

**City of Culver City, California
Agenda Item Report**

Meeting Date: <u>05/02/11</u>		Item Number: <u>J-1</u>	
JOINT CITY COUNCIL/ REDEVELOPMENT AGENCY BOARD/ CULVER CITY PARKING AUTHORITY AGENDA ITEM: Walker Study Implementation Report 1 - Consideration of Parking Fee Increases for Downtown Public Parking Facilities.			
Contact Person/Dept.: Christopher Evans / CDD; Todd Tipton / CDD		Phone Number: (310) 253-5744 (310) 253-5783	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification (USPS) All Downtown Businesses within the Commercial Downtown Zone (04/14/11); (E-Mail) Meetings and Agendas – City Council (04/27/11); (E-Mail) Meetings and Agendas – Redevelopment Agency (04/27/11); Chamber of Commerce (04/18/11); Culver City School District (04/18/11); Downtown Residential Organization (04/18/11); OliverMcMillan (04/18/11); Downtown Business Association (04/18/11).			
Department Approval: Sol Blumenfeld (04/25/11)		City Attorney Approval: Carol Schwab (by H. Baker) (04/27/11) Murray Kane (04/20/11)	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball) (04/27/11)		City Manager/Executive Director Approval: John Nachbar (04/27/11)	
<u>RECOMMENDATION:</u> Staff recommends the City Council, the Culver City Redevelopment Agency Board (Agency Board) and the Culver City Parking Authority (Authority) authorize parking fee increases for downtown parking facilities (Canfield Parking Lot and the Cardiff, Ince, and Watseka Parking Structures) pursuant to recommendations in the Comprehensive Downtown Parking Study (the “Study”) prepared by Walker Parking. <u>BACKGROUND:</u> On July 12, 2010, the City Council and Agency Board considered the Study that included numerous recommendations related to parking fees, infrastructure improvements, parking enforcement, parking administration, metered parking and City Hall parking. The City Council and Agency Board directed staff to identify the time, expense and general feasibility of implementing the Study recommendations and return for further direction. When considering the recommendations related to fee increases, the City Council and Agency Board generally supported using fees to provide an incentive for parkers to utilize the Ince Parking Structure rather than the heavily impacted Cardiff and Watseka Parking Structures, but did not support a dramatic increase in fees (see Attachments 2 & 3).			

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The Downtown Business Association and area residents also expressed concern about increased fees in the public parking structures and at meters that could result in spillover parking into the adjacent residential neighborhood, the loss of downtown business and the perceived lack of parking enforcement needed to police the spillover effects.

DISCUSSION:

The City Council directed staff to bring back detailed implementation reports for each of the major Walker Study recommendations. The City Council and Authority are asked to consider implementing fee changes related to downtown public parking facilities (the three Downtown public parking structures and the Canfield Parking Lot).

The specific fee changes recommended by Walker Parking are as follows:

1. Eliminate the two hours free parking period at the Watseka and Cardiff Parking Structures and replace it with \$1.00 per hour fee.
2. Eliminate two hours free period at the Ince Parking Structure and replace with \$0.50 per hour fee.
3. Eliminate “additional two-hour free” parking with a Pacific 12 Theater validation and substitute with a maximum charge of \$2.50, the maximum charge allowed under the Redevelopment Agency’s agreement with OliverMcMillan¹.
4. Increase the monthly employee parking rate at the Canfield Parking Lot and the Cardiff and Watseka Parking Structures by \$10.00².

Staff compared the proposed parking fees to those charged in other cities and found they were comparable (see Attachment 6). Due to the concerns expressed by the Downtown Business Association, staff has identified the following implementation options:

Option 1: Approve fee increases as recommended by Walker Parking³.

Option 2: Approve fee increases in phases, with partial implementation now and full implementation one year from initial implementation. The proposed phases are as follows:

Phase 1

1. Eliminate the two hours free parking period at the Watseka and Cardiff Parking Structures and replace it with a \$1.00 fee for the first two hours and then \$1.00 per hour thereafter, up to the current \$8 maximum.

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2. No change in fees at the Ince Parking Structure.
3. Eliminate “additional two-hour free” parking with a Pacific 12 Theater validation and substitute with a maximum charge of \$1.50.
4. Increase the monthly employee parking rate at the Canfield Parking Lot and the Cardiff and Watseka Parking Structures by \$10.00.

Phase 2

One year after implementation of Phase 1, fully implement the remaining Walker Parking recommendations as described below:

1. Increase the fee for parking in the Watseka and Cardiff Parking Structures from \$1.00 for the first two hours then \$1.00 per hour thereafter, to a fee of \$1.00 per hour up to the current \$8.00 maximum.
2. Eliminate two hours free period at the Ince Parking Structure and replace with \$0.50 per hour fee.
3. Increase the maximum charge with Pacific 12 Theater validation from \$1.50 to a maximum charge of \$2.50.

Alternatively, the City Council and Authority could direct staff to return one year after full implementation for further direction.

Option 3: No change in current fee structure.

FISCAL ANALYSIS:

Projected revenue estimates for implementation of Options 1-3 are provided below. These revenue projections do not include potential revenues from film production and event parking.

Option 1 - If implemented, Option 1 is anticipated to generate approximately \$1.4 million in net new revenue. A detailed summary is available in Attachment 4⁴.

