtown, it is recommended that businesses or tenants intending to relocate from their existing office space be eligible for another 24 months of discounted monthly parking (\$75) if they relocate into another Class "B" & "C" building in lieu of relocating outside of the Downtown.
- d. Clean-Air Vehicles: This program offers free parking at designated municipal off-street parking facilities, on-street parking meters and regional parks in the City of San José for Zero Emission Vehicles registered in the City of San José; and Clean-Air Vehicles purchased after January 1, 2000 from a licensed auto dealership in the City of San José.

After June 30, 2011, the Director of DOT will continue to have authorization to extend the above programs on a year-to-year basis, if sufficient parking supply remains available to meet demand at the time of extension. If occupancy reaches 80%, either system wide or by facility, at any time during these programs, DOT will evaluate conditions including parking occupancy, office occupancy, and other related indicators to determine if the programs can continue or should be discontinued.

Special Event Parking Rate

The current rate schedule includes a special event parking rate for the Almaden/Woz parking lot ranging from \$3-25. This range allows the parking rate to be set based upon the expected parking demand and event profile. At very large events such as a Public Dance at the Convention Center, the special event rate would be \$20-25, while the rate for smaller events would be \$3-7. Developing the same flexibility at the surrounding public parking facilities is important to provide consistent rates and support parking operations. Under the proposed Master Parking Rate Schedule, the Woz/87 Lot and Almaden/Balbach Lot would be included in the \$3-25 special event rate. In addition, the City Hall Garage provides parking for private special events occurring primarily at the City Hall Rotunda during the evenings and weekends. A \$3-25 special event rate range will allow maximum flexibility to set appropriate rates and to support overall parking operations.

Arena/Diridon Area Parking Meter District

The primary use of this new parking meter district will be for HP Pavilion event parking and Diridon Caltrain station commute parking. Approximately 20 solar-powered multi-space parking meters are scheduled to be installed in the Fall of 2009, supporting about 150 parking spaces located on Autumn Street, San Fernando Street and Montgomery Street south of Santa Clara Street. The parking rate is proposed to be a variable flat rate of \$0-25. For events, the rate will be set based on the type of event at the HP Pavilion and the parking rates set at surrounding surface lots. For large events such as hockey games, the rate is anticipated to be set at \$15-20, while the rate for smaller events would be \$5-10. During the weekday, the rate will be set for commuters utilizing the Diridon Caltrain Station, and is initially anticipated to be between \$2-3 per day depending upon location and current usage. Although the on-street meters in the other meter districts provide for free parking weekday evenings, Sundays and holidays, the parking rate for the Arena/Diridon district does not exclude these time periods as the district will be supporting events and commute patterns that may occur during these times.

The new solar-powered parking meters are anticipated to generate \$132,000 in net annual revenue for the General Fund to help support a wide variety of general funded City activities and services that are provided during events at the HP Pavilion and in the vicinity of the Diridon Caltrain Station.

New Definitions

To clarify the parameters of existing parking programs and parking rates identified in the Master Parking Rate Schedule, and incorporate current operational practices, the proposed Resolution establishes additional definitions, including definitions for Social Service Providers. Social Service Providers are currently eligible to purchase validation stamps providing up to two hours of free parking in various municipal parking facilities. Social Service Providers will include non-profit groups that serve the needs of children and families, the poor or homeless, immigrants, veterans, the mentally ill, the disabled, victims of crime or domestic violence, and persons dependent on alcohol or drugs through direct services.

EVALUATION AND FOLLOW-UP

Staff will coordinate with the Redevelopment Agency, the Office of Economic Development and Downtown Parking Board (DPB) on any future potential extensions or changes to the Parking Incentive Programs. Periodic reports will be provided to the DPB and the Arena Events Operations Committee on the implementation of the multi-space meters in the Arena/Diridon Parking Meter District.

POLICY ALTERNATIVES

The Master Parking Rate Schedule is a dynamic document that requires periodic updates for clarification and enhancements and provides the structure for various parking programs that support the vitality of the Downtown, and generate revenues for operation of the Parking

Program, and funding for the Parking Development Fund and the General Fund. If the recommended changes are not approved, staff's ability to effectively manage the On-Street and Off-Street parking programs, and support downtown businesses will be diminished.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 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)**
- Criterion 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) "List dates outreach was preformed and specifically what was done."**

On August 5 and September 2, 2009 staff discussed the recommended changes to the Master Parking Rate Schedule to the DPB, which was unanimously supported. The establishment of the Arena/Diridon Parking Meter District has also been discussed with the Arena Events Operations Committee, San José Arena Management and Diridon Caltrain Station staff. In addition, outreach was conducted with the Children's Discovery Museum (CDM), whose patrons primarily use the Woz/87 Lot. When setting any special event rate at this facility, coordination will occur with the CDM and other key stakeholders.

COORDINATION

The proposed resolution has been coordinated with the City Manager's Budget Office, the Office of Economic Development, the Redevelopment Agency, General Services, and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

Establishing a parking rate for the Arena/Diridon Parking Meter District supports the action taken by Council in establishing the new zone. Continuing the parking incentive programs supports prior direction-by the City Council/Redevelopment Agency Board.

COST SUMMARY/IMPLICATION

The new Arena/Diridon Parking Meter District is estimated to generate net revenue in 2009-2010 of approximately \$108,000 with an approximate \$132,000 annually thereafter. Any revenues generated from special event rates will help to cover operational costs.

HONORABLE MAYOR AND CITY COUNCIL

09-28-09

Subject: Master Parking Rate Schedule

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BUDGET REFERENCE

Not Applicable.

CEQA

Not a Project.

/s/

JAMES R. HELMER
Director of Transportation

For questions contact Joe Garcia, DOT Division Manager, at 535-3833.