

Staff Analysis and Revised Draft

Council Policy 100-18 PARKING METER REVENUE ALLOCATION & EXPENDITURE POLICY

The Report of the Parking Task Force, entitled “Managing Parking in San Diego”, included a draft revision of Council Policy 100-18. Below, is the text of the Council Policy (in bold print) directly followed by the staff analysis of each section. The existing text of Council Policy 100-18 is in **bold font**. The sections identified in **red** are the recommendations of the Manager’s Parking Task Force, the sections in **blue** are recommendations of City Staff.

Purpose:

The intent of this Policy is to retain a certain portion of the meter revenues collected for the benefit of the area in which the meter is located. These revenues will be used for a variety of neighborhood and business improvement projects. Parking Management Meter Districts (PMDs) will be established to provide an equitable mechanism for distribution of the funds.

Staff Analysis

At the LU&H meeting on March 24, 2004, Councilmember Peters asked that the term Parking Meter Districts be changed to Parking Management Districts. There may be minor costs associated with this name change, primarily reprints of informational materials and web-site changes.

Policy:

A. Use of Parking Meter Funds

1. Parking Management Meter District Revenues shall be **primarily** used to address parking supply and mobility issues. Improvement and activities that increase the availability, supply and effective use of parking to residents, visitors and employees within the area in which the meter is located ~~will~~ **shall** be the ~~primary~~ **principal** focus of expenditure of the funds. Parking Management Meter District revenues shall **be used in accordance with Municipal Code §82.08 and §82.09 and may** be used for such purposes as **including but not limited to, the following:**
 - a. **Increasing the parking supply including: self-parking, valet-parking, on-street parking, surface parking and structured parking lots. This includes the acquisition of land, design, financing, construction and/or operation of public parking facilities.**
 - b. **Managing the existing parking inventory, including but not limited to: parking evaluations, reconfiguration of existing on-street parking**

inventory, residential permit parking programs, and/or employee parking programs/incentives.

- c. **Providing mobility information such as signing, marketing, and communicating the of location, availability, cost, etc. of district-wide parking options.**
- d. **Providing funding for community shuttles within the boundaries of the Parking Management Meter District.**
- e. **Promoting alternative forms of transportation to reduce parking demand (i.e., community shuttles, public transit, bicycling, and walking).**
- f. **Providing for extraordinary maintenance and landscaping activities associated with or required by any of the activities listed above.**
- g. **Providing for extraordinary security activities associated with or required by any of the activities listed above.**

Staff Analysis

Task Force recommendations are acceptable and serve to clarify the authorized expenditures of the Parking Meter District. All recommendations for authorized expenditures fall within the scope and spirit of existing Council Policy 100-18.

- 2. **Parking Management Meter District revenues shall supplement and not supplant existing City funding sources and program revenues for each meter district.**

Staff Analysis

Staff supports the change from Parking Meter Districts to Parking Management Districts.

- 3. **The cost of meters and their installation in existing parking meter districts will be shared between the City and the Parking Management District based upon the percentage by which the meter revenues are shared as listed in section D(1) below. ~~advanced by the City from the City's share of the existing meter revenues and repaid from revenue generated by the newly installed meters; or, by the Parking Meter District at its option.~~**

Staff Analysis

To facilitate the installation of meters, staff recommends the purchase or lease of new parking meters/meter technology be reimbursed from parking meter revenues based upon the percentage by which the revenues are shared (currently, 55% from City funds and 45% from the Parking Meter District that is installing the meters). This has recently been the City's practice when acquiring new meters.

B. Parking Management Meter District (PMD) Boundaries Formation

1. A Parking Management Meter District may be established by the City Council ~~in areas with more than one hundred (100) meters in existing areas with one-hundred (100) or more parking meters or concurrent with the approval of the installation of one-hundred (100) or more parking meters, a new parking meter zone consistent with the criteria and process adopted by the City Council.~~

Staff Analysis

Staff recommends retaining the requirement for a minimum number of 100 parking meters within a community before designating it as a Parking Meter District in order to maintain a level of economic efficiency. Staff supports the concept of requesting approval from Council for the designation of a Parking Meter District concurrently with the authorization of new meter installations – especially considering most areas with 100 meters or more have already been designated as Parking Meter Districts.

