

**Seattle Department of Transportation
On-Street Parking Rates Issues Identification**

Staff: Dan Eder
Date Prepared: 10/15/10

Introduction:

The Mayor’s proposed budget is balanced in part through a proposal to make several changes in on-street parking rate collection. The proposed changes include: increasing in on-street parking rates, extending the collection hours from 6 PM to 8 PM, and adding Sundays as a collection day.

On-street parking rates are a fee that the City sets to recover costs associated with parking management and to achieve policy goals such as parking turnover rates and economic development. SMC 11.16.121 requires that on-street parking rates be set to meet three policy objectives:

- Maintain adequate turnover of on-street parking;
- Encourage an adequate amount of on-street parking availability for a variety of parking users, efficient use of off-street parking facilities and enhanced use of transit and other transportation alternatives; and
- Reduce congestion in travel lanes caused by drivers seeking on-street parking.

SDOT’s analysis concludes that a \$4 per hour rate in downtown and surrounding neighborhoods achieves these goals. SDOT’s analysis concludes that the \$4 per hour rate – a 60% increase over today’s \$2.50 per hour rate – will result in 91% occupancy compared to what SDOT reports is a nearly uniform 100% occupancy in most of downtown and surrounding neighborhoods during most of the day. As an example, a typical block with twelve parking spaces has all twelve spaces occupied (100% occupancy rate) at today’s hourly rates. As a result of the proposed rate increase, SDOT’s analysis suggests that this same block would be expected to have eleven spaces occupied and one space available (approximately a 9% decrease in occupancy rate).

Council adopts a maximum on-street parking rate by ordinance. By ordinance, Council has also delegated authority to the SDOT Director to meet the three policy objectives above by setting rates throughout the City up to the Council-established maximum rate.

Details of Mayor’s proposal:

The Mayor proposes to implement the three changes noted above during the first few months of 2011. Table 1 below shows that the cumulative effect would be to add \$5.7 million of net GSF revenue in 2011 and to add \$10.7 million of net GSF revenue in 2012 (first full year).

Table 1: On-Street Parking Rates - SDOT's Expense and Revenue Summary

Mayor's Proposal: Coordinated Implementation

Rate Increase, Evening Hours, Sundays		
	2011	2012
Revenues:	\$7.6	\$11.8
Expenses:	\$1.9	\$1.1
Net Revenues:	\$5.7	\$10.7

All in \$millions

All rounded to nearest \$0.1 million

Council may want to implement some elements of the Mayor's proposal but not others. Table 2 shows the effect of each proposed change if it were implemented as a separate action. Revenue estimates for evening hours and Sundays assumes Council approves the Mayor's proposed rate increase; evening hours revenue and Sunday revenue will change if Council approves a different rate increase. Also note that in 2011 the sum of Table 1 expenses (coordinated implementation) are \$800,000 lower than the sum of Table 2 expenses (implementation in separate steps) because coordinated implementation will allow some cost efficiencies.

Table 2: On-Street Parking Rates - SDOT's Expense and Revenue Summary

Highlighting Effects of Each Element of Mayor's Proposal

	Rate Increase		Add Evening Hours		Add Sundays	
	2011	2012	2011	2012	2011	2012
Revenues:	\$4.8	\$6.1	\$2.1	\$4.1	\$0.7	\$1.5
Expenses:	\$(0.9)	\$(0.4)	\$(1.1)	\$(0.4)	\$(0.7)	\$(0.3)
Net Revenues:	\$3.9	\$5.7	\$1.0	\$3.8	\$0.0	\$1.2

All in \$millions

All rounded to nearest \$0.1 million

Expenses include both one-time implementation costs (signage, reprogramming pay stations, etc.) and ongoing costs (increased credit card fees from higher gross revenues, increased maintenance and operations from expanding hours and days).

SDOT already sets on-street parking rates in three different tiers. Table 3 shows the current on-street parking rate for each rate tier, and it identifies the neighborhoods that fall into each rate tier.

