

**STAFF REPORT****City Council****Meeting Date:** 11/10/2015**Staff Report Number:** 15-175-CC

**Regular Business:** **Adopt a Resolution to Implement a 6-Month Pilot Program to Modify Downtown Parking Time Limits and Appropriate \$65,000 from the Downtown Parking Fund to Implement the Recommendations**

**Recommendation**

Staff recommends that the City Council adopt a resolution (Attachment A) to implement a 6-month pilot program to modify Downtown parking time limits (recommendations “a” and “b”), conduct a cost/benefit evaluation study (recommendation “c”), and conduct program evaluation (recommendation “d”) as follows:

- a. Implement free parking time limit changes to all Downtown public off-street Parking Plazas from the currently designated 2-hour limit to 3-hour limit.
- b. Implement free parking time limit changes to all Downtown public on-street parking spaces from the currently designated 1-hour limit to 90-minute limit.
- c. Prepare a cost/benefit evaluation study to expand pay parking options to the remaining six non-pay Parking Plazas. The study will also assess existing versus newer parking payment collection technologies to be implemented for all eight Parking Plazas, after the initial free 3-hour parking limit as shown on Attachment B.
- d. Conduct Post-Pilot Program and Annual Permit Program Evaluation

Staff also recommends an appropriation of \$65,000 from the Downtown Parking Fund to implement the recommendations. No changes to private parking spaces within the Downtown core area are proposed.

**Policy Issues**

Implementation of changes to Downtown parking time restrictions is in line with several policies stated in the 1994 General Plan Circulation Element. These policies seek to strengthen Downtown as a vital and competitive shopping area while encouraging the preservation and enhancement of Downtown’s historic atmosphere and character. The El Camino Real/Downtown Specific Plan included recommendations for parking management strategies and to increase the parking supply, but did not recommend specific changes to the time restrictions for existing parking areas.

**Background**

In June 2009, the City Council authorized a detailed Downtown Menlo Park Parking Study (Study). The Study reviewed all previous Downtown parking studies since 1999 and made a set of recommendations. The City implemented the Study recommendations in 2011 and established what would be the current

## Downtown parking Program.

Since the implementation, staff has monitored community feedback related to the parking changes. In March 2015, Council held a study session to review the current parking effectiveness and provided direction to address the Program's ongoing challenges. These challenges include:

- Perception of aggressive enforcement, particularly in 1-hour parking areas
- Need for additional long-term employee parking supply
- Varying parking time limits creates confusion about where to park and for how long

Based on Council's direction, staff recommended specific policy changes at the October 20, 2015 Council meeting (staff report included as Attachment C). Following community feedback and Council discussion, Council approved the following:

- Modify free parking time limits in the Parking Plazas from 2 hours to 3 hours
- Modify free parking time limits for on-street spaces from 1 hour to 90 minutes
- Prepare a cost/benefit evaluation study to expand the Parking Plaza pay options and assess existing versus newer parking payment collection technologies

Additionally, Council directed staff to evaluate strategies to improve other elements of the current Downtown parking program to better serve the Downtown patron and employee population. The main strategies include:

- Develop measures of effectiveness (MOEs) to evaluate the success of the 6-month pilot program
- Consider changing the current annual permit program, including transferrable permits and a tiered pricing system based on income
- Consider changing enforcement start time from 9:00 am to 10:00 am
- Consider developing an independent variable trigger (i.e., population, demand occupancy, etc.) to determine when changes to the parking time limits should be explored to efficiently process changes in the future

Each of these strategies is evaluated in the following Analysis section.

### **Analysis**

In collaboration with the City's Police Department, staff evaluated the potential behavioral and financial effects these strategies could have on Downtown patrons and the City. Each strategy is discussed in detail below:

#### Develop Downtown Parking Pilot Program Measures of Effectiveness (MOEs)

To implement the 6-month pilot program, staff suggests a temporary modification of the on-street and Plaza signs that would take effect in January 2016, following the 2015 holiday season when the City

typically extends free parking time limits in each plaza to 3-hours for holiday parking. Signs would be modified using a low-cost approach, using decals to update the time restrictions during the pilot program.

To evaluate the effectiveness of the proposed pilot program, a set of quantifiable criteria was established. These measures of effectiveness (MOEs) would be used to evaluate the success of the pilot program. The proposed MOEs that would define a successful program are outline below:

| Downtown Parking Pilot Program Measures of Effectiveness To Define Program Success                                    |       |
|---|-------|
| Parking occupancy for 2 consecutive hours for all on-street facilities and 3 consecutive hours for all Parking Plazas | < 95% |
| Percent reduction in annual permit sales  | < 20% |
| Percent reduction in Santa Cruz Avenue citations  | > 10% |
| Percent of surveyed business owners that express satisfactory with program  | > 67% |

To establish a set of baseline values to represent the “before” conditions, the following data would be collected in November 2015 prior to the start of the pilot program: parking occupancy, baseline revenue, number of overtime parking citations for Santa Cruz Avenue, number of permits sold, and description of enforcement staff time.

