



Date: January 19, 2016

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Mark D. Ahrendsen, Transportation Director

Subject: Presentation on Parking System Projects

Executive Summary

The City completed a Comprehensive Parking Study for Downtown and Ninth Street in 2013. A presentation of the findings and recommendations of the Study was provided to the City Council at a work session on October 24, 2013. The Study recommended that the City implement a diverse portfolio of initiatives, including establishing a Parking Enterprise Fund, implementing a Paid On-Street Parking Program, and building a new parking garage in the Downtown area. To date, City staff has implemented many of the recommendations of the Parking Study.

At this time, staff would like to provide a brief overview and update to the City Council on several parking projects.

Recommendation

The Department of Transportation recommends that the City Council receive a presentation on updates from recommendations of the Comprehensive Parking Study, with specific emphasis on the Paid On-Street Parking Program, the proposed new downtown parking garage, and the Parking Enterprise Fund. A copy of the presentation is provided as Attachment A.

Background

In 2013, the City of Durham, under contract with Kimley-Horn, conducted a Comprehensive Parking Study of the existing parking system to be in a position to provide an improved experience to those that work, visit and live in Durham. The Study provided thirty (30) recommendations for the City to consider for implementation. A summary report of the status of the recommendations is provided as Attachment B.

Paid On-Street Parking Program

As a result of the public and stakeholder outreach, as well as the duration and turnover data that was collected, it became evident that time limits for on-street parking spaces in Downtown study were being exceeded by visitors and downtown employees. Taking into account the feedback obtained as a result of the outreach process, paired with the assessment of available on-street parking technology and best practices, the Comprehensive Parking Study recommended that the City implement a Paid On-Street Parking Program to encourage turnover and to financially support the parking system. This Paid On-Street Parking Program also comes with additional operating expenses, primarily related to administration of revenues, maintenance of equipment, and increased enforcement activity.

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. The Study recommended that the City implement paid on-street parking for approximately 750 spaces within the Downtown area. The identified areas generally included the area within and on the Downtown Loop, the area surrounding the American Tobacco Campus and the Durham Performing Arts Center, West Village, and the Brightleaf District.

In July 2014, the City expanded its on-street enforcement area to include areas in the Central Park, the areas surrounding the Old Durham Bulls Athletic Park and Geer Street Entertainment District, East Main Street and the Durham County Human Services Complex, and Cleveland and Elliott Streets. In the expanded enforcement area, there is an additional 250 on-street parking spaces that could be included in the paid on-street target area, for a total of approximately 1,000 on-street parking spaces. A map of the proposed Paid On-Street Parking Program is provided as Attachment C.

The Paid On-Street Parking Program is referenced as an initiative of Goal 3 in the City of Durham's Strategic Plan to "improve the access to and mobility of Durham neighborhoods and to advance financial capacity for provision of future downtown parking".

It is recommended that the hourly rate for on-street parking be set at \$1.50 per hour. It is also recommended that the hourly rate for off-street parking be increased to \$1.25 per hour with no daily maximum limits. These rates are envisioned to encourage those with plans for longer stays to use the off-street parking facilities leaving the on-street spaces available for those with shorter stays.

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 technology.

New Parking Garage

During the Comprehensive Parking Study, two sites for potential garages were identified within the Downtown Loop to meet the demand. In the Study, it was recommended that for planning purposes, revenues associated with a potential new City-owned parking garage were estimated and projected.

The Parking Study identified (2) two City-owned surface parking lots as potential sites for the new parking garage. Each of these sites was studied to determine the number of parking spaces that are attainable within the available space in the existing lots, as well as the potential to incorporate retail space within the structure. In consultation with Kimley-Horn, City staff determined that surface parking lot #14, located at the intersection of Mangum and West Morgan Streets as the site of the new parking garage. The new facility will be a mixed-use garage consisting approximately of 750 parking spaces, approximately 15,000 square feet of commercial/retail space; and dedicated office space for the City's Division of Parking System Management.

Parking Enterprise Fund

As the City's parking program becomes more developed and sophisticated, including the implementation of a Paid On-Street Parking Program, the Comprehensive Parking Study recommended that the City fully implement a Parking Enterprise Fund. This policy would ensure that all net revenues collected from the parking system, including both on- and off-

street parking, would be allocated to a specific fund that would be used to pay for public improvements in the area in which the revenues were collected.

At the time of the Study, the City did not operate with a single fund associated with all things related to parking. Revenues and expenses associated with typical operations and maintenance reside in Transportation, while facility maintenance and repair is funded through General Services. Further, the debt service related to the construction of the North Deck and renovations of the Durham Centre, Corcoran Street, Chapel Hill Street and Church Street garages are assigned to the General Fund.

The City's Off- and On-street parking assets are a finite commodity, and it is important that these resources are efficiently and effectively managed. To this end, the City's Division of Parking System Management operates as an enterprise fund. The Parking Enterprise Fund accounts for the parking revenues and the operational, maintenance, and capital improvement expenditures associated with the City's parking assets. A copy of the Parking Enterprise Fund is provided as Attachment D.

Please note that the Department is awaiting direction from Budget and Management Services and the City Manager's Office if there will be a presentation on the Parking Enterprise Fund at the City Council Budget Retreat in February 2016.