Table 3: Current On-Street Parking Rate Tiers

<i>Tier 1:</i>	<i>Tier 2:</i>	<i>Tier 3:</i>
\$2.50 per Hour for Short-Term Parking	\$2.00 per Hour for Short-Term Parking; \$1.25 per Hour for Long-Term Parking (up to 10 hours)	\$1.50 per Hour for Short-Term Parking; \$0.75 per Hour for Long-Term Parking (up to 10 hours)
Pioneer Square	South Lake Union	Westlake Ave North
Waterfront	Uptown	Cherry Hill
Financial District	Broadway	Roosevelt
Retail District	First Hill	Green Lake
Belltown	Pike-Pine	12th Ave
Chinatown / International District	Ballard	Fremont
Denny Triangle	University District	

The Mayor proposes to increase the rate in each of the three tiers as summarized in Table 4 and shown as a map in **Attachment A**.

Table 4: Proposed On-Street Parking Rate Tiers

<i>Tier 1:</i>	<i>Tier 2:</i>	<i>Tier 3:</i>
\$4.00 per Hour for Short-Term Parking (proposed increase of \$1.50)	\$2.50 per Hour for Short Term Parking (proposed increase of \$0.50); \$1.25 per Hour for Long Term Parking (no proposed increase)	\$2.00 per Hour for Short Term Parking (proposed increase of \$0.50); \$0.75 per Hour for Long Term Parking (no proposed increase)
Pioneer Square	South Lake Union	Westlake Ave North
Waterfront	Uptown	Cherry Hill
Financial District	Broadway	Roosevelt
Retail District	First Hill	Green Lake
Belltown	Pike-Pine	12th Ave
Chinatown / International District	Ballard	Fremont
	University District	
	Denny Triangle **	

** Note that the Mayor’s proposal would move the Denny Triangle neighborhood from Tier 1 to Tier 2. Since Denny Triangle is short-term parking only and already at \$2.50/hour, there would be no change in the Denny Triangle hourly rate.

Following is a summary of the Mayor’s proposed on-street parking changes:

Table 5: Summary of Proposed Changes

<i>Proposed Change</i>	<i>Tier 1:</i>	<i>Tier 2:</i>	<i>Tier 3:</i>
Rate Increase	✓	✓	✓
Add Evening Hours	✓	Some neighborhoods in Tier 2 (not all)	
Add Sundays	✓		