Option 2 - If implemented, Option 2 is anticipated to generate approximately \$420,000 in net new revenue in Phase 1, and \$1.4 million in Phase 2. A detailed summary is available in Attachment 4⁵.

Option 3 – no change in revenues

Both the Cardiff Parking Structure and the Ince Parking Structure are subject to restrictions on the expenditure of revenues in excess of operation and maintenance costs. These restrictions are associated with the construction and financing of the parking structures. Prior to expending any projected revenues after expenses

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resulting from Study implementation the Finance Department will perform a review of the restrictions and return to the City Council for direction.

Under the current fee structure, the three parking structures combined generate enough revenue to cover basic ongoing maintenance and operation costs, which are approximately \$900,000 annually (Ince \$575,000; Cardiff \$175,000; Watseka \$150,000)⁶. However, these costs only include light repair and the parking management contractor fee and do not include City staff or deferred maintenance costs.

At present, there is no funding source for large repair projects (e.g. elevator repairs), capital improvements (e.g. updating the parking management software or installing pay-on-foot machines), deferred maintenance (e.g. painting the structures), or related City staff costs. Consequently, funding for any of the afore-mentioned activities must be allocated from the General Fund. Any revenues generated by increased parking fees at the structures may be used to off-set these costs.

Modern Parking estimated a one-time cost of implementing the recommended rate increases at approximately \$3,000, which includes time and materials at all three structures. There are sufficient funds currently appropriated at each parking structure to cover the one-time cost.

ATTACHMENTS:

1. Map of the Study Area
2. September 13, 2010 Staff Report, Item Number: J-2
3. September 13, meeting minutes
4. Summary of fiscal impacts associated with Options 1 and 2.
5. Appendix E (Facilities Maintenance) of the Study
6. Matrix comparing parking rates of other cities
7. Correspondence regarding proposed fee increases

MOTION:

That the City Council:

1. Authorize parking fee increases pursuant to Option 1 for downtown parking facilities (Canfield Parking Lot, and the Ince and Watseka Parking Structures) and authorize staff to utilize any net new revenue for purposes described in the body of this Agenda Item Report;

Or

2. Authorize parking fee increases pursuant to Option 2 for downtown parking facilities (Canfield Parking Lot, and the Ince and Watseka Parking Structures)

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and authorize staff to utilize any net new revenue for purposes described in the body of this Agenda Item Report;;

Or

3. Not authorize parking fee increases.

That the Agency Board:

4. Authorize parking fee increases pursuant to Option 1 for downtown parking facilities (Canfield Parking Lot, and the Ince and Watseka Parking Structures) and authorize staff to utilize any net new revenue for purposes described in the body of this Agenda Item Report;

Or

5. Authorize parking fee increases pursuant to Option 2 for downtown parking facilities (Canfield Parking Lot, and the Ince and Watseka Parking Structures) and authorize staff to utilize any net new revenue for purposes described in the body of this Agenda Item Report;;

Or

Not authorize parking fee increases.

That the Authority:

1. Authorize parking fee increases pursuant to Option 1 for the Cardiff Parking Structure and authorize staff to utilize any net new revenue for purposes described in the body of this Agenda Item Report;

Or

2. Authorize parking fee increases pursuant to Option 2 for the Cardiff Parking Structure and authorize staff to utilize any net new revenue for purposes described in the body of this Agenda Item Report;

Or

3. Not authorize parking fee increases

NOTES:

¹ The Disposition and Development Agreement (DDA) between the Agency and OliverMcMillan restricts parking fee increases during the first five years after construction of the Ince Parking Structure. During that time Pacific 12 patrons are stipulated to receive up to four hours of free parking. Five years after construction the Agency may charge Pacific 12 patrons a maximum of \$2.50 for parking, and the

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stipulation that “two-hours free parking” be provided expires. Approval of the recommendations in this report is consistent with applicable provisions of the Oliver McMillan DDA and related documents.

² Current monthly parking rates at the Cardiff and Watseka Parking Structures are \$60.00 for 5-day access and \$80.00 for 7-day access.

³ If the fees are increased, staff recommends that the resulting revenues be utilized as follows:

- Fund capital improvements recommended in the Study, such as an additional exit lane at the Cardiff Parking Structure and installation of pay-on-foot machines at all the parking structures;
- Provide enhanced on-going maintenance such as light replacement painting; graffiti removal; minor repair of parking equipment; and on-site maintenance supervision. As the parking structures are now owned by the City, maintenance may come out of the General Fund;
- Fund additional maintenance services as described in the Study, Appendix E, Facility Maintenance (attached);
- Create capital improvements fund to cover the costs of deferred maintenance items, such as deck resealing, and expansion and construction joint replacement. Current revenue has not been sufficient to fund deferred maintenance;
- Fund additional Parking Enforcement services in Downtown and the Downtown adjacent residential neighborhood.

⁴ If the Authority and City Council direct staff to pursue Options 1 or 2, they would be implemented as follows:

- Mail and post notifications to monthly parkers of the changes in rates (45 days in advance);
- Coordinate with Modern Parking for the necessary changes to the rate signs and equipment programs;
- Review of existing signs, obtain quotes for work, and implement sign and equipment changes (4-8 weeks).

The implementation process will take approximately 3 months to complete and cost approximately \$3,000.

⁵ (see endnote 4 above)

⁶ These costs do not include City staff costs, or deferred maintenance costs.