2. ~~Areas that fall within the boundaries of an existing Parking Management Meter District shall not be permitted to form a new Parking Management Meter District or a new sub-district with the approval of City Council. ; unless the existing district advisory board so agrees in writing.~~

Staff Analysis

Because the Parking Meter Districts are designated by City Council, staff recommends that the formation of a sub-district of an existing PMD also be subject to Council approval.

3. ~~The cost of meters and their installation in order to establish a new parking meter district will be shared between the City and the Parking Management District based upon the percentage by which the meter revenues are shared as listed in section D(1) below, advanced by the City from the City's share of the existing meter revenues and repaid from revenue generated by the newly installed meters; or, by the Parking Meter District at its option.~~

Staff Analysis

To facilitate the installation of meters, staff recommends the purchase or lease of new parking meters/meter technology be reimbursed from parking meter revenues based upon the percentage by which the revenues are shared (currently, 55% from City funds and 45% from Parking Meter District that is installing the meters). This has recently been the City's practice when acquiring new meters.

Any new meters installed should incorporate new technology but also be aesthetically and technologically compatible with the City's existing meter inventory.

4. ~~Upon formation of the Parking Management Meter District, recommendations may be made to the City Manager City Council with~~

regard to the hourly meter rate, hours of enforcement and time limits for the newly installed meters. The City Manager will present this information to Council, along with staff recommendations, for consideration.

Staff Analysis

PMD recommendations regarding hourly meter rates, hours of enforcement and time limits should be made to the City Manager. The City Manager will then present staff comments and PMD recommendations to Council at the formation of the district

5. The Parking **Management Meter** District shall encompass those meters that ~~serve either the general destination of source of the parking demand~~ **included in each respective Parking Management Meter District Map, maintained by the Parking Meter District Program Administrator. See attached Parking Meter District Map(s).**

Staff Analysis

The recommendations of the Parking Task Force require that a new map be added to Council Policy 100-18 with the addition of each new Parking Meter District. Rather than require that Council Policy 100-18 be amended each time a new district is formed, the City Manager would like the Administrator or Manager of the Parking Meter District Program to maintain current maps for each Parking Meter District.

C. Parking **Management Meter** District Advisory Board

1. **Upon formation of a Parking Management Meter District, the City Council shall designate an advisory board with the establishment of each for the Parking Management Meter District for the purpose of recommending programs and expenditures of allocated parking meter revenues. The advisory board shall be an existing board of either a business improvement district (BID), a non-profit redevelopment corporation, or a non-profit community development corporation (CDC) or any other non-profit corporation approved by the City Council. As wide a representation of appropriate representatives within the Parking Management Meter District boundaries shall be sought to comprise the advisory board. Final approval of the Parking Meter District expenditures shall rest with the City Council. (Moved this to paragraph #C.2.)**

Staff Analysis

Staff recommends that all designated Advisory Boards represent a broad range of the community, including residents, business owners and property owners.

2. The Parking **Management Meter** District Advisory Board shall develop and recommend to the City Council **an annual improvement / implementation plan each fiscal year an annual and a five-year improvement / implementation plan** specifying recommended annual expenditures **budget. Final approval of the Parking Management Meter District annual budget**

and improvement plan shall rest with the City Council. Such approval may be granted by authorizing the City Manager to execute a written agreement between the City and the designated Parking Management Meter-District Advisory Board, or through the annual citywide budgetary approval process.

Staff Analysis

Task Force recommendations are acceptable.

- In its annual improvement / implementation plan, the Parking Management Meter-District, may make recommendations to the City Manager City Council with regard to the hourly meter rate, hours of enforcement and time limits for the newly installed meters. The City Manager will present this information to Council, along with staff recommendations, for consideration.**

Staff Analysis

PMD recommendations regarding hourly meter rates, hours of enforcement and time limits should be made to the City Manager. This City Manager will then present staff comments and PMD recommendation to Council for approval.