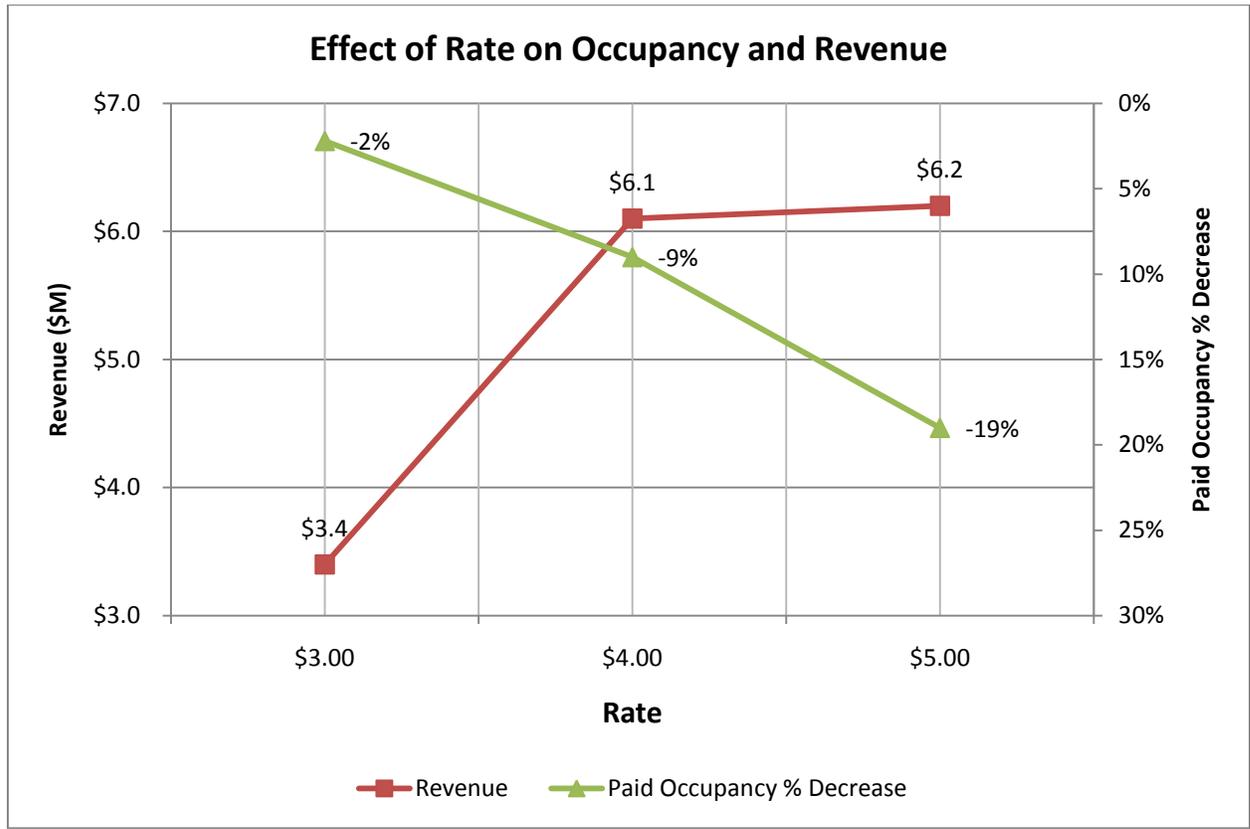
- a) **Rate Increase.** The Mayor proposes a \$1.50 increase for on-street parking rates in downtown and some other surrounding neighborhoods with Tier 1 rates; this would increase the current \$2.50 per hour rate in these areas to a new \$4.00 per hour rate. The Mayor also proposes a \$0.50 per hour increase in other neighborhoods (current rate varies). As noted earlier, Council action is needed to increase the maximum parking rate, but the Executive has authority to set variable rates at or below the maximum to achieve policy goals established in SMC 11.16.121.

If the rate increase were approved as proposed, then – without adding Sundays or extending hours to 8 PM – the CBO estimates that net 2011 GSF revenues would grow by \$3.9 million (partial year of collection). Annually starting in 2012, net GSF revenues would grow by \$5.7 million.

SDOT evaluated the effect on parking use for several possible rate scenarios for downtown and other neighborhoods with Tier 1 rates (see **Figure 1** below). The analysis suggests that parking revenues would be maximized at \$5 per hour for Tier 1 rates but that occupancy would fall to 81%. SDOT recommends instead \$4 per hour for Tier 1 rates because such a rate meets the policy objectives included in the Seattle Municipal Code.

SDOT’s analysis concludes that drivers are expected change their behavior relatively little in response to a change in price between \$2.50 per hour and \$4 per hour. However, drivers are expected to be more sensitive to price changes above \$4 per hour.

Figure 1: SDOT's Analysis of Price Sensitivity



- b) **Adding Evening Hours.** The Mayor proposes to extend the on-street rates collection hours to 8 PM for Monday through Saturday in all neighborhoods with Tier 1 rates and some neighborhoods with Tier 2 rates (but none with Tier 3 rates). Council currently delegates authority to SDOT to determine the hours that on-street parking rates are collected, and no legislative action is necessary by Council to allow SDOT to add evening hours. However, Council could take action to constrain SDOT's delegated authority for setting rates if Council does not wish SDOT to implement extended hours collection.

CBO estimates that the incremental effect of extending collection hours would be to increase net GSF revenues by \$1 million in 2011. Annually starting in 2012, net GSF revenues would increase by \$3.8 million.

- c) **Adding Sundays.** The Mayor proposes to extend collection of on-street parking rates to include Sundays between the hours of 11 AM and 6 PM in Tier 1 neighborhoods (but not Tier 2 or Tier 3 neighborhoods).