To establish a set of data values to represent the “after” conditions, the same set of data would be collect during the pilot program. First, parking occupancy data would be collected in March and June 2016. Second, monthly Santa Cruz Avenue overtime parking citation inventory and annual permit sales for the duration of the pilot program would be extracted. Finally, a voluntary survey of Downtown business owners would be developed and sent out in May 2016 to gather feedback on the pilot program.

Analysis of the data would be prepared and the results shared with the City Council in Summer 2016. Staff will also utilize the occupancy data to evaluate the current enforcement time period of 9:00 am to 6:00 pm and determine if a 10:00 am start to enforcement is recommended.

Current Annual Permit Program

The existing Downtown Plaza Annual Parking Permit, which was put into effect in 2004, utilizes a non-transferrable permit system for Downtown business employees with long-term parking demands. To date in 2015, 679 of the 685 available annual permits have been sold at \$592 per permit, for a total of \$402,000 in revenue that is only used for the Downtown parking areas.

Typically, the permit renewal process for the upcoming calendar year begins in the first week of November to provide sufficient time to send renewal notification, process applications, and schedule permit pick-up. A programing format change such as the suggested permit transferability (the implemented system prior to 2004) and a tiered pricing system is anticipated to delay the roll out of the 2016 permit program by approximately 2 months, until March 2016, to allow preparation and review of the placards, advertising of the new program changes and development of policies for enforcement (e.g., placard placement for motorcycle/vehicles, administration, etc.).

In addition, the implementation of modifications to the annual permit program format, in concurrence with the approved 6-month parking time limit extension program, could dilute the findings of the pilot program (for example, if an increase in parking occupancy is observed, is it attributable to the time limit changes or the modifications to the parking permit program?).

To avoid delays to the 2016 permit program, staff recommends first completing an evaluation of the current permit program practices and policies with the following elements:

- Compare the existing program to neighbor cities and establish a price range
- Evaluate the potential impact a transferrable program could have on the Downtown parking supply/demand ratio
- Evaluate a tiered pricing system
- Estimate the difference in program administration due to transferrable permits

Staff plans to use a consultant to prepare the permit evaluation to reduce the demand on staff resources that have already been allocated to other capital projects for the coming months. The same consultant would be responsible for the 6-month pilot post-program evaluation to streamline the effort and maximize available resources.

#### Other Downtown Improvement Projects

While the Downtown parking policy changes could provide immediate relief to on-going existing parking challenges, other long-term projects are programmed into the City's 5-Year Capital Improvement Program that may improve downtown parking. These projects include:

- Downtown Parking Plaza Project – Reconstruct Plaza 7 pavement striping/markings with updated parking space dimensions to reflect latest City standards, add bicycle parking, and other landscaping improvements.
- Citywide Bicycle & Pedestrian Visibility Project – Install new bicycle parking facilities throughout the Downtown Core
- Transportation Management Association – Establish a Transportation Management Association to work with Downtown businesses to identify alternative Transportation Demand Management programs
- Downtown Parking Structure Study – Construct a new parking structure through findings identified in the El Camino Real & Downtown Specific Plan

#### Community Engagement and Notification

Postcards were sent to all Downtown business owners, property owners, and nearby residents within a 300 foot radius of the Downtown area. Social media was also used to share information about potential changes being considered.

#### **Impact on City Resources**

Staff requests Council approve an appropriation as follows to implement the changes:

| <b>Appropriate Request Summary</b>  |                 |
|---|-----------------|
| Pilot Program Implementation and Data Collection                                  | \$24,400        |
| Parking Plaza Pay Option Expansion and Parking Technology Cost/Benefit Evaluation | \$9,000         |
| 6-month Pilot Program and Annual Permit Program Evaluation                        | \$24,000        |
| <i>Subtotal</i>   | <i>\$57,400</i> |
| 10% Contingency   | \$7,600         |
| <b>Total Cost</b>   | <b>\$65,000</b> |

Revenue Implications

Revenue for the Downtown Parking Fund comes from two sources: Plaza ticket sales from kiosks and annual Plaza permit sales. Revenues from parking violation citations are incorporated into the City’s General Fund. It is anticipated that with the extended parking time limits, revenue sources to both the Downtown Parking and General Funds would decrease. Decreases to the Downtown Parking Fund may delay future improvement projects to downtown parking plazas if sufficient funds are not available to complete projects. Staff will monitor the revenue implications during the 6-month pilot program and report findings to Council as part of the program evaluation.

**Environmental Review**

The implementation of the timed restriction changes in downtown Menlo Park is categorically exempt under Class 1 of the current California Environmental Quality Act Guidelines. Class 1 allows for minor alterations of existing facilities, including existing highways and streets, sidewalks, gutters, bicycle and pedestrian access, and similar facilities, as long as there is negligible or no expansion of use.

