



Date: October 7, 2013

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Mark D. Ahrendsen, Transportation Director
Subject: Comprehensive Parking Study Reports for Downtown and Ninth Street Areas

Executive Summary

The City of Durham executed a contract with Kimley-Horn & Associates, Inc. in June 2012 to provide professional consultant services for the overall Comprehensive Parking Study for Downtown and Ninth Street. The Comprehensive Parking Study provides guidance to the City Council in the formulation of policies to address parking related issues associated with on-going development Downtown and in the Ninth Street area and helps to ensure that existing off and on-street parking supply is being efficiently and effectively managed and utilized. Input was solicited from a variety of Downtown and Ninth Street area interest groups (employers, business owners, residents, developers, special event operators, etc.) in the development of the Downtown and Ninth Street Study Area Comprehensive Parking Study Reports and opportunity was provided for comments on the draft reports.

The following are among the more significant recommendations of the parking studies:

1. Implement paid on-street parking for approximately 750 spaces in the Downtown area and 150 spaces in the 9th Street area.
2. Expand time restricted on-street parking in the Downtown and 9th Street area.
3. Increase the rate for monthly parking permits in the Downtown parking decks and surface lots.
4. Increase the fee for special events in the City's parking decks.
5. Develop a specific permit for the City's parking decks that provide reserved parking 24 hours a day, 7 days a week (for Downtown residents).
6. Improve security in City parking facilities.
7. Begin planning for a new City owned parking deck on one of the City owned surface parking lots on Morgan Street between Mangum and Foster Streets.
8. Pursue shared use of Duke University off-street parking lots near the 9th Street area for area employees.
9. Implement paid parking in the off-street parking lot on Ninth Street.
10. Improve the alley linking Iredell Street to 9th Street (8 Alley) to provide a better pedestrian connection between available parking on and near Iredell Street and businesses on 9th Street.
11. Create a Parking Manager position.
12. Implement a comprehensive Parking Enterprise Fund that captures all parking revenues and expenses.

Some of these recommendations have already been implemented:

- The rate for monthly parking permits in the Downtown parking decks and surface lots was increased by \$10 effective October 1, 2013.
- The fee for special events in the City's parking decks was increased by \$1 effective October 1, 2013.
- A special permit for the City's parking decks that provides reserved parking 24 hours per day, 7 days per week at \$90 per month was created effective October 1, 2013.
- The FY 2013-14 Parking Budget included funding for a new Parking Manager position.
- The FY 2013-14 Parking Enterprise Fund includes all revenues and expenses associated with the City's parking operation.

Recommendation

The Department of Transportation recommends that the City Council receive the Comprehensive Parking Study Reports for the Downtown and Ninth Street areas and a presentation on these reports.

Background

The City contracted with Kimley-Horn & Associates in 2012 to evaluate the parking it manages within the Downtown and Ninth Street areas and learn how that parking can be managed and operated in a more effective and customer friendly manner. Downtown and Ninth Street are experiencing growth and development and it is expected that the City's parking operations should support the vision and growth of Downtown and Ninth Street since many businesses and Downtown residents rely on the City parking facilities to meet their parking needs. Consequently, the Comprehensive Parking Study was performed to determine whether the current parking supply in the Downtown and Ninth Street areas is adequate under existing conditions and for future conditions as development in the Downtown and Ninth Street area continues. If a parking shortfall or deficit is identified, the results of the study should help to identify potential sites suitable for increasing parking supply. The Comprehensive Parking Study is intended to provide guidance to the City Council in the formulation of policies to address parking related issues associated with on-going development in the Downtown and Ninth Street area and to help ensure that existing off- and on-street parking supply is being efficiently and effectively managed and utilized. The Comprehensive Parking Study included the following tasks:

Downtown:

- 1) Project Management;
- 2) Review of Background Documentation Relating to Existing Conditions;
- 3) Inventory of Current Parking Capacity;
- 4) Assessment of Current Parking System Utilization;
- 5) Supply/Demand Analysis and Projection of Future Parking Needs;
- 6) Development of Supply Side Solutions;
- 7) Development of Demand Side Solutions;
- 8) Evaluation of Parking Policy and the Municipal Parking Program;
- 9) Development of Public Information Tools; and
- 10) Recommendations and Financial Plan for Meeting Future Parking Needs

Ninth Street

- 1) Project Management;
- 2) Review of Background Documentation Relating to Existing Conditions;
- 3) Inventory of Current Parking Capacity;
- 4) Assessment of Current Parking System Utilization;
- 5) Supply/Demand Analysis and Projection of Future Parking Needs;
- 6) Development of Supply Side Solutions; and
- 7) Recommendations and Financial Plan for Meeting Future Parking Needs.

Issues and Analysis

Several issues have contributed to the need for the Downtown and Ninth Street area parking studies and the findings and recommendations forthcoming from these studies:

- Conditions have changed significantly in both the Downtown and Ninth Street areas in the past ten years (when the last Downtown parking study was conducted).
- The number of residents in the Downtown continues to grow.
- Considerable new development, particularly in the Downtown area, is anticipated in the next few years. Some of this new development will provide sufficient parking to meet their needs; other development will rely -- at least partially -- on public parking.
- On-street parking is a valuable asset.
- The Parking Fund is currently subsidized (primarily due to debt service) by the Debt Service Fund.
- Employee parking is a concern for the 9th Street area businesses.

Financial Analysis

The Parking Fund is currently operating at a deficit of approximately \$2,000,000 due primarily to debt service payments. As a result, the Parking Fund is subsidized by the Debt Service Fund.

The financial analysis associated with the Downtown Parking study report projects that the Parking Fund will be financially solvent within ten years (parking revenues will equal or exceed parking expenses). The subsidy needed, however, is projected to increase over the next two fiscal years before it begins decreasing again. This will require additional General Fund dollars to meet the Parking Fund's expense needs. This financial analysis is based upon a number of assumptions:

- 1) Parking facility maintenance expenses are included in the analysis.
- 2) A new 500 space parking deck (with associated expenses and revenues) is included in the analysis.
- 3) A charge for on-street parking is implemented in FY 2014-15.
- 4) Consumer utilization of the existing parking facilities is projected to increase.
- 5) Periodic rate increases for both on-street and off-street parking are included in the analysis.

Paid On-street Parking

The Downtown Parking study identified approximately 1,500 on-street parking spaces in the study area. Approximately half of these on-street parking spaces are located along block faces where the occupancy exceeded 60% for at least two consecutive hours. It is recommended that paid on-street parking be implemented on these approximately 750 spaces to reflect the value of these on-street spaces and better manage their use (i.e.,

encourage higher turnover). Approximately 150 of the 352 on-street spaces in the Ninth Street area are recommended for paid parking.

It is recommended that the hourly rate for on-street parking be set at \$1.25 per hour. With an hourly rate of \$1.00 per hour for off-street parking, this on-street hourly rate encourages those with plans for longer stays to use the off-street parking facilities leaving the on-street spaces available for those with shorter stays.

In general, paid on-street parking is recommended to be implemented within and adjacent to the Downtown Loop, the area surrounding the American Tobacco Campus and Durham Performing Arts Center, West Village and a portion of the Brightleaf District, and along Ninth Street, Iredell Street and Perry Street in the Ninth Street area.

It is also recommended that the revenue collection technology for the paid on-street parking be by use of pay stations and pay by cell phone.

The financial analysis projects the implementation of paid parking for 750 spaces Downtown and 150 spaces of the Ninth Street area effective January 1, 2015. Further analysis of the exact locations of paid on-street parking and the specific revenue collection technology should be completed before implementing paid on-street parking.

Residential Parking

The existing parking fee ordinance includes a \$10 per month residential parking permit that allows use of any one of a designated group of spaces during the hours of 6:00 pm to 8:00 am Monday through Friday and 6:00 pm Friday to 8:00 am Monday. This residential parking program was implemented in 1999 and was intended to offer Downtown residents a low cost option for using City parking decks during off-peak hours (i.e., nights and weekends).

In 2004, it was discovered that some of the holders of these permits had been allowed to park without paying the fee. At this time, the City decided to waive this fee for all residential permit holders until such time as a parking study was completed.

The Downtown Parking study report recommends reinstating the monthly charge for the residential parking permit but increasing the fee to \$20 per month and enforcing the hours of access associated with this fee. Access to the deck outside these hours would involve a charge at the hourly rate.

Residents desiring access to a City deck or lot during weekday hours would have the option to purchase a typical monthly parking permit at the current rate (effective October 1, 2013 \$55 per month in a surface lot – previously \$45; \$65 per month in a deck – previously \$55). The Parking study recommends that access to the surface lots and decks remain available at no charge from 7:00 pm to 8:00 am Monday through Friday and from 7:00 pm Friday to 8:00 am Monday; thereby providing access to City surface parking lots or parking decks 24 hours per day, 7 days per week at \$55 per month and \$65 per month, respectively.

During the stakeholder outreach, some residents expressed a desire for a residential parking permit that provides access to a reserved space in a parking deck 24 hours a day, 7 days a week. A reserved space parking permit from 8:00 am to 7:00 pm Monday through Friday is currently available \$80 per month (previously \$70 per month prior to October 1).

The Parking Study recommends that a permit be offered for a reserved parking space 24 hours per day, 7 days per week at \$90 per month. Such a permit was made available effective October 1, 2013.

During the review of the draft report, several Downtown residents indicated that they had been provided unrestricted access to the City's parking decks and monthly surface lots at no charge. They also indicated that the hourly restrictions associated with the existing residential parking permit did not meet their needs for weekday daytime access to the parking facilities and they were opposed to paying the regular monthly rates for such access.

