



CITY OF OAKLAND

AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Fred Kelley
Director, Oakland
Department of
Transportation

SUBJECT: Modernizing Commercial Loading

DATE: September 26, 2022

City Administrator Approval

Date: Oct 14, 2022

RECOMMENDATION

Staff Recommends The City Council:

(1) Adopt An Ordinance Amending Ordinance No. 13654 C.M.S (Which Adopted The Fiscal Year 2022-23 Master Fee Schedule), As Amended, To Establish A Fee For Commercial Vehicle Loading Zone Permits And Adopting Appropriate California Environmental Quality Act Findings; And

(2) Adopt A Resolution (A) Waiving The Multi-Step Proposal Solicitation Requirement And Amending And Extending The Professional Services Agreement With Populus Technologies, Inc. (Populus) For A Term Of One Year In An Amount Not To Exceed Two Hundred Fifty Thousand Dollars (\$250,000) For Mobility Management Software And For The Reimbursement Of Parking Transaction Fees Charged To Commercial Vehicle Loading Zone Permit Holders; (B) Appropriating Anticipated Revenues Of Up To \$235,00 Per Year And Corresponding Ongoing Expenses Of Up To \$235,00 Per Year For The Reimbursement Of Parking Payment Transaction Fees To Commercial Vehicle Loading Zone Permit Holders; And (C) Adopting Appropriate California Environmental Quality Act Findings

EXECUTIVE SUMMARY

Commercial loading zones, also known as “yellow zones,” are areas of the curb reserved for drivers of commercial vehicles to load and unload. The last ten years have seen a massive increase in online shopping and a proportional increase in demand for parking in commercial

loading zones. Simultaneously, demand for general parking in Oakland's commercial districts has grown. Commercial loading zones are free, even in metered parking areas where surrounding parking is metered, and are relatively difficult to enforce, making them attractive to non-commercial vehicle drivers looking for "free" parking. Field surveys have found that loading zones in downtown are illegally occupied by non-commercial drivers nearly half of the time, preventing legitimate commercial vehicles from accessing them. This leads to dangerous and illegal parking behavior, such as blocking bus lanes, bike lanes, bus stops, curb ramps and double parking.

A proposal to install parking meters in commercial loading zones to deter dangerous and illegal parking, speed up loading zone enforcement and improve access to the curb for legitimate commercial vehicles was approved as part of the Fiscal Year (FY) 2022-23 Mid-Cycle Budget. Staff estimate it would take two years to install meters and/or signs at all 383 loading zones. The total cost for installation is estimated at \$450,000.00. The Mid-Cycle Budget also appropriated and expected \$450,000.00 in annual revenues from these new meters.

As the next step in implementing this program, staff recommend amending the Master Fee Schedule to create a new permit for commercial delivery fleet operators to allow them to pay for the parking they use on a quarterly basis instead of paying separately for each time they park. Operators who purchase this Commercial Loading Zone Parking Permit would share their vehicle's location data with a third-party data processor, who would calculate their use of parking meters and generate an invoice on a quarterly basis. To protect privacy and trade secrets, vehicle location data would be aggregated and anonymized before being shared with the City.

Finally, staff recommend that the Council waive the Request for Proposals/Qualifications (RFP/Q) process to allow the calculation of the parking fees for each Commercial Loading Zone Parking Permit holder to be done by Populus Technologies, Inc. (Populus) at no additional cost to the City, by adding this scope to their existing contract with the Oakland Department of Transportation (OakDOT). In support of this arrangement, contract capacity with Populus would need to be increased by \$235,000.00 and their contract extended by one year. The additional contract capacity and scope would allow Populus to charge a processing fee to the permit holder, which would be reimbursed by the City to Populus. Populus would also make data about the location and price of loading zones available to delivery operators and others through the Curb Data Standard (CDS), a new data standard. This data standard allows for real-time, two-way communication between cities and delivery operators.

BACKGROUND/LEGISLATIVE HISTORY

In 1996, City Council adopted a resolution supporting public transit and alternative modes, known as Oakland's Transit First Policy (Resolution No. 73036 C.M.S.). This policy favors transit and alternative modes over private vehicles to reduce congestion and improve air quality,

improve safety for people walking and bicycling, decrease parking demand, reduce individual transportation costs, and provide a balanced transportation system that supports many modes, making communities more livable.