D. Allocation of Parking Management Meter District Revenues

- A percentage of the total parking meter revenues generated by the City of San Diego shall be allocated to the Parking Management Meter District on an annual basis. The percentage in Fiscal Year 1997 shall be fifteen percent (15%), the percentage in Fiscal Year 1998 shall increase to thirty (30%) and increase to forty five (45%) in Fiscal Year 1999. 2005 shall be forty-five (45%) each fiscal year; however, when the gross actual meter revenue generated in the prior fiscal year increases to \$ 7.5 million, then the percentage allocated to the Parking Meter Districts shall be increased to 50%.**

Staff Analysis

A change from the 55-45% to the 50-50% split once the annual meter revenues reach \$7,500,000 would represent a significant loss to the General Fund for cost recovery purposes.

- Parking Management Meter District revenues shall be allocated to each Parking Management Meter-District based on the percentage of average annual gross collections generated within each district. Monies collected will be disbursed pursuant to the adoption and approval of an implementation plan submitted to the City Council pursuant to subsection C(2) above.**

Staff Analysis

Staff supports the change from Parking Meter Districts to Parking Management Districts.

3. ~~Revenues or alternative fees paid to the City as a result of the reduction of available on-street paid parking within the Parking Meter District may also be shared according to paragraph D(1) above. (Such fees may include: fees paid to “hood” or remove on-street parking meters for construction, valet parking fees, residential parking/shoppers permit programs, in-lieu parking fees/credits, etc.)~~

Staff Analysis

Most of the fees listed by the Manager’s Parking Task Force are cost recovery fees used to cover staff and direct City costs. They should not be shared. The City may consider additional financing mechanisms for the purpose of constructing public parking facilities by adopting the Task Force Recommendation A(4) discussed in the main body of this report to “encourage the development of public parking structures, etc.”

3. The Parking Management Meter-District Program shall be administered by the Community and Economic Development Department, ~~in conjunction with the City’s Business Improvement District (BID) Program (BIDP) and the Small Business Enhancement Program (SBEP) for coordination purposes.~~ On an annual basis, 5% of the Parking Management District Program appropriation 2.5% of the gross meter revenue estimate as listed in the City Budget will be allocated to the Community and Economic Development Department administrative agency of the Parking Meter District Program for costs associated with the program.

~~Various entities within a given district may designate one agency to administer the funds by written agreement. (Moved to section B.2)~~

Staff Analysis

Staff agrees that the PMD program should be administered by the Community and Economic Development Department.

Staff does not support the recommendation to base the administrative allocation on 2.5% of the gross meter revenue estimate. This would represent a loss in General Fund revenue in comparison to the current practice. The administrative revenues should continue to be assessed as 5% of the Parking Meter Districts’ 45% allocation and this allocation should be formalized in Council Policy 100-18. The entire cost of the program should be born by the program itself.

4. The City will conduct an annual fiscal year-end reconciliation of actual parking meter revenues. To the extent that actual meter revenues are less than or greater than the approved budget estimate, the difference will be incorporated in the following fiscal year’s Parking Management Meter District allocation.

Staff Analysis

The existing policy requires a split of the parking meter revenues with the community in

which they are generated, based upon a specified percentage (55%-45%). In practice, the PMD Program has not been allocated the true 45% of actual meter revenues. Staff supports this recommendation, even though approving it may have an overall net negative impact on the General Fund revenues in future fiscal years. (See below for details.)

45% of Actual Meter Revenues vs. PMD Allocation / Difference

FY 01	\$2,299,680	vs.	\$1,980,000	/	(\$319,680)
FY 02	\$2,311,776	vs.	\$2,276,892	/	(\$ 34,884)
FY 03	\$2,496,073	vs.	\$2,276,892	/	(\$219,181)

This year-end allocation could become part of the annual budget process, similar to the Business Tax Certificate revenues and the reconciliation of BID funds. It will require an accurate tracking mechanism to produce reports showing the meter revenues generated within the boundaries of each Parking Meter District.