



Finance Committee

Update on Proposed Parking Fee Increases

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Title

Update on Proposed Parking Fee Increases

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Receive a briefing on proposed parking fee increases. Briefing only - No action requested

Report

Issue:

Whether to receive a briefing on proposed increased parking rates for meters and on-street permits in 2019.

Staff Contact:

Max DeJarnatt, Parking Program Analyst, Community Planning & Development, 360.570.3723

Presenter(s):

Amy Buckler, Downtown Programs Manager

Background and Analysis:

The recent growth of Downtown has strained the parking supply by adding demand while removing supply. The current parking assessment indicates that on-street parking frequently drops below 15 percent availability in the core, creating congestion and frustration for Downtown visitors. Demand-based pricing is the most effective way to balance supply and demand by increasing turnover; however, the City has not updated pricing in years.

In addition, because parking is an Enterprise Fund, fines and fees must be adequate to cover the cost of Parking Operations. As the City implements the beginning phase of the draft Parking Strategy to improve the user experience, expenses to the Parking Enterprise Fund have increased. Additional technology upgrades, support for multimodality, lighting improvements and a shared parking program will continue to impact the fund's bottom line.

City staff will review proposed parking fee increases at the meeting. Most of these fee increases are

the purview of the City Manager, and the proposal is for the new fees to be in place on January 1, 2019. The exception is the residential parking program fees as these are embedded in the municipal code. On August 16, 2018, staff briefed the Land Use and Environment Committee on recommended parking code updates, which includes the proposed residential parking program fee increase among other things. Recommended parking code updates will come forward to Council in a few months.

Meter rates

Olympia's on-street meter rates should be priced high enough to ensure 85 percent occupancy. The last increase to the Downtown core was in 2010. A 25¢ per hour increase for the 2-, 3-, and 9-hour meters is meant as the first step of an incremental process to facilitate turnover at all meters and recoup expenses. Staff will monitor occupancy rates and recommend adjustments (up or down) annually.

The 15 minute meters provide 15 minutes of parking for as low as 1¢. Staff recommends increasing the per hour rate to \$1, or 25¢ per quarter hour.

9 hour permits

On-street permits are currently sold at 66 percent of their market value, meaning the customer pays \$30 less to pay for parking monthly than they would at a meter. This program was intended as a convenience for Downtown employees, as the 9-hour meters accept only coins and meter debit cards. With Pay-By-Phone, parking services has added another convenient payment method to these meters.

Monthly parking payments reduce the incentive to find other modes of transportation, and are generally discouraged from a Transportation Demand Management standpoint. The last increase to this permit was in 2004. Staff recommends increasing the 9 hour permits by \$10 as an incremental step to eventually align the permit cost with on-street meter fees.

Eastside 9-hour permits were created in 2014 with the acknowledgement that demand for on-street parking east of Plum street was much lower than parking elsewhere. These permits have been available at half the cost of general 9-hour permits. Unfortunately, this disincentivizes bus travel or carpooling for office workers in the area. Staff recommends increasing this permit by \$20 per month as an incremental step to aligning the cost with on-street metered parking.

Residential Parking Permits

By charging residents \$10 per vehicle per year, the City encourages an undue strain on the downtown retail core's parking system. In addition, neighborhoods affected by the legislature demand increased enforcement. The draft parking strategy recommends increasing residential parking zone permits progressively, based on ground floor priorities. The last increase to this permit was in 2007. As an incremental step, staff recommend increasing all residential permits from \$10 to \$60 per year. This equates to \$5 per month, well under market value for Downtown parking.

Overtime Meter Permits

Overtime Meter Permits allow private businesses and organizations the ability to reserve metered

stalls downtown or work in residential timed areas. The meter reservations require staff time to approve, coordinate, install, and remove meter hoods. The last increase to this permit was 2007. Staff recommends increasing the fee from \$10 per day to \$15.

Neighborhood/Community Interests (if known):

Downtown and South Capital Neighborhood Associations will be effected by residential zone price increases. Downtown employees will be effected by 9-hour permit fee increases. Downtown businesses should expect an increase in available on-street parking for their customers.

Options:

Discussion only - No action requested.

Financial Impact:

See attached tables

Attachments:

Pricing Increase Table

Parking Enterprise Fund Increased Expenses