In 2013, City Council adopted a set of Parking Principles ([Resolution No. 84664 C.M.S.](#)). These principles provide the foundation for the active management of the parking system.

In 2015, City Council adopted a Car Share Policy and amended the Master Fee Schedule to include permits for eligible car sharing organizations ([Resolution No. 85459 C.M.S.](#)) Permit holders reimburse the City for parking revenue by sharing vehicle location data.

In 2016, the newly formed OakDOT Strategic Plan was unveiled, including goals for improving transportation choices and minimizing parking demand, congestion and pollution (Vibrant Sustainable Infrastructure #13), and managing public parking to balance the diverse needs of Oakland's visitors, merchants, commuters and residents (Vibrant Sustainable Infrastructure #14).

In 2020, City Council adopted the Equitable Climate Action Plan (ECAP) ([Resolution No. 88267 C.M.S.](#)). The ECAP calls for the City to "rethink curb space" (Transportation and Land Use section, action #7). The ECAP states that the City should "eliminate time limits, expand hours of meter operation, and implement demand-based pricing for on-street parking", and "[i]mprove parking monitoring and enforcement."

In July 2022, City Council adopted the FY 2022-2023 Mid-Cycle Budget ([Resolution No. 88267 C.M.S.](#)), including funding in the amount of \$450,000.00 to procure and install parking meters or signs at all 383 loading zones in parking metered areas of Oakland. This budget also appropriated \$450,000.00 per year in revenues anticipated to be generated by these meters.

ANALYSIS AND POLICY ALTERNATIVES

Commercial loading zones, also known as "yellow zones", are areas of the curb reserved for drivers of commercial vehicles to load and unload. These zones are essential for many businesses without off-street loading and parking facilities. These businesses rely on loading zones to safely receive and ship products and packages. According to the OMC section 10.40.020, loading zones may be established in any "central traffic district or business district." Loading zones are demarcated by yellow paint on the curb, and where appropriate, by signs. Commercial vehicles can be parked perpendicular to loading zones while loading, for up to 30 minutes (See OMC 10.20.050). Drivers of non-commercial vehicles may park in a loading zone while actively loading, for no more than three minutes.

The last ten years have seen a massive increase in online shopping and a proportional increase in demand for parking in commercial loading zones. Simultaneously, demand for general parking in Oakland's commercial districts has grown, leading to more cases of non-commercial

vehicle drivers parking illegally in loading zones. When loading zones are not available to commercial vehicle drivers, there is an increase in dangerous and illegal parking in bike lanes, bus stops, red painted “no parking” zones and double parking.

The penalty for illegally parking in a loading zone is \$93 (See OMC Chapter 10.40.060), but enforcement of loading zones is difficult and slow. The OakDOT parking control technicians cannot arrive and look at the meter or use automatic license plate readers to determine if a valid parking session has been initiated. Instead, they must wait for a minimum of three minutes and up to 30 minutes to issue a citation.

The difficulty of enforcing loading zones contributes to high rates of illegal parking in them. Data gathered in December 2020 at 39 heavily used loading zones in Chinatown and on Broadway and Telegraph Avenue in Downtown show that loading zones in these areas are illegally occupied an average of 37% and 51% of the time, respectively (see **Table 1**). Overall, these loading zones were found to be occupied 92% of the time. The target occupancy for parking spaces in commercial districts is 65% to 85%. This indicates that loading zones are both overutilized and a major source of illegal parking.

Table 1: Commercial Loading Zone Occupancy

Location	Total loading zones surveyed	Percent of vehicles illegally parked
Chinatown	21	37%
Broadway / lower Telegraph	18	51%
Total / average	39	45%

Install parking meters in loading zones

Pricing is the primary tool that the City can use to make loading zones available to legitimate commercial delivery drivers while simultaneously making it easier to enforce illegal parking. At present, loading zones in Oakland do not have parking meters. As a result, they tend to attract parkers looking for “free parking”. If parking meters were installed at loading zones, that incentive would disappear. In addition, enforcement of loading zones would become much faster, as parking control technicians could simply check if the meter was paid and scan the vehicle’s license plate to determine if there is a valid, paid parking session.