Issues and Analysis

Paid On-Street Parking Program

Parking is an important component of the overall transportation and mobility network since the design and location of parking can influence personal travel choices. The City's on-street parking spaces are some of Durham's most valuable publicly-owned and managed resources. The supply strategy seeks to accommodate short-term parking needs while discouraging use of on-street spaces for long-term parking. Downtown Durham has realized growth over the last few years, including a significant increase in the number of individuals who live, work and play in the area. As a result of this growth, there is unprecedented demand for parking in both the on- and off-street parking spaces.

Under-regulated on-street parking results in limited parking availability, inefficient utilization of spaces and excess vehicular circulation. As the population and economic growth is projected to continue increasing, parking demand in the Downtown area will continue to rise to unprecedented levels and in some cases, exceed parking supply. The implementation of the Paid On-Street Parking Program utilizing meter technology will serve as a tool to manage demand for a finite supply of on-street parking spaces and, therefore, to achieve parking availability goals.

Staff utilizes effective parking pricing strategies to provide long-term parkers with the flexibility to choose on-street parking, but also recommends implementing a Paid On-Street Parking Program to further encourage a shift to off-street facilities. As a result, convenient spaces are released for short-term visitors. When on-street parking spaces are free, parkers have no incentive to pay for off-street parking. Implementing a Paid On-Street Parking Program will encourage users to consider the most appropriate parking facility based on their individual needs.

Staff recommends that the hourly rate for parking in City-owned off-street parking facilities is currently at \$1.00 per hour. Also, Staff recommends a rate of \$1.50 per hour for on-street

parking and an increase from \$1.00 to \$1.25 per hour for parking in the off-street parking facilities. This relationship (higher rate for on-street, lower rate for off-street) encourages those with plans to stay in the area for longer periods of time to use the off-street facilities leaving the on-street spaces for those requiring shorter durations.

New Downtown Parking Garage

Due to current and proposed development and revitalization projects occurring in Downtown Durham, Staff, in collaboration with Kimley Horn and Associates, Inc., has updated the Parking Study's parking demand analysis. At present, three of the City's parking garages (i.e., Chapel Hill Street Garage, Corcoran Street Garage and the Durham Centre Garage) operate at or near capacity during the weekday hours. The Church Street Garage is expected to operate at or near capacity as of July 2017.

City staff, led by the City-County Planning Department, conducted an Urban Design Studio with Downtown residents and stakeholders in January 2014 to receive input and discuss other considerations for a new parking garage. Downtown residents and stakeholders advised City staff regarding the desired number of parking spaces that would be attainable, as well as the potential to incorporate commercial/retail space within the structure.

The Comprehensive Parking Study recommended that in order for the City to meet future demand in the Downtown area, the City should plan to build a City-owned parking garage.

Parking Enterprise Fund

The City's on- and off-street parking spaces are a finite commodity, and it is important that these parking assets are efficiently and effectively managed as a scarce and valuable resource. To this end, the City's Parking Division operates as an Enterprise Fund. The Parking Fund accounts for the parking revenues.

Staff is recommending implementing the following items:

1. Implementation of the Paid On-Street Parking Program at a rate of \$1.50 per hour in September 2016
2. Increase in the hourly parking fees in the City's Off-Street Parking lots and garages from \$1.00 to \$1.25, with no daily maximum fee effective September 2016.
3. Authorization to proceed with construction plans on a new mixed-use parking garage on the City-owned parcel, known as Lot 14 effective immediately.

Alternatives

1. Authorize the Administration to implement an hourly fee of \$1.50 for the On-Street Parking Program and increase the hourly fee for the City's Off-Street Parking Program from \$1.00 to \$1.25 per hour, with no daily maximum fee, effective September 1, 2016.
2. Authorize the Administration to implement one of the recommendations for the On-Street Parking Program, (i.e., Option A or Option B).
3. Authorize the Administration to proceed with plans for the construction of a new parking garage on the existing City surface parking lot, known as Lot 14.

Financial Impact

Paid On-Street Parking Program

The estimated procurement costs of the parking meters and/or paystations is approximately \$1.2 million dollars. The operational expenses associated with managing the Paid On-Street Parking Program are estimated to be approximately \$375,000 annually. The annual expenditures account for the operational, maintenance, and staffing costs associated with the Paid On-Street Parking Program. The projected annual revenue from the Paid On-Street Parking Program is estimated to be approximately \$756,000 in FY16-17 and approximately \$1 million in subsequent fiscal years.

New Parking Garage

The estimated project costs for the design and construction of the new mixed-use parking garage is approximately \$23.9 million dollars. The estimated revenues for the new garage are \$365,000 in FY18-19 and approximately \$866,000 per fiscal year thereafter. The projected annual operating expenses are projected at \$230,000 for FY18-19 and approximately \$474,000 in subsequent fiscal years. The annual debt service payment is projected to be \$577,382 in FY17-18 and \$1,853,226 in subsequent fiscal years.

Parking Enterprise Fund

The Parking Enterprise Fund accounts for the parking revenues and the operational, maintenance, capital improvement and deferred maintenance expenditures associated with the City's Parking Division. A copy of the Parking Fund is provided as Attachment D.

SDBE Summary

The SDBE Summary is not applicable.

Attachments

- Attachment A: Presentation
- Attachment B: Comprehensive Parking Study Recommendations Summary Report
- Attachment C: Map of Paid On-Street Parking Program
- Attachment D: Parking Enterprise Fund