In August 2013, the existing 128 holders of a residential parking permit were advised that the \$10 fee for a residential parking permit and the hourly access restrictions associated with such a permit would begin to be enforced beginning October 1, 2013. They were further advised that they could purchase a regular monthly parking permit (\$55 for a surface lot, \$65 for a parking deck) or a 24/7 reserved monthly parking permit (\$90) if they desired access to the parking facilities during weekday daytime hours.

In response to residents' concerns with the short notification associated with the changes to the residential parking permit and the lack of opportunity to express concerns/opposition to such changes within the context of the Downtown Parking Study review by City Council, Downtown residential parking permit holders were subsequently advised that the \$10 monthly fee for the residential parking permit would be implemented effective October 1, 2013 but that hourly access to the specific parking facility provided by the residential parking permit would remain unrestricted until January 1, 2014. This was intended to afford City Council an opportunity to consider recommendations from the Downtown Parking Study and input from Downtown residents regarding the residential parking permit prior to implementing any changes January 1, 2014.

Several Downtown residents addressed City Council at a work session on September 5, 2013 and expressed opposition to the changes to the residential parking program and the process by which decisions associated with these changes were made. They stated that free unrestricted access to the City's parking facilities had been provided to them since the early 1990s and deemed the proposed hourly restrictions associated with the residential parking permit and the fee associated with the regular weekday daytime parking permit unfair and an undue financial burden.

In further researching the history of the residential parking permit, staff found that City Council had adopted a resolution on November 2, 1992 that allowed for free parking in City parking decks by Downtown residents located within the Downtown Loop. This free parking for residents in the Downtown area was included in a June 30, 1993 Council Resolution Pertaining to Parking Rates in City Facilities.

However, a Resolution Increasing Parking Rates in City Facilities approved by Council on June 30, 1994 did not include any provision for free parking for Downtown residents. It is not known if such exclusion of free parking for Downtown residents was intentional or an error.

A resolution approved by Council on May 3, 1999 initiated a residential parking permit that provided use of one of a designated group of parking spaces in a City parking facility on an after-hours basis (6:00 pm to 8:00 am Monday through Friday, all day weekends and holidays) for \$10 per month.

This general provision for a residential parking permit has remained in parking fee ordinance updates since that time with no provision for free resident parking.

Following the September 5, 2013 City Council work session, staff met with some of the Downtown residents who had expressed concern with the recommendations for the residential parking program and discussed these concerns.

While the Downtown Parking Study recommends increasing the residential parking permit fee to \$20 per month and enforcing the hours of access, it also recommends that the City consider phasing out this permit at this cost and phasing in residential permit rates across the board that more closely align with current market rates. There are currently 128 residential parking permit holders.

Accordingly, the following options for parking permits for Downtown residents (located within the Downtown Loop) are hereby offered:

- 1) Continue to offer free unrestricted access to the City's parking facilities to existing Downtown residential parking permit holders (128) and charge future residents the market rates (or reduced rate).
- 2) Phase in the market rate for existing Downtown residential parking permit holders (128) over a 3-year period beginning January 1, 2014 as follows:

	<u>Surface Lot</u>	<u>Deck</u>
January 1, 2014	\$20	\$25
January 1, 2015	\$40	\$45
January 1, 2016	\$55	\$65

Charge future residents the market rate

- 3) Provide a monthly parking rate for existing Downtown residential parking permit holders at one half the market rates (\$27.50 – surface lot; \$32.50 parking deck).

Charge future residents the market rate

The fiscal year financial implications of the aforementioned options compared to what would be expected with the implementation of market rates for residential parking permits effective January 1, 2014 follows:

Option 1	<u>Market Rates</u>	<u>Reduced Rates</u>	<u>Difference</u>
FY 2013-14	\$40,050	\$0	\$40,050
FY 2014-15 & thereafter	\$98,160	\$0	\$98,160

Option 2	<u>Market Rates</u>	<u>Reduced Rates</u>	<u>Difference</u>
FY 2013-14	\$40,050	\$18,780	\$21,270
FY 2014-15	\$98,160	\$52,920	\$45,240
FY 2015-16	\$98,160	\$83,220	\$19,940
FY 2016-17	\$98,160	\$98,160	\$0

Option 3	<u>Market Rates</u>	<u>Reduced Rates</u>	<u>Difference</u>
FY 2013-14	\$40,050	\$24,540	\$15,510
FY 2014-15 & thereafter	\$98,160	\$49,080	\$49,080

Alternatives

Receive the Comprehensive Parking Study Reports for the Downtown and Ninth Street Areas and a presentation on these reports.

Financial Impact

The financial impact of the Downtown and Ninth Street Parking Study Reports will depend upon the recommendations approved by Council and the timing of the implementation of these recommendations.

SDBE Summary

SDBE requirements are not applicable to the Downtown and Ninth Street Parking Study Reports.

Attachments

- 1) Comprehensive Parking Study Report for the Downtown Study Area
- 2) Comprehensive Parking Study Report for the Ninth Street Study Area
- 3) City of Durham Comprehensive Parking Study Presentation