Several nearby cities have installed parking meters at loading zones. The City of Berkeley found that paid loading zones increased compliance with loading zone rules by 194% and, by making those spaces available to legitimate commercial vehicles, increased commercial loading activity

by 50% when such activity was allowed¹. The staff report on this program notes that “the addition of parking meters and/or time limits encourage turnover”. The City of San Francisco has similarly found parking meters at loading zones to effectively deter illegal parkers.²

However, staff from both San Francisco and Berkeley report very low revenue from meters at loading zones due to a lack of payment by delivery drivers. According to representatives from several large delivery companies, delivery drivers are often on tight schedules; many drivers simply don't have the time or company-provided financial resources to pay at the meter. Therefore, it is anticipated that metered loading zones in Oakland would produce similarly low revenue, unless a convenient alternative payment method is provided. This alternative payment method should be paid by the delivery company, rather than by the driver.

In support of these goals, the FY 2022-2023 Mid-Cycle Budget included funding in the amount of \$450,000.00 to procure and install parking meters or signs at all 383 loading zones in existing parking metered zones. This budget also appropriated \$450,000.00 per year in revenues anticipated to be generated by these meters. The City Administrator has the authority to cause parking meters to be installed at parking stalls on streets established as Parking Meter Zones by OMC Section 10.36.140.

Reducing illegal parking in loading zones will advance the City's goal of **holistic community safety** by helping to reduce the obstruction of bike lanes, bus stops, crosswalks, bus lanes and other critical transportation infrastructure by commercial delivery vehicles.

Create A New Commercial Loading Zone Parking Permit

Staff propose amending the Master Fee Schedule to create a new Commercial Loading Zone Parking Permit that allows for digital parking meter payment using the vehicle's location data. This convenient new payment option would function similarly to the City's free-floating Car Share Permit Program, under which permittees reimburse the City for parking fees using the global positioning system (GPS) data from each vehicle. This data is processed by a third-party software-as-a-service provider (Populus), which calculates the meter use.

Under this program, Commercial Loading Zone Permit holders would receive a quarterly invoice for their actual parking use. Such a permit would have a low up-front cost to the permit holder (only \$2.00) and would therefore attract more users and benefit smaller companies that may deliver less-frequently. Similar to the Residential Parking Permit (RPP) program, the permit holder would register their license plate when purchasing their permit. Parking control technicians could then use vehicle-mounted Automated License Plate Readers to verify if the

¹ City of Berkeley. “Referral response to Telegraph Avenue”, December 10, 2019.

² Personal communication with Hank Wilson, lead for the Curb Management Team at San Francisco Municipal Transportation Agency.

vehicle in a loading zone was permitted. Delivery drivers would still have the option of not purchasing the permit and making payments at the physical meter.

Staff estimate the proposed Commercial Loading Zone Parking permit would generate approximately \$450,000.00 to \$600,000.00 per year in revenue, once parking meters or signage are installed in all 383 loading zones. The cost to install these meters has been included in the City's approved FY2022-23 Mid-Cycle Budget. Staff estimate it will take two years to install meters and/or signs at all 383 loading zones.

This new Commercial Loading Zone Parking Permit will advance the City's goal of **responsive, trustworthy government** by creating a convenient new way for commercial delivery fleet operators to pay for parking and avoid parking citations.

Extend And Add Scope To The Existing Contract With Populus To Calculate Parking Meter Use

The City has a contract with Populus to provide a software-as-a-service "Mobility Management" platform that intakes location data from hundreds of vehicles permitted through the City's Car Share Program and the Dockless Shared Vehicle Program. This platform also calculates fees, including parking fees, based on the locations of the vehicles. Populus's platform cross references the vehicle's locations (from the vehicle's on-board GPS) with the locations of the city's parking meters and calculates a total fee based on the amount of parking meter time used by all vehicles. Populus can add Commercial Loading Zone Permit holders to their system, thereby taking in data about the location of each of the permit holder's vehicles and calculating a quarterly parking meter fee. Populus would charge a transaction fee of twenty-five percent of total meter fees to the permit holder, and charge nothing to the City. This fee is similar to that charged by ParkMobile, the City's mobile parking payment vendor. To account for these fees, the existing contract capacity with Populus would need to be increased by a not-to-exceed amount of \$250,000.00. This would include a one-year, \$15,000.00 extension of the software-as-a-service platform using existing budgeted funds and one year of parking transaction fees (up to \$235,000.00). The transaction fees only pass through the City and would be paid by Commercial Loading Zone Permit holders. Therefore, the City would not incur any additional cost as a result of this contract extension, other than the \$15,000.00 fee for another year of software-as-a-service. In addition, scope would need to be added to their existing contract to account for extending their service to include commercial delivery fleets. That additional scope is described in **Attachment A** to the accompanying resolution.

As part of the existing contract, Populus provides data storage, security and aggregation services. Populus combines data from all permittees to produce aggregate reports of where vehicles are being used. Populus could similarly produce aggregated, anonymized reports of where commercial loading is occurring, thereby helping staff to identify locations that need more loading zones. Populus would also make data about the location, availability, and price of loading zones available to permitted delivery operators and others through the Curb Data

Standard (CDS), a new standard for data about curbs. This data standard allows for real-time, two-way communication between cities and delivery operators.

Waiver Of Multi-Step Proposal Solicitation Requirement

The current agreement for software-as-a-service between the City of Oakland and Populus will expire on April 08, 2023. Adoption of this resolution will authorize the City Administrator to execute an extension of the Professional Services Agreement between the City of Oakland and Populus for up to one year while adding the scope of services described in **Attachment A** to the accompanying resolution. Oakland Municipal Code (OMC) Section 2.04.042.A requires that the City Administrator conduct a competitive multiple-step solicitation process for the acquisition of any computerized or information technology systems. However, OMC Section 2.04.042.D provides that the City Council may waive the competitive process upon a recommendation of the City Administrator and finding and determination by the City Council that it is in the best interests of the City to waive the multi-step proposal solicitation requirement. Staff recommends that it is in the best interest of the City to waive the multiple-step solicitation process because extending the existing agreement will allow for a rapid transition to seamless parking meter payment for commercial fleet operators. The new mobile parking payment system will enhance fleet operators' contactless options for paying for parking, support both on-street and off-street parking facilities, and enhance user data and privacy protections.

California Environmental Quality Act Exemption

The proposed actions: (1) the adoption of an Ordinance amending Ordinance No. 13654 C.M.S (Which Adopted The Fiscal Year 2022-23 Master Fee Schedule), As Amended, To Establish A Fee For Commercial Vehicle Loading Zone Permits or (2) adoption of the resolution amending and extending the Professional Services Agreement With Populus Technologies, Inc. (Populus) For Mobility Management Software And The Reimbursement Of Parking Transaction Fees Charged To Commercial Vehicle Loading Zone Permit Holders; and (3) Appropriation of Anticipated Revenues Of Up To \$235,00 Per Year And Corresponding Ongoing Expenses Of Up To \$235,00 Per Year For The Reimbursement Of Parking Payment Transaction Fees To Commercial Vehicle Loading Zone Permit, are all exempt from the California Environmental Quality Act ("CEQA"). The CEQA exemption is pursuant to Public Resources Code Section 21080(b)(8) and CEQA Guidelines Section 15273 (Rates, Tolls, Fares, and Charges) because CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of meeting operating expenses or obtaining funds for capital projects, necessary to maintain service within existing service areas;

Alternatives

Some cities, such as Houston, Texas, require a commercial loading permit to park in a loading zone. Houston charges a fixed fee for this permit, which ranges from approximately \$30 to

\$1,400 depending on the duration of the permit and allowed parking time limit. Fixed fee permits are simple to administer but have the disadvantage of high up-front costs for permittees and the potential to incentivize excessive parking via an “all you can eat” pricing model. With high up-front costs, smaller delivery companies and commercial vehicle owners are unlikely to participate. In addition, no aggregate data would be gathered about where loading is occurring. Therefore, staff do not recommend this alternative.