CBO estimates that Sunday rate collection would not add any net 2011 GSF revenues (if implemented separately from proposed changes to rate and hours) because SDOT's

implementation costs would fully offset revenues collected in 2011. Starting in 2012, annual net GSF revenues would be \$1.2 million higher due to Sunday collection.

Background Information:

During Council’s review of this package of proposed changes to on-street parking rates, Council may be interested in a variety of benchmarking and comparison points.

- On-street parking rates in other cities – see **Attachment B**. A \$4 per hour rate in downtown Seattle would be similar to downtown Los Angeles and the Loop in Chicago; and it is within the range of the new San Francisco rates for their dynamic pricing pilot project. The proposed \$4 per hour rate is higher than rates in Portland, Vancouver, B.C, New York City, and Philadelphia.
- Hours of on-street rates collection in other cities – see **Attachment C**. Some other cities collect rates only to 6 PM (e.g., San Francisco, San Antonio); other collect rates later than 6 PM (e.g., Chicago, Vancouver, B.C., Portland).
- Sunday on-street rates collection in other cities – see **Attachment D**. Some other cities currently collect Sunday parking rates (e.g., Portland and Los Angeles); but others do not (e.g., New York City and Philadelphia).
- Council staff conducted an informal survey of downtown commercial parking lot prices (**Attachment E**). Commercial parking lots and on-street parking spaces may serve different functions for different users, but relative pricing between the two may be a useful benchmark. Rate design and prices vary considerably, but generally the first two hours for downtown commercial parking operators is in the range of \$8 to \$12 (i.e., between \$4 per hour and \$6 per hour). It is worth noting that many garages charge considerably more than the imputed hourly fee for the first half-hour.

Options:

Council may wish to provide feedback during Issue ID on following options (or other options):

Option 1: Adopt the package of changes as proposed (higher rates, evening hours, Sundays).

Option 2: Adopt the rate increase as proposed but do not implement evening hours and/or Sundays.

Option 3: Adopt a different maximum rate and provide guidance to the Mayor about how to implement changes to lower rate tiers; implement evening hours **and** Sundays

Option 4: Adopt a different maximum rate and provide guidance to the Mayor about how to implement changes to lower rate tiers; **do not** implement evening hours and/or **do not** implement collection on Sundays

Other potential issues identified for Council consideration.

a) **Additional Parking Enforcement.**

The Mayor's proposed 2011 budget includes four additional positions (two additional PEOs and two additional PEO supervisors) and substantial additional overtime (\$243,000) for parking enforcement. SDOT and the Seattle Police Department believe these new positions are necessary to enforce the proposed additional hours of on-street parking (evenings and Sundays).

In addition to the four new positions, Council might consider adding a new squad of Parking Enforcement Officers (a squad consists of seven PEOs plus one PEO supervisor) to provide additional parking enforcement. This would allow SPD to expand the level of parking enforcement activities rather than merely provide same level of activity over a longer span of hours.

CBO and SPD are working on updating net revenue estimates. During last year's budget review, CBO estimated that adding a new PEO squad would raise approximately \$800k in annual net GSF revenues after paying ongoing costs. In 2011, there would be a number of one-time costs (scooters, hand-held computers, training, etc.) that would decrease this amount; but a Council decision to hire an additional squad of PEOs might be an alternative to some elements in the Mayor's proposed package of changes to on-street parking rates, days of the week, and/or hours of collection.

b) **Neighborhoods and On-Street Parking Revenues.**

SDOT intends to analyze options for variable pricing for on-street parking rates and options for making a more explicit tie between on-street parking revenues collected by each neighborhood and the City's investments in transportation projects in those neighborhoods. Council may want to consider adopting a Statement of Legislative Intent setting a timeframe for feedback from the Mayor on SDOT's analysis of options, policy considerations, and recommendations for next steps.

Legislation:

The Mayor has proposed two pieces of legislation associated with on-street parking .