**Public Notice**

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

**Attachments**

- A. Draft Resolution to Approve Changes to the Downtown Menlo Park Parking Options and Time Restrictions
- B. Downtown Parking Map
- C. October 20, 2015 Staff Report

Report prepared by:  
Kevin Chen, Assistant Engineer, Transportation

Report reviewed by:  
Nicole H. Nagaya, P.E, Transportation Manager

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**RESOLUTION NO.**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
AUTHORIZING MODIFICATIONS TO THE DOWNTOWN MENLO PARK  
PARKING OPTIONS AND TIME RESTRICTIONS**

The City of Menlo Park, acting by and through its City Council, having considered and been fully advised in the matter and good cause,

WHEREAS, Downtown patrons/business owner expressed the need for longer parking time limit restrictions to accommodate the typical patronage stays; and,

WHEREAS, extended parking time limits could encourage more downtown patronage and create a vibrant downtown.

NOW, THEREFORE, BE IT RESOLVED, the City Council of Menlo Park does hereby approve the implementation of a 6-month pilot program for the on- and off- street parking time restriction changes in Downtown Menlo Park as follows: a) changes all Downtown public off-street Parking Plazas from 2-hour free parking limit to 3-hour limit, b) change all Downtown public on-street parking spaces from 1-hour free parking limit to 90-minute limit.

I, Pamela Aguilar, City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a meeting by said Council on the tenth day of November, 2015, by the following votes:

AYES:

NOES:

ABSENT:

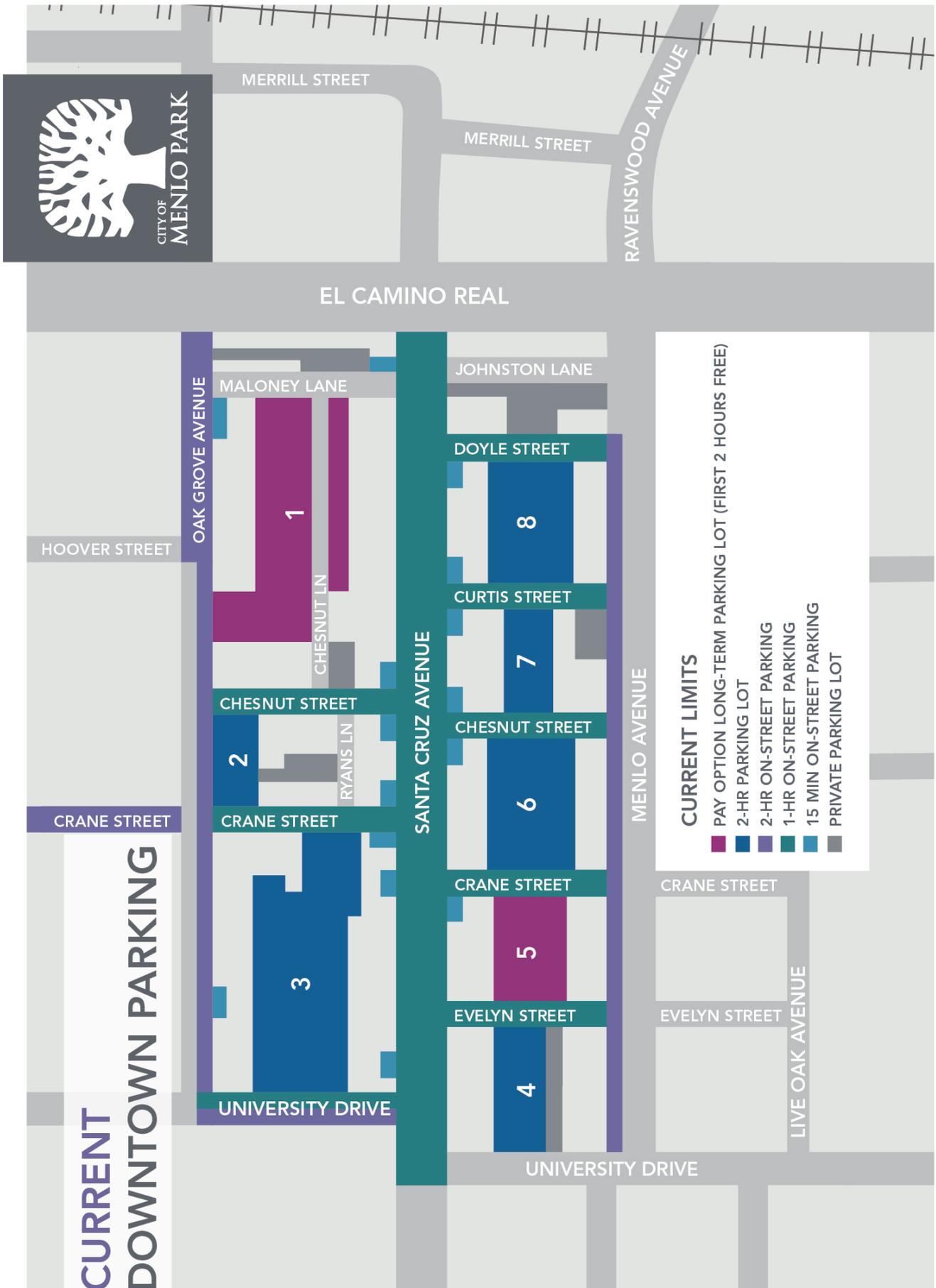
ABSTAIN:

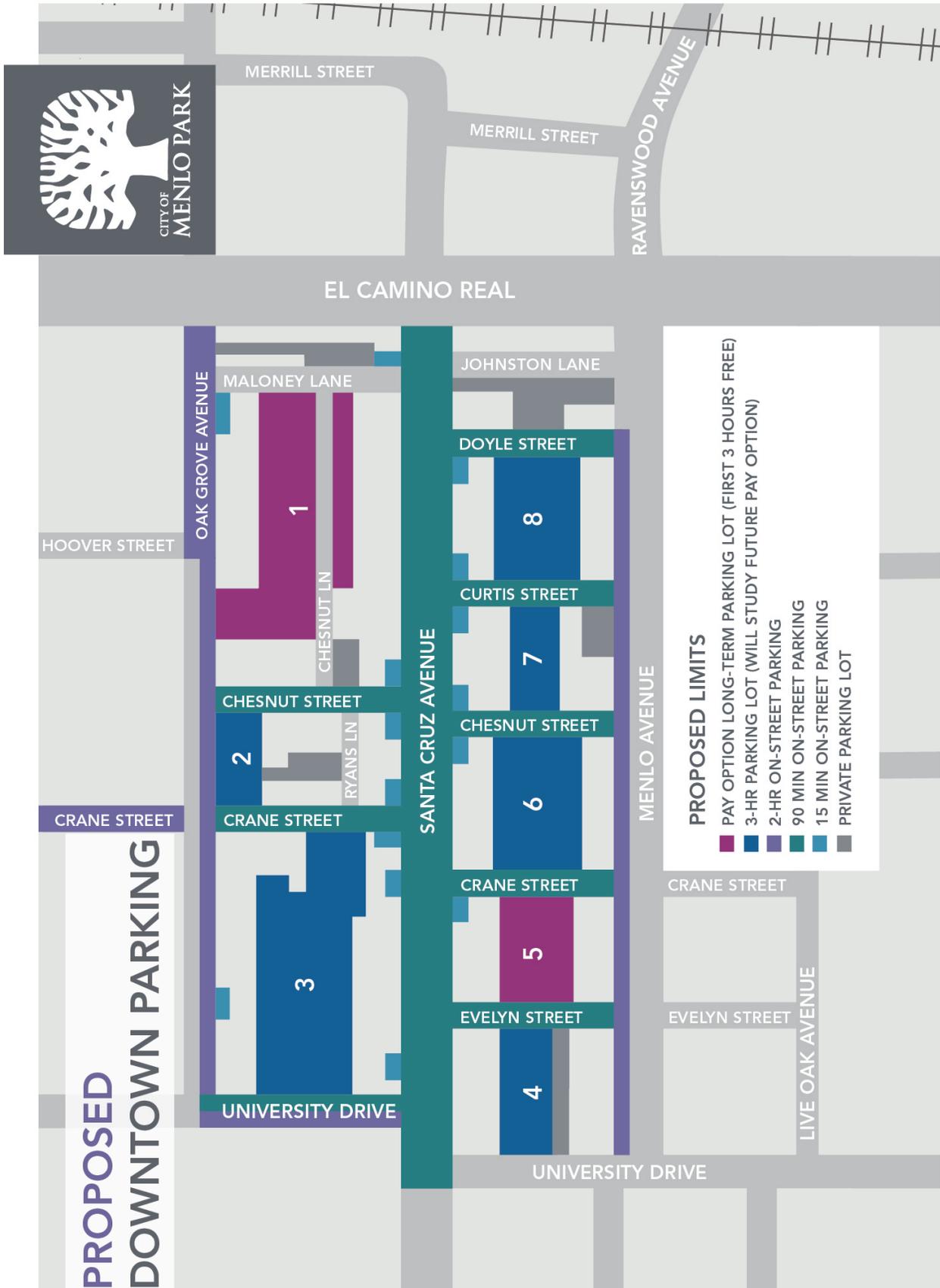
IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this tenth day of November, 2015.

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Pamela Aguilar  
City Clerk

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**STAFF REPORT****City Council****Meeting Date:** 10/20/2015**Staff Report Number:** 15-160-CC**Regular Business:****Consider Changes to the Downtown Menlo Park Parking Options and Time Restrictions****Recommendation**

Staff recommends that the City Council consider the following changes to downtown parking options and time restrictions:

- a. Implement free parking time limit changes to all Downtown off-street Parking Plazas from the currently designated 2-hour limit to 3-hour limit.
- b. Implement free parking time limit changes to all Downtown on-street parking spaces from the currently designated 1-hour limit to 2-hour limit.
- c. Direct staff to prepare a report to expand pay parking options to Parking Plazas 2, 3, 4, 6, 7, and 8, after the initial free 3-hour parking limit as shown on Attachment A.

Staff anticipates returning to the Council for approval and an appropriations request on November 10, 2015 to implement these changes, if directed. A draft resolution for these modifications is included in Attachment B.

**Policy Issues**

Implementation of changes to Downtown parking time restrictions is in line with several policies stated in the 1994 General Plan Circulation Element. These policies seek to strengthen Downtown as a vital and competitive shopping area while encouraging the preservation and enhancement of Downtown's historic atmosphere and character. The El Camino Real/Downtown Specific Plan included recommendations for management strategies and to increase the parking supply, but did not recommend changes to the time restrictions for existing parking areas.

**Background**

In June 2009, the City Council authorized a detailed Downtown Menlo Park Parking Study (Study). The Study reviewed all previous Downtown parking studies since 1999, made a set of recommendations, and the City implemented the Study recommendations in 2011. The changes were intended to address the short- and long- term parking needs generated by the Downtown businesses and patrons at the time of the Study. The recommendations are listed below:

- Changed most existing Santa Cruz Avenue on-street parking to a 1-hour time limit and converted a number of other spaces to a 15-minute time limit.

- Maintained other downtown adjoining streets' on-street parking time limit to 1-hour.
- Changed downtown periphery streets' on-street parking time limit to 2-hours.
- Changed posted enforcement hours throughout the downtown area to Monday through Friday, 9:00 am to 6:00 pm.
- Converted all parking spaces in Parking Plazas 1 and 5 into pay long-term parking options after the initial free 2-hour time limit as shown on Attachment A.
- Reduced the number of annual employee parking permits at Parking Plaza 2 and reallocated a portion of this parking to less utilized Parking Plazas.

The parking supply in Downtown Menlo Park is divided among three principal types of parking:

- City-owned lots (Parking Plazas)
- Public on-street (curbside) parking facilities
- Private off-street parking facilities

Most of the parking supply is off-street with the largest single component being private lots and garages (approximately 46%), followed by the City Parking Plazas (approximately 31%), with the remaining 23% on-street parking. Most of these parking spaces have timed parking restrictions, varying from 15 minutes to 2 hours.

Since the 2011 implementation, staff has monitored community feedback related to the parking changes. In March 2015, Council held a study session to review the current parking effectiveness, including the key findings summarized below:

- Benefits:
  - Created better parking distribution throughout Downtown
  - Generated high turnover rates on Santa Cruz Avenue
  - Created long-term employee parking supply
- Ongoing Challenges:
  - Perception of aggressive enforcement, particularly in 1-hour parking areas
  - Need for additional long-term employee parking supply
  - Varying parking time limits creates confusion about where to park and for how long

City Council provided direction on the Downtown parking policy at the March 2015 study session to bring back a report on:

- Developing strategies to simplify the patron experience when parking in Downtown
- Modifying time limits in the Plazas from 2-hour to 3-hour free parking
- Modifying time limits for on-street spaces from 1-hour to 2-hour free parking and 15-minute to 30-minute free parking

Each of these strategies is evaluated in the following section. No changes are expected to the Downtown plaza parking daily permit and annual business employee permit.

## Analysis

In collaboration with the City Police Department, staff evaluated the potential behavioral and financial effects these strategies could have on Downtown patrons and the City. Each strategy is discussed in detail below:

### Simplify Patron Experience when Parking in Downtown

In general, establishing a consistent time limit and pay option could create a more simplified parking experience for Downtown. As such, implementing a pay option for the six remaining Parking Plazas, in addition to the recommended time limit changes, would establish a more consistent Parking Plaza environment as well as provide additional long-term parking options. The implementation of a pay parking option would require new fee collection equipment at the plazas with no pay parking options and could increase the Parking Plaza demand. The preliminary estimated cost to expand the current payment collection system to six additional Parking Plazas is approximately \$210,000. However, with potentially more cost effective new technology available in the market, as a follow up to this report, staff recommends a cost/benefit evaluation of existing versus newer equipment to determine the best option to select for implementation. If approved, the estimated timeline to evaluate equipment and placement layout options would be three to four months. Issues to consider for evaluating new fee collection equipment include: visibility, convenience, ease of operation, cost, and compatibility with the current enforcement system.

### Modify Plaza Time Limits

The recommended time limit change from 2-hour to 3-hour free parking to all eight plazas could result in a demand increase in the non-pay Parking Plazas and a shift from the existing pay Parking Plazas (Plazas 1 and 5). The increased demand would likely vary between plazas based on adjacent land uses and could increase existing parking uses to near or at full capacities. The time limit change would also result in revenue losses, with decreased parking tickets purchased for stays longer than 2-hours. In addition, the change may impact the parking enforcement officers' staff time. If these changes are approved by Council and implemented, the Police Department has suggested an evaluation of the required staff time prior to making any staffing modifications. To complete these changes, approximately 60 non-standard signs, would need to be replaced across all eight plazas.

### Modify On-Street Parking Time Limits

The recommended time limit change from all existing 1-hour free parking on-street facilities to 2-hour free parking could result in a demand increase in on-street parking and a shift from the Parking Plazas. The increased demand would likely vary based on adjacent land uses and could result in less availability for existing patrons. The time limit change could also result in revenue losses with decreased parking citations and may impact the parking enforcement officers' staff time. If these changes are approved by Council and implemented, the Police Department has suggested an evaluation of the required staff time prior to making any staffing modifications. To complete these changes, approximately 215 signs would need to be replaced along the Downtown streets.

Council also recommended a time limit change for all existing free 15-minute on-street parking to 30-minute parking. The existing 15-minute parking is intended to encourage a high turnover rate and provide convenience for the immediate business patrons (i.e. coffee shops, to-go food pick-up, banks, dry cleaners, etc). While staff recognizes the importance of extending the time limit to accommodate

unexpected delays, the longer time limit could reduce the utility of these short-term spaces. Thus, staff recommends maintaining the existing 15-minute parking zones.

Implementation Recommendations

Postcards were sent out to all Downtown business owners, property owners, and nearby residents within a 300 feet radius of the Downtown area.

Implementation Recommendations

The suggested implementation timeline for replacing the on-street and Plaza signs would be in January 2016, following the 2015 holiday season, when the City typically extends free parking time limits in each plaza to 3-hours for holiday parking. To assess potential unintended consequences, staff recommends implementing the proposed modifications as a 6-month pilot program. Signs would be modified using a low-cost approach, using decals to update the time restrictions during the pilot program. At the 3-month and 6-month milestones during the pilot, staff will collect parking occupancy data in each Parking Plaza, and on each block within the Downtown area during enforcement hours of 9am to 6pm on a typical weekday to assess changes. Additionally, the implications for revenue and enforcement staffing will be reviewed and evaluated as part of the follow-up report. Following the 6-month pilot, staff would bring back a report to the Council in July 2016 to evaluate the program and determine if changes should be implemented permanently.

**Impact on City Resources**

Revenue for the Downtown Parking Fund comes from two sources: Plaza ticket sales and Plaza permit sales. Staff has estimated potential revenue gain/loss based on available financial data. An itemized summary is provided below:

| Annual Revenue Gain/Loss to Downtown Parking Fund Estimate   |                   |
|--|-------------------|
| Total Parking Plaza Ticket Sales   | \$60,000          |
| <i>Anticipated Annual Revenue Loss with 1 Hour Time Limit Extension (Plazas 1&amp; 5)<sup>1</sup></i>  | <i>(\$24,000)</i> |
| <b>Annual Parking Plaza permit sales (671 of 685 at \$592/permit)</b>  | <b>\$397,230</b>  |
| <b>Notes:</b>  |                   |
| 1. <b>Based on extrapolation of December 2014 ticket sales, during which the Parking Plaza free parking time limit was extended from 2 hours to 3 hours.</b> |                   |

Revenues from parking violation citations are incorporated into the City’s General Fund. In 2014, the City collected approximately \$795,000 from parking violations (28% of this amount is paid to state/local processing fees), for a net gain of \$572,400. It is anticipated that with extending parking time limits as recommended, the revenue from violations would decrease; the projected decrease cannot readily be determined based on citation records. However, during the pilot program implementation, staff will assess the revenue implications from decreased citations as part of the pilot evaluation.

The cost to implement the time limit changes as recommended above in Recommendations A and B, is estimated to be approximately \$10,300, including staff time for the pilot program installation, as detailed below. If Recommendation C is approved (expand pay options to non-pay Parking Plazas), a cost/benefit evaluation of existing versus new parking fee collection system will be prepared separately.

Staff has estimated replacement of off-street and on-street sign quantities based on existing on-site inventory and plaza size. A summary of the itemized cost for the recommended pilot program, including installation fee, is provided below:

| <b>Cost Estimate for Pilot Program</b>         |   |   |                 |
|--|---|---|-----------------|
|  | <b>Recommendation A: New Plaza Signs for 2-Hr to 3-Hr Parking</b> | <b>Recommendation B: New On-Street Signs for 1-Hr to 2-Hr Parking</b> | <b>Total</b>    |
| <b>Furnish and install (by City) decals</b>    | \$1,200   | \$4,300   | \$5,500         |
| <b>Staff coordination, implementation time</b> | \$2,400   | \$2,400   | \$4,800         |
| <b>Total Cost</b>                              | <b>\$3,600</b>  | <b>\$6,700</b>  | <b>\$10,300</b> |

Additionally, staff has estimated the cost for sign replacement if the modifications were to be permanently installed at the conclusion of the pilot program, as provided below:

| <b>Cost Estimated for Potential Permanent Installation</b> |   |   |                 |
|--|---|---|-----------------|
|  | <b>Recommendation A: New Plaza Signs for 2-Hr to 3-Hr Parking</b> | <b>Recommendation B: New On-Street Signs for 1-Hr to 2-Hr Parking</b> | <b>Total</b>    |
| Furnish (by City) and install (by Contractor) signs        | \$17,500  | \$31,500  | \$49,000        |
| Staff coordination, implementation time                    | \$9,000<br>(for non-standard sign design)                         | \$6,000<br>(for standard sign design)                                 | \$15,000        |
| <b>Total Cost</b>  | <b>\$26,500</b>   | <b>\$37,500</b>   | <b>\$64,000</b> |

An appropriation in the amount of \$10,300 from the Downtown Parking Fund for the pilot program will be requested if approved by the Council.

### **Environmental Review**

The implementation of the timed restriction changes in downtown Menlo Park is categorically exempt under Class 1 of the current California Environmental Quality Act Guidelines. Class 1 allows for minor alterations of existing facilities, including existing highways and streets, sidewalks, gutters, bicycle and pedestrian access, and similar facilities, as long as there is negligible or no expansion of use.

### **Public Notice**

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

**Attachments**

A. Downtown Parking Map

B. Draft Resolution to Approve Changes to the Downtown Menlo Park Parking Options and Time Restrictions

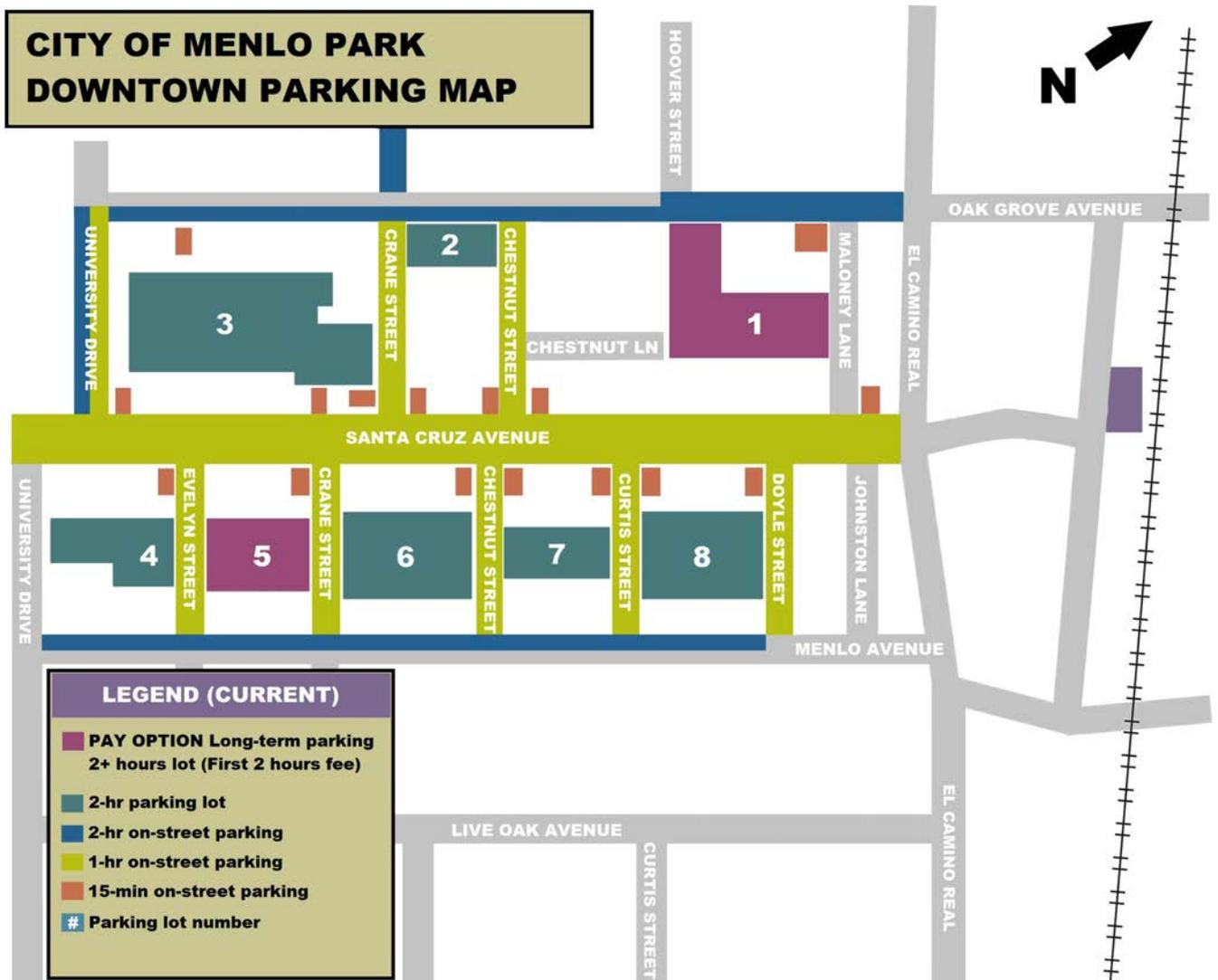
Report prepared by:

Kevin Chen, Assistant Engineer, Transportation

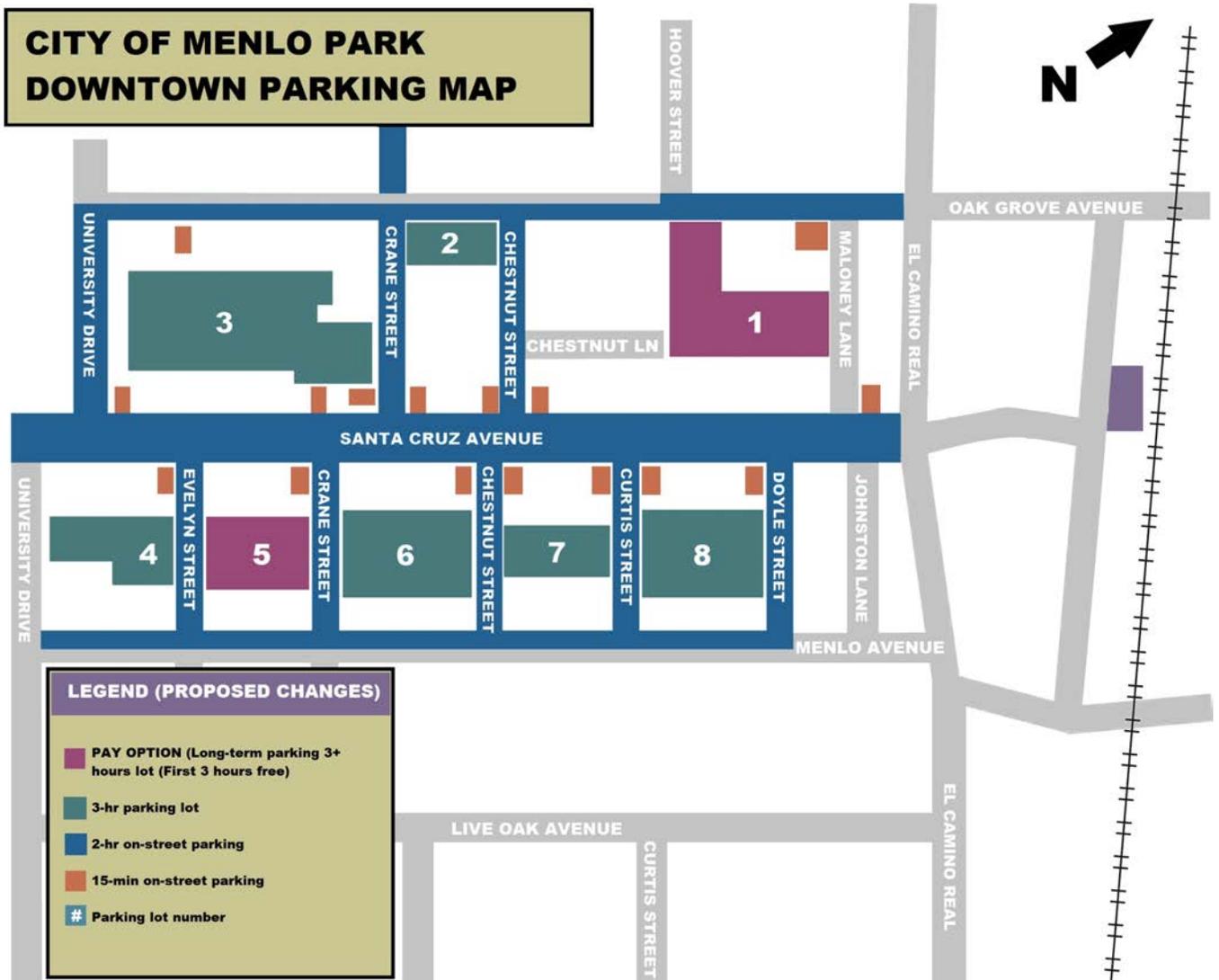
Report reviewed by:

Nicole H. Nagaya, P.E, Transportation Manager

CURRENT:



PROPOSED:



**RESOLUTION NO.**

**ADOPT A RESOLUTION AUTHORIZING CHANGES TO THE DOWNTOWN MENLO PARK PARKING OPTIONS AND TIME RESTRICTIONS AND THE APPROPRIATE FUND FROM THE DOWNTOWN PARKING PERMIT FUND TO IMPLEMENT APPROVED CHANGES**

The city of Menlo Park, acting by and through its City Council, having considered and been fully advised in the matter and good cause,

NOW, THEREFORE, BE IT RESOLVED, the City Council of Menlo Park does hereby approve the implementation of a 6-month pilot program for the on- and off- street parking time restriction changes in Downtown Menlo Park as follows: a) changes all Downtown off-street Parking Plazas from 2-hour free parking limit to 3-hour limit, b) change all Downtown on-street parking spaces from 1-hour free parking limit to 2-hour limit; and

BE IT FURTHER RESOLVED, the City Council of Menlo Park does hereby approve the cost/benefit evaluation of existing versus newer equipment for all Parking Plazas and associated expenditure.

I, Pamela Aguilar, City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a meeting by said Council on the tenth day of November, 2015, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this tenth day of November, 2015.

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Pamela Aguilar  
City Clerk

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