FISCAL IMPACT

The fiscal impact of this item includes expenditures of \$450,00.00 for 382 new parking meters or signs by December 31, 2023. This expense has already been included in the OakDOT FY 2022-23 Mid-Cycle Budget. Upon installation, revenues of up to \$450,000.00 to \$600,000.00 per year are expected to be generated through the sale of Commercial Vehicle Permits and additional revenue collected at the new meters.

This item also includes a proposed increase in the existing contract capacity with Populus by a not-to-exceed amount of \$250,000.00. Of this amount, \$15,000.00 is for a one-year extension of the Mobility Management Software-as-a-service using existing budgeted funds and \$235,000.00 for reimbursement of parking transaction fees. These transaction fees only pass through the City and would be paid by permit holders. The City would not incur any additional cost because of reimbursement of these fees.

PUBLIC OUTREACH / INTEREST

Staff presented on this topic to multiple community groups and organizations to receive their feedback, including the Oakland Council of Business Improvement Districts on November 18, 2021, the Oakland Chamber of Commerce on February 11, 2022, and the Oakland Indie Alliance member meeting on March 7, 2022. On March 17, 2022, staff presented this item to the Bicycle and Pedestrian Advisory Commission (BPAC). The BPAC approved **a motion of support** for this proposal.

In addition, staff spoke to representatives from multiple major delivery companies to receive their feedback.

COORDINATION

The Office of the City Attorney and the Department of Finance Budget Bureau has reviewed this report and resolutions.

SUSTAINABLE OPPORTUNITIES

Economic: Metering loading zones will improve access to the curb for commercial delivery drivers and their local customers, facilitating commerce by allowing them to save time, make more deliveries and avoid parking tickets. Once installed, metered yellow zones are expected to generate approximately \$450,000.00 per year in revenue.

Environmental: Metering loading zones will increase their availability, reducing the need for delivery drivers to circle for parking, thereby reducing local air pollution and greenhouse gas emissions.

Race & Equity: Metering loading zones will reduce instances of illegal parking in bus stops, crosswalks and bike lanes, improving the safety and reliability of walking, taking transit or biking. Black, Latino, Asian-American and low-income Oaklanders use the bus more often than white or high-income Oaklanders, with 75% of AC Transit riders identifying as non-white and 65% as low-income.³

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends The City Council:

(1) Adopt An Ordinance Amending Ordinance No. 13654 C.M.S (Which Adopted The Fiscal Year 2022-23 Master Fee Schedule), As Amended, To Establish A Fee For Commercial Vehicle Loading Zone Permits And Adopting Appropriate California Environmental Quality Act Findings; And

(2) Adopt A Resolution (A) Waiving The Multi-Step Proposal Solicitation Requirement And Amending And Extending The Professional Services Agreement With Populus Technologies, Inc. (Populus) For A Term Of One Year In An Amount Not To Exceed Two Hundred Fifty Thousand Dollars (\$250,000) For Mobility Management Software And For The Reimbursement Of Parking Transaction Fees Charged To Commercial Vehicle Loading Zone Permit Holders; (B) Appropriating Anticipated Revenues Of Up To \$235,00 Per Year And Corresponding Ongoing Expenses Of Up To \$235,00 Per Year For The Reimbursement Of Parking Payment Transaction Fees To Commercial Vehicle Loading Zone Permit Holders; And (C) Adopting Appropriate California Environmental Quality Act Findings

³ AC Transit 2017-2018 On-board Survey: https://www.actransit.org/website/uploads/board_memos/17-231a%20Rider%20Survey%20Atch%20-Red%20Folder.pdf

For questions regarding this report, please contact Kerby Olsen, Transportation Planner III at (510) 238-2173.

Respectfully submitted,

Fred Kelley

Fred Kelley (Oct 14, 2022 01:51 PDT)

Fred Kelley
Director, Department of Transportation

Reviewed by:
Michael Ford,
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Prepared by:
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Attachments (1):

A: Additional Scope of Work (Populus Technologies Inc.)