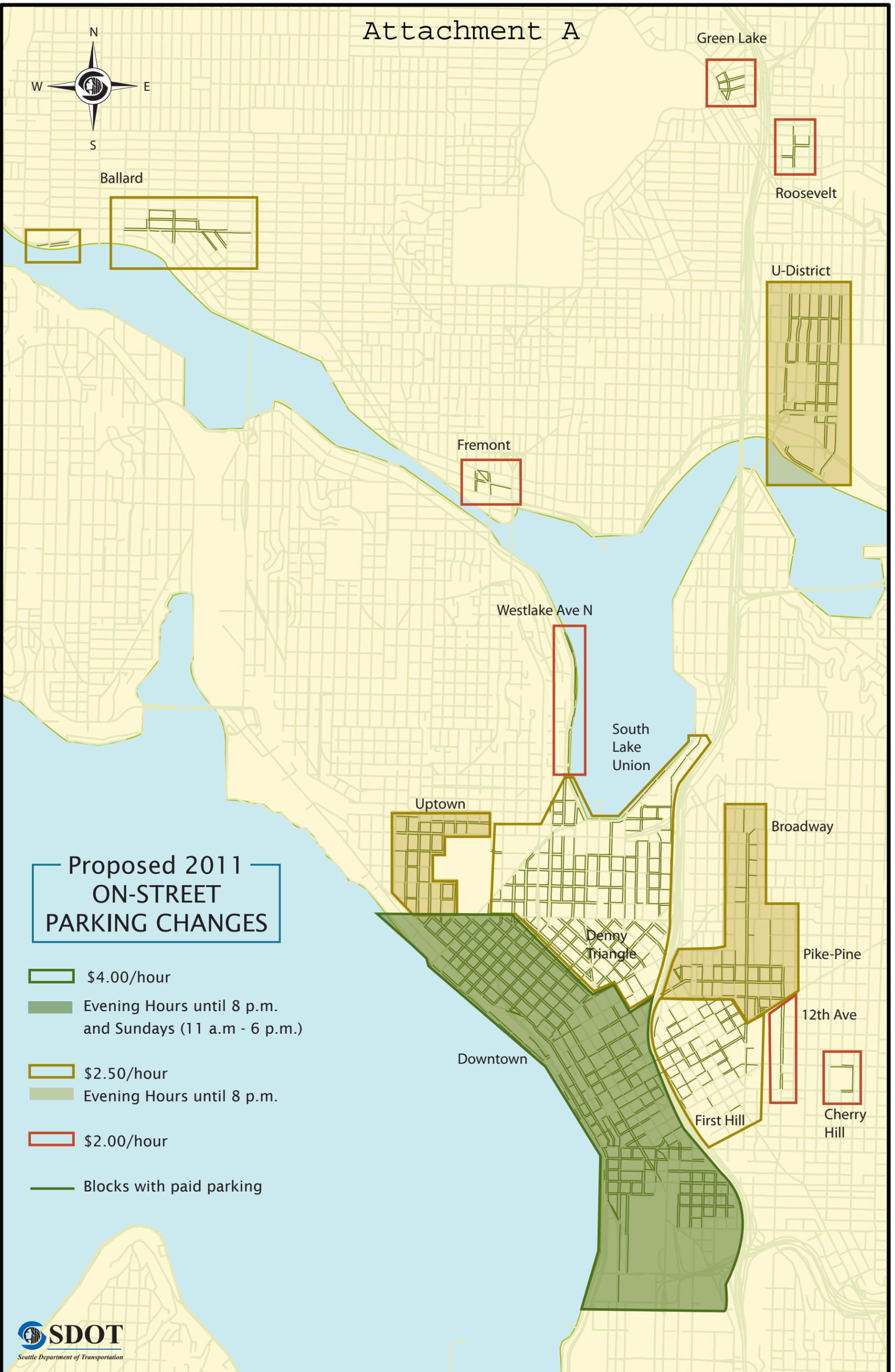
- a) **On-Street Parking Rates** (Eder). Legislation behind Gray Tab #28 would increase the maximum rate for on-street parