

CITY OF OAKLAND
AGENDA REPORT

2009 JUN -3 PM 9: 36

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Parking Operations
DATE: June 9, 2009

RE: **An Informational Report from the Parking Operations Division on Revenue
Generating and Service Improvement Efforts**

SUMMARY

At the May 13, 2009 Special Budget Hearing, staff briefly informed the City Council of various efforts under way to improve revenue generation and service provision related to parking operations. At the City Council's request, this report provides details on these ongoing and planned efforts, as outlined below. Staff is also recommending a total of **\$5.31 million** in additional revenue increases per year.

• **Parking Citations**

- a. Improvements to the parking citation process through a new contract (currently provided by Inglewood).
- b. Research and recommendations on new technology such as scofflaw enforcement cameras that can be installed on City enforcement vehicles.
- c. Improved efforts to collect parking fine liens placed with the Department of Motor Vehicle (DMV) and Franchise Tax Board (FTB).
- d. Enhancing parking citation revenue through increased enforcement hours and increased enforcement of specific neighborhoods.
- e. Enhance enforcement for handicapped/disabled parking violations and misuse of placards.
- f. Analysis of the potential to double fines for illegal truck parking.
- g. "For Sale" vehicle Enforcement
- h. Recommendations on increasing California Vehicle Code (CVC) fines.

• **Parking Meters**

- a. Analysis of the potential to increase current meter rates.
- b. Define "high-demand" meter hours and assess the potential to increase parking rates during such hours.
- c. Cost-benefit analysis of extending the hours of meter operations.
- d. Cost-benefit analysis of extending meter operations to seven days per week.

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- e. Assessment of opportunities to increase meter placement (particularly in commercial corridors) and meter enforcement.
 - f. Research and recommendations on new products such as “portable meters,” pre-paid meter cards, and pay-by-phone options.
- **Parking Garages**
 - a. Status of the consolidation of parking garages management under the Parking Operations Division.
 - b. Cost-benefit analysis of extending operating hours of City garages.
 - c. Efforts to implement automation of garage operations.
 - d. Efforts to re-bid parking garage management contracts.
 - e. Efforts to regulate free and validated parking.
 - **Residential Parking Permit (RPP)**
 - a. Increases in parking permit fees.
 - b. Efforts to provide enhanced enforcement in the RPP area.
 - c. Efforts to establish a streamlined renewal process (such as on-line renewals).

The Key Issues and Impacts section of this report provides details on each of the above items. Certain items described in this report will require subsequent reports with recommendations for specific actions. Staff will return to the Finance Committee in September 2009 to provide such information and to recommend action.

FISCAL IMPACT

This is an informational report and, therefore, does not have direct fiscal impacts. However, staff does recommend changes to parking fees and fines that could generate **\$5.3 million** annually in General Purpose Fund Revenue. Legislation to improve these changes will be included in the June 16, 2009 Council packet.

KEY ISSUES AND IMPACTS

The section below discusses staff’s recommendations on revenue-generating actions related to parking enforcement and parking meter operations. A summary of fiscal impacts is provided in *Attachment A*.

Parking Citations

- a. Improvements to the parking citation process through a new contract (currently provided by Inglewood).

The City out-sources its parking citation processing function through a contract with the City of Inglewood. The current contract expires on July 10, 2009, and will continue on a month-to-month basis pending issuance and completion of a Requests for Proposals (RFP) process. The Parking Operations Division will be issuing an RFP for Citations Administration and Revenue Reconciliation System (CARRS) services next month. An evaluation of responses will be conducted by a panel consisting of both internal and external experts. Staff will return to the Finance Committee with recommendations of a vendor in September 2009.

- b. Research and recommendations on new technology, such as scofflaw enforcement cameras.

Staff is prepared to begin a new pilot program for identifying and pursuing scofflaws - chronic parking violators who have not paid outstanding fines. The particular program being explored is offered through a single source provider, PayLock Solutions. PayLock uses advanced technology by combining mobile license plate recognition cameras and electromechanical boots, or "SmartBoots," that are attached to scofflaw vehicles. It is anticipated that this program will substantially increase collection rates on outstanding violations. Staff will return to the Finance Committee in September 2009 with an update on the pilot program and recommendations for implementation if the program seems suitable.

- c. Improved efforts to collect parking fine liens placed with the Department of Motor Vehicle (DMV) and Franchise Tax Board (FTB).

The City's citation processing contractor, Inglewood, is contractually required to place DMV and FTB liens for unpaid citations. DMV Liens are normally placed by the City of Inglewood against a vehicle registration any time a citation is not paid within 63 days. FTB liens are placed once a year during the tax filing season. Staff seeks to address issues related to timely placement of liens through managing the current contract with the City of Inglewood and providing strong requirements in the upcoming RFP for citation processing services.

In prior fiscal years, there were issues with DMV lien placement resulting in delays in both placement and, consequently, revenue collection from the delayed liens. Delayed liens also meant some lost revenue because liens weren't placed before the car owners moved out of state, sold or destroyed the vehicles, etc. during the delay period. The City's parking citations vendor (City of Inglewood) explains that a technology conversion caused a 12-month delay in placing liens with DMV in Fiscal Year 2007-08, and another 6-month delay in Fiscal Year 2008-09. Reporting of liens to the FTB were also delayed during the same time period. Prior to FY 2007-08, the average collection from DMV liens was \$5.6 million; \$2.2 million was collected in FY 2007-08. In addition to the current lien placement, staff is researching opportunities to collect outstanding unpaid citations through adjudication.

d. Enhancing parking citation revenue through increased enforcement hours and enhanced enforcement in specific neighborhoods.

Pending adoption of the FY 2009-2011 Policy Budget, the Parking Operations Division plans to hire 12 part time Parking Control Technicians (PCTs) for increased parking enforcement during the hours of 5:00 a.m. to 10:00 a.m. and 5:00 p.m. to 10:00 p.m., Monday through Friday. Additionally, PCTs will increase enforcement in downtown business districts and in Residential Parking Permit neighborhoods. Projected revenue from increased enforcement is estimated at \$1.3 million annually, and has been incorporated into the FY 2009-11 revised revenue estimates.

e. Enhance enforcement for handicapped/disabled parking violations and misuse of placards.

Parking Division staff will be working with OPD to perform sting operations to minimize the abuse of handicapped/disabled parking use. These efforts are scheduled to begin in June 2009.

f. Analysis of the potential to double fines for illegal truck parking.

Staff is preparing an ordinance to amend the Municipal Code and increase the fine for illegal truck parking – defined in the current Ordinance as “Parking commercial vehicles in residential district--Over 10,000 pounds” – **from the current \$122 to the proposed \$250**. A report and ordinance amendment will be included in the June 16, 2009 report to the City Council on the FY 2009-11 budget.

In Fiscal Year 2007-08, 164 citations were issued for this violation but only 79 were paid, resulting in \$11,079 of actual revenue. Based on prior collection data, it is estimated that the recommended increase would generate **\$33,000** per year in additional revenue. The new revenue will be used to expand parking enforcement efforts related to truck parking, particularly in residential areas.

g. “For Sale” vehicle Enforcement

Vehicles parked on City streets with “For Sale” placards/signs displayed will be cited in accordance with Oakland Municipal Code (OMC) 12.24.070(B). Enforcement efforts for this violation code have been increased effective May 28, 2009.

h. Recommendations on increasing California Vehicle Code (CVC) fines.

The California Vehicle Code (CVC) fines charged by Oakland are comparatively lower than the fines charged by surrounding cities. Pursuant to the provision of the California Constitution and the State of California Section 40203.5(a), the City of Oakland is authorized to set its schedule of parking penalties for parking violations and late payment penalties. **Attachment B** shows the City’s current CVC fines as compared to other cities. In the June 16, 2009 report to Council, staff will recommend specific increases to CVC fines, and provide fiscal impacts.

Parking Meters – Rate Modifications

a. Option 1: Potential increase to current meter rates.

Staff is proposing for Council’s **consideration a 25 cents increase to the current parking meter per hour rate of \$1.50.** The anticipated annual revenue increase would be **\$1.2 million.**

b. Option 2: Higher parking meter rates during “high demand” peak meter parking hours.

Staff’s preliminary analysis has determined that the hours between 10:00 a.m. and 2:00 p.m. are “high-demand” for meter usage. Staff recommends that Council **consider increasing hourly meter rates to \$3.00 per hour during these hours in areas where parking is scarce.**

Staff has identified the following neighborhoods/corridors as high-demand areas:

Route No.	Streets within Routes
1	Claremont St., College Avenue, Glen Ave, Howe St., Linda, Montell St., Monte Vista Ave., Piedmont Ave., Shafter St., 40 th St., 41 st St.
2	Alice St., Broadway Ave., Clay St., Harrison St., Jefferson St., Lakeside Dr., Madison St., Oak St., Washington St., 4 th St., 6 th St. – 14 th St.
3	Franklin St., Harrison St., Webster St., 7 th St. – 14 th St.
4	Clay St., Grand Ave., Jefferson St., San Pablo, Telegraph Ave., 12 th St.
5	Broadway Ave., Franklin St., Harrison St., Webster St., West Grand Ave., 15 th St. – 19 th St.
6	Hawthorne St., Summit St., Webster St.
7	Grand Ave., Lakeshore Ave., Lakeshore West, Walker St.
8	Antioch St., Broadway, Fruitvale Ave., International Blvd., LaSalle St., Medau Pl., Merced St., Moraga St., Mountain Blvd., Upper Park
Grand Lot	Entire Grand Lot
Piedmont Lot	Entire Piedmont Lot

Assuming rate increases in all of these areas, a rate increase to \$3.00 per hour would yield **\$2.3 million** in additional revenue annually.

c. Cost-benefit analysis of extending meter operation hours.

Staff’s preliminary analysis suggests that there is demand for meter parking beyond the current hours of operation. Staff recommends that Council **consider extending current meter operation hours Citywide by an additional two hours** from the current 8:00 a.m. to 6:00 p.m. to 8:00 a.m. to 8:00 p.m. The extended hours of operation are projected to generate an additional **\$1 million** in annual revenue. An increase in current enforcement staffing levels will not be necessary.

d. Cost-benefit analysis of extending meter operation days to seven days per week.

Staff's preliminary analysis suggests that there is demand for meter parking beyond the current days of operation. Staff recommends that Council **consider extending meter operation days Citywide** from the current six days (Monday through Saturday) to seven days (Monday through Sunday). The extended days of operation are projected to generate an additional **\$780,000** in annual revenue. An increase in current staffing levels is not anticipated.

e. Assessment of opportunities to increase meter placement (particularly in commercial corridors) and meter enforcement.

Staff is investigating the possibility of creating new meter areas in commercial zones. A staff report will be submitted to Council for consideration in September 2009. Meter enforcement hours will be increased to cover late night and early morning hours.

f. Research and recommendations on new products such as "portable meters", pre-paid meter cards, and pay-by-phone options.

Staff is working with ePark, a mobile meter provider company, to study and analyze the feasibility of implementing **mobile meters**. ePark (or another vendor) would provide those parking within Oakland boundaries an opportunity to purchase a small portable meter device and pay for parking by pre-paying for the device and later adding necessary payments. The City would receive pre-paid revenues, along with subsequent replenishment of fees. The meter provider (ePark or another vendor) would assess a convenience fee to the customer to recover their investment costs. If, based on discussions with ePark, staff determines that mobile parking meter services could benefit the City, staff will issue an RFP or engage ePark and other vendor(s) in negotiations to provide such services. An update will be provided to the Finance Committee in September 2009.

Staff is also exploring the possibility of using a pay-by-cell phone program. Staff contacted Montgomery County, CA to learn of their efforts to implement such a program. Based on communications with this jurisdiction, staff will determine if such a program would benefit the City. An update will be provided to the Finance Committee in September 2009.

Parking Garages

a. Status of the consolidation of parking garages management under Parking Operations Division.

Efforts are already under way to transfer management of City garages from the Community and Economic Development Agency to the Parking Operations Division. This will include management of operations at all City and Redevelopment Agency garages (including Clay Street, Dalziel, Franklin, 1200 Harrison, Montclair, Pacific Renaissance, and Telegraph Plaza) and parking lots (Dimond, Grand Avenue, Lake Park, Parkway, Piedmont, 12th & Jefferson, and Willie Manuel Courthouse lots).

While the official date of the transfer is July 1, 2009 (when necessary staff support will be officially approved in the FY 2009-11 budget), Parking Division staff has already engaged in a number of efforts to analyze and improve both operations and revenue generation, as detailed below. Staff will return to the Finance Committee with a status update on these efforts in September 2009.

b. Cost-benefit analysis of extending operating hours of City garages.

Staff is analyzing the cost-benefit of increasing operating hours of all of the City's garages. Requests have been received from the Fox and Paramount theaters to extend operating hours at the Franklin Plaza garage to 1:00 a.m. on event nights which are typically Thursday, Friday and Saturday nights. Similarly, the Telegraph Plaza garage could also remain open until 1:00 a.m. on those same nights.

c. Efforts to implement automation of garage operations.

Although the City Council directed staff to implement automation of city garage operations in the past, this has not been accomplished due to the decreased demand for garage parking and the resulting under-collection of revenues necessary to implement automation. The estimated cost to implement automation and other necessary improvements is \$1.5 million. Staff is currently reviewing alternatives that would allow for an initial installation, possibly at a single garage that may have a revenue-neutral impact; Clay Street is a likely candidate. Staff is confident that garage automation will increase revenue collection, although this is dependent upon parking demand in any given parking facility. Automation may also facilitate features such as parking validation by merchants, extended hours of operation, and automated entry/exit of monthly parkers. These features may in turn make City parking facilities more desirable, and incrementally increase demand for them, thereby increasing revenue.

d. Efforts to re-bid parking garage management contracts.

The entire inventory of City garages and lots will be divided into three (3) parts and three separate RFPs will be issued with different start dates. The RFPs will be issued by October 2009.

e. Efforts to regulate free and validated parking.

Staff is developing a validation program using one-time use postage type validation stamps. Stamps will be sold by the Parking Operations Division to City Departments and other City offices.

Residential Parking Permit (RPP) Program

On September 23, 2008, the Parking Division prepared a report that requested an increase in permit parking fees. Only some of the staff recommendations were accepted. At that the Committee requested a performance audit of RPP by the City Auditor. The audit was conducted earlier this year. The City Auditor recommended staggering permit expiration dates because the current method of renewals places a substantial burden on Parking staff during the renewal

season. Staggering permits would result in a better flow of processing RPP renewals, resulting in improved customer service and efficiency.

The Plan for streamlining the RPP is outlined under the c. "Efforts to establish a streamlined RPP renewal process," below.

a. Increases in parking permit fees.

The City Council approved an increase in the Residential Permit Parking fee, from \$15 to \$20 for renewals and from \$25 to \$35 for new permits, in September 2008 and the new fees will become effective July 1, 2009. In response to the interim RPP audit, staff will assess whether there might be other fee increases that would be appropriate to recommend.

b. Efforts to provide enhanced enforcement in the RPP area.

Parking Division has made adjustments in its Parking Enforcement Unit to ensure that the RPP areas are consistently enforced. Since each Parking Control Technician's vehicle is equipped with a GPS tracking system, supervisors are able to ensure that enforcement vehicles are driving through RPP areas regularly as part of their routine patrols.

c. Efforts to establish a streamlined RPP renewal process.

The Parking Division is planning to streamline the RPP renewal process by staggering the renewals from once a year to four times a year. This process will ensure that renewals are processed in a timely manner. RPP areas will be color-coded with the permit color matching the permit area. In addition to walk-in and mail-in renewals, online renewals will be made available for the 2010 renewal year. Documentation will only be required for the first-time permit purchase and purchase of business permits. Renewals will be automatic and will not require proof of residency as is currently required. RPP improvements are planned for implementation by January 31, 2010.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council accept this informational report and provide direction regarding the pursuit of proposals and options presented in this report.

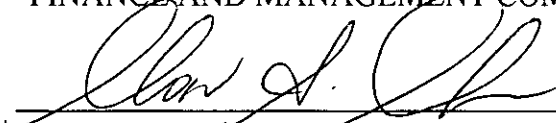
Respectfully submitted,



Noel Pinto
Parking Manager

Prepared by: Shahla Azimi
Revenue Analyst

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:



Office of the City Administrator

Attachments: A – Additional Revenue Proposals
B – Revised California Vehicle Code Fine Comparison

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Parking Division's Revenue Proposals**Parking Citation**

	Annual Revenue (\$ in millions)
◆ Increase illegal truck parking fines	\$ 0.03
◆ Research & recommendations on new technology, such as scofflaw enforcement cameras	TBD
◆ Aggressively pursue adjudication of unpaid parking citations not handled through DMV and FTB liens	TBD
◆ Recommended increases on California vehicle codes	To be provided on June 16th

Parking Meters

◆ Increase parking meter rates citywide by \$0.25 cents / hour	\$ 1.20
◆ Increase hourly rate to \$3.00 for peak hours in high-demand areas	\$ 2.30
◆ Extend meter hours to 8:00 pm	\$ 1.00
◆ Extend meter days from 6 days to 7 days	\$ 0.78
◆ Assess opportunities to increase meter placement (particularly in commercial corridors) and meter enforcement	TBD
◆ Research new products such as "portable meters," prepaid meter cards, and pay-by-phone options	TBD
Total possible revenue	\$ 5.31

ATTACHMENT B
Revised California Vehicle Code Fine Comparison

Violation Code	Violation Type	C.V.C. Fines** Charged by Oakland	Proposed** New Fines	Alameda*	Albany	Berkeley	Emeryville*	Hayward*	San Leandro*	Sacramento County*	San Francisco*
22500	Improper parking, citation category not specified	\$ 40	\$ 60	\$ 60	\$ -	\$ -	\$ 24	\$ -	\$ -	\$ 50	\$ -
22500(a)	No parking--Intersection	\$ 40	\$ 95	\$ 60	\$ 43	\$52 & (\$71FD)	\$ 45	\$ 60	\$ 35	\$ 35	\$ 85
22500(b)	No parking--Crosswalk	\$ 40	\$ 95	\$ 60	\$ 43	\$52 & (\$78FD)	\$ 45	\$ 60	\$ 40	\$ 50	\$ 85
22500(c)	No parking--Safety zone (red zone between stop bar and right-hand curb)	\$ 40	\$ 95	\$ -	\$ 43	\$52 & (\$78FD)	\$ 45	\$ -	\$ -	\$ 50	\$ 85
22500(d)	No parking within 15 of fire station driveway	\$ 40	\$ 110	\$ -	\$ -	\$52 & (\$78FD)	\$ 100	\$ 70	\$ -	\$ -	\$ 85
22500(e)	No parking--Driveway	\$ 40	\$ 95	\$ -	\$ 43	\$52 & (\$78FD)	\$ 45	\$ 60	\$ 40	\$ 50	\$ 85
22500(f)	No parking--Sidewalk	\$ 40	\$ 110	\$ 60	\$ 43	\$52 & (\$78FD)	\$ 45	\$ 60	\$ 40	\$ 50	\$ 100
22500(g)	No parking--Obstructing construction traffic	\$ 40	\$ 70	\$ -	\$ -	\$52 & (\$78FD)	\$ 45	\$ 60	\$ -	\$ 50	\$ 45
22500(h)	No parking--Double parked	\$ 40	\$ 85	\$ 60	\$ 43	\$52 & (\$78FD)	\$ 45	\$ 60	\$ 35	\$ 50	\$ 75
22500(j)	No parking--Tunnel	\$ 40	\$ 70	\$ -	\$ -	\$ 46	\$ 45	\$ 60	\$ -	\$ -	\$ 45
22500(k)	No parking--Bridge	\$ 40	\$ 70	\$ -	\$ -	\$ 46	\$ 45	\$ 60	\$ -	\$ -	\$ 45
22500.1	No parking--Fire lane	\$ 40	\$ 110	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ 35	\$ 100	\$ -
22500.l	Bus Zone	\$ 260	\$ 360	\$ 250	\$ 260	\$ 250	\$ 100	\$ 280	\$ 250	\$ 360	\$ 250
22500.L	Wheelchair Access	\$ 260	\$ 410	\$ 300	\$ 280	\$ 280	\$ 275	\$ -	\$ 255	\$ 400	\$ 250
22502	18' from curb (or distance from curb)	\$ 40	\$ 70	\$ 40	\$ 25	\$61 & (\$92 FD)	\$ 45	\$ 60	\$ 40	\$ 50	\$ 45
22505	No parking--State highway areas	\$ 40	\$ 60	\$ 40	\$ 43	\$ -	\$ 45	\$ -	\$ -	\$ 50	\$ -
22507.8	Disabled Parking Space	\$ 335	\$ 410	\$ 300	\$ 280	\$ 280	\$ 275	\$ 330	\$ 275	\$ 400	\$ 300
22513	No solicitation by tow truck	\$ 40	\$ 110	\$ -	\$ -	\$ -	\$ -	\$ 33	\$ -	\$ -	\$ -
22514	No parking--Fire hydrant	\$ 40	\$ 110	\$ 70	\$ 40	\$ 62	\$ 100	\$ 70	\$ 40	\$ 100	\$ 85
22515	Improper parking--Wheels not blocked/brakes not set	\$ 40	\$ 80	\$ 70	\$ -	\$ -	\$ -	\$ 70	\$ -	\$ 35	\$ -
22516	Locked Vehicle--Person unable to escape	\$ 40	\$ 110	\$ -	\$ -	\$ -	\$ 100	\$ 103	\$ -	\$ -	\$ 55
22520	No parking on freeway	\$ 40	\$ 60	\$ 40	\$ -	\$ -	\$ 20	\$ -	\$ -	\$ 50	\$ -
22520.5	Vending on freeway prohibited	\$ 40	\$ 110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22521	No parking on/near railroad track	\$ 40	\$ 85	\$ 60	\$ -	\$ 46	\$ 45	\$ 60	\$ 35	\$ 50	\$ 75
22522	Sidewalk Access Ramp within 3'	\$ 285	\$ 360	\$ 300	\$ 280	\$ 280	\$ 36	\$ 330	\$ 275	\$ 360	\$ 250
22523	Abandoning Vehicle on Street	\$ -	\$ 460	\$ 450	\$ -	\$ 160	\$ 100	\$ 450	\$ 270	\$ 100	\$ 210
22951	No street/alley parking from offstreet lot	\$ 40	\$ 60	\$ 40	\$ -	\$ -	\$ 20	\$ -	\$ -	\$ -	\$ -
23333	No parking--Vehicular crossing	\$ 40	\$ 80	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70

* Does not include County Surcharge

** Includes \$10 Pass-through surcharge paid to Alameda County