

**CITY OF OAKLAND
AGENDA REPORT**

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2004 APR 15 PM 3: 53

TO: Office of the City Manager
ATTN: Deborah Edgerly
FROM: Public Works Agency
DATE: April 27, 2004

**RE: UPDATE REPORT ON THE PROPOSED JACK LONDON DISTRICT
MIXED USE PERMIT PARKING PROGRAM**

SUMMARY

At the March 9, 2004 Public Works Committee Meeting, the Committee recommended implementation of a mixed use parking permit program for the Jack London District and directed staff to return with a proposal addressing the concerns and issues raised. Those concerns included the cost of permits, permit eligibility, and total number of permits to be issued. Staff has met with the Ad-Hoc Jack London District On-Street Parking Improvement Committee (the JLD Committee) and agreed on how these issues should be addressed if the City Council approves the Mixed Use Parking District proposal. The Public Works Committee also directed staff to prepare an analysis of program costs and revenue to determine the fiscal impact to the City.

FISCAL IMPACT

The program's implementation and operation will cost approximately \$139,000 annually. This cost includes: 1.5 FTE Parking Control Technicians, .5 FTE Public Service Representative, and approximately \$12,000 for costs related to an additional vehicle, and processing of citations. The additional staff and vehicle costs are necessary because the program entails adding 1,100 currently un-regulated spaces to the City's on-street regulated supply of parking spaces.

These costs will be covered in part by the sale of permits, revenues from which are estimated to range from \$40,000 to \$110,000. The City's budget office prepared a cost analysis and developed several scenarios to estimate the fee revenue depending upon the number of permits sold. These detailed estimates of costs and revenue are contained in Attachment A.

While the permit fee revenue will not cover all costs even under the most optimistic scenario, it is estimated that the City will receive anywhere from \$50,000 to \$100,000 in additional parking fines revenue, based on experience with similar parking programs elsewhere in the City. Therefore, this program is projected to be revenue neutral.

Item # 3
Public Works Committee
4/27/04

BACKGROUND

In September, 2003, the JLD Committee submitted a proposal to improve on-street parking in the JLD to the City that included several different elements; diagonal parking, additional parking meters, and a mixed use permit parking program. As proposed, the Jack London District is defined as including the area from approximately Brush Street to Oak Street and from 4th or 5th to Embarcadero, all areas west of Embarcadero are excluded. Staff responded to the JLD proposal in reports presented to the Public Works Committee on December 9, 2003 and March 9, 2004. As a partial follow-up to the JLD Committee's recommendations, the City Council approved new parking meters and on-street diagonal parking on December 16, 2003. At the March 9, 2004 meeting, the Public Works Committee recommended a mixed use permit parking program for the Jack London District with the cost of permits not to exceed \$ 200, upon majority support from adjacent property owners. The Public Works Committee also directed staff to work with the JLD Committee to resolve key issues regarding the program and return on April 27, 2004 with a set of recommendations about the permit parking program

KEY ISSUES AND IMPACTS

Staff's concerns about the proposed program remain and are outlined in detail in the Council Agenda Report presented to the Public Works Committee at the March 9, 2004 meeting. Nevertheless, we have obtained the additional information and analysis required for the Public Works Committee to move forward with this program if desired.

On April 5, 2004, as requested, City staff met with the JLD Committee to discuss the remaining unresolved issues of permit fees, length of the program, eligibility, and total number of permits issued. At that meeting staff and the JLD Committee agreed that those issues would be handled as follows:

Length of the Program: The JLD Committee has consistently asserted that this mixed use parking permit program is a short-term proposal to assist businesses that would be otherwise forced to leave the District because of parking needs and pricing. Staff and the JLD Committee have agreed that the ordinance establishing this program should automatically sunset after a period of no longer than three years unless affirmative action is taken by City Council to extend that time period. It is further recommended that the ordinance should include findings and other information that demonstrate a specific and unique set of circumstances pertaining to the Jack London District.

Permit Eligibility: Residents will be entitled to purchase one permit per address with the exception of residents residing in rental units, built after 2000, where off street parking is available and the residents are paying reduced rent in lieu of an off street space. For example, residents in the Allegro development pay approximately \$100 per month less rent if they choose not to have an off-street parking space. Such residents would be required to show proof that their lease includes the off street space at the time they purchase an on-street parking permit. As for businesses, it is recommended that the business owner or operator be the designated permit manager who will have the authority to purchase and distribute a specific, pre-designated

Item#: 3
Public Works Committee
4/27/04

number of employee permits. In this way, issues such as employee turnover can be managed by the business itself and not by the City. At this point, the City does not have a clear sense of the demand for these employee permits, although the price will obviously play a role in the extent of the employees who choose this approach rather than paying for a monthly off-street space or using transit. Recent business license data indicates that there are approximately 1780 employees in the district. Staff does not propose a cap on the number of permits per business. This aspect would need to be monitored during the first year of operation.

Number of Permits Issued: Staff is concerned that issuing an unlimited number of permits could saturate the on-street parking supply and not provide sufficient shorter-term parking for customers and patrons of JLD businesses. Staff and the JLD Committee have agreed that the total number of permits issued be capped at 600 to ensure that there is adequate turnover of street parking for customers and short-term users. There are currently an estimated 1,100 unregulated spaces within the District.

Cost for Permits: Per the recommendation of the Public Works Committee, staff and the JLD Committee concur that the City will charge \$100 per year for the first permit and \$200 per year for all subsequent permits issued to eligible businesses. This fee amounts to approximately 40 cents/day for the \$100 fee and 82 cents/day for the \$200 permit (based on 245 work days/year). Given the recommended three year sunset provision, it was agreed that the permit costs would not change during this period. The recommended permit costs appear to be in line with the total costs of the permit program, and will be revenue neutral when measured against the anticipated revenue sources. We further note that this permit program should be viewed in conjunction with the management of on-street parking in the JLD. Staff views the permit system as an adjunct measure to the more critical task of initiating on-street time restrictions, and thereby eliminating a free source of parking for many people who work in the downtown area. This step is important as the JLD becomes a more successful weekday destination.

SUSTAINABLE OPPORTUNITIES

Economic

In the short run the mixed use parking permit program will have a positive impact on JLD businesses by providing them with an interim parking solution as the District develops. In the long term the provision of below-market rate parking for employees and residents of the Jack London District will reduce the opportunity to increase City revenues through other means such as parking meters.

Environmental

Public subsidy of parking will discourage transit use and may encourage more automobile trips to and from the District thereby maintaining high traffic congestion and air pollution levels.

Social Equity

The proposed program will result in City - subsidized parking costs for employees in one business district while not providing the same opportunity for other businesses districts. An overall policy should be established to treat similar requests from other business districts in the City.

DISABILITY AND SENIOR CITIZEN ACCESS

There are no direct disability or senior citizen impacts to address.

RECOMMENDATION BASED ON MARCH 9, 2004 PUBLIC WORKS COMMITTEE DIRECTION

Direct City staff to move forward on implementing the permit parking program by:

- 1) drafting a Jack London District Mixed Use Parking District ordinance for City Council consideration based on the recommendations in this staff report for the length of the program, permit eligibility, annual number of permits issued and the costs of permits;
- 2) implementing the time limited zones in the Jack London District through a City Council resolution; and
- 3) drafting a resolution to amend the City's budget by revising revenue expectations and increasing appropriation, per Attachment A, "Costs".

It is understood that these three recommendations must move ahead simultaneously in order for the time restricted parking and permit parking system to work.

ALTERNATIVE RECOMMENDATION BASED ON MARCH 9, 2004 STAFF REPORT:

To eliminate the proposed permit parking system from further consideration and to move forward on the time-restricted parking management system and additional resources required for enforcement by:

- 1) implementing the time limited zones in the Jack London District through a City Council resolution; and

2) drafting a resolution to amend the City's budget by revising revenue expectations and increasing appropriation, per Attachment A, "Costs", omitting reference to the permit parking revenues and decreasing staff time to account for the elimination of the permit parking system administration.

ACTION REQUESTED OF THE PUBLIC WORKS COMMITTEE

To approve either the Public Works Committee sponsored recommendation regarding the JLD On-Street Parking Management System, calling for time restricted spaces and parking permit system or the alternative recommendation eliminating the parking permit system.

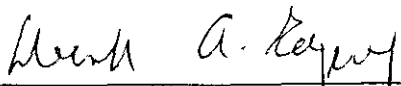
Respectfully submitted,



Claudia Cappio
Director of Development, Community
and Economic Development Agency

Prepared By:
Natalie Fay
Senior Transportation Planner
Planning and Zoning Division

**APPROVED AND FORWARDED TO
THE PUBLIC WORKS COMMITTEE**



OFFICE OF THE CITY MANAGER

Attachments: Worksheet on Projected Costs and Revenues from On-Street Parking Management System in the Jack London District

Item#: 3
Public Works Committee
4/27/04

JACK LONDON DISTRICT PERMIT PARKING PROPOSED REVENUES AND COSTS

REVENUES

PERMITS: \$100 for first permit; \$200 for second permit.
variables = # of permits sold and allocation between 1st & 2nd permits

SCENARIO #1: 300 PERMITS SOLD

ALLOCATION		COSTS		Total Revenue
1st Permit	2nd Permit	1st Permit	2nd Permit	
200	100	\$100	\$200	\$40,000
150	150	\$100	\$200	\$45,000
100	200	\$100	\$200	\$50,000
75	225	\$100	\$200	\$52,500

SCENARIO #2: 400 PERMITS SOLD

ALLOCATION		COSTS		Total Revenue
1st Permit	2nd Permit	1st Permit	2nd Permit	
300	100	\$100	\$200	\$50,000
250	150	\$100	\$200	\$55,000
200	200	\$100	\$200	\$60,000
150	250	\$100	\$200	\$65,000

SCENARIO #3: 500 PERMITS SOLD

ALLOCATION		COSTS		Total Revenue
1st Permit	2nd Permit	1st Permit	2nd Permit	
300	200	\$100	\$200	\$70,000
250	250	\$100	\$200	\$75,000
200	300	\$100	\$200	\$80,000
100	400	\$100	\$200	\$90,000

SCENARIO #4: 600 PERMITS SOLD

ALLOCATION		COSTS		Total Revenue
1st Permit	2nd Permit	1st Permit	2nd Permit	
400	200	\$100	\$200	\$80,000
300	300	\$100	\$200	\$90,000
200	400	\$100	\$200	\$100,000
100	500	\$100	\$200	\$110,000

PARKING FINES REVENUE

Minimum	\$50,000
Maximum	\$100,000

TOTAL REVENUE - BOTH PERMITS & FINES

SUM - MINIMUM	\$90,000
SUM - MAXIMUM	\$210,000

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APR 27 2004

COSTS

Description	Cost
.5 FTE Public Service Representative	\$30,246
1.5 FTE Parking Control Technician	\$90,145
Maintenance & Amortization for GEO Tracker Meter Vehicle	\$5,460
Parking Enforcement Manager (approx 3 hrs per week)	\$6,400
Cost to process citations (\$5 court, jail & state fund)	\$5,000
Application materials, permits	\$2,500
SUM: TOTAL COSTS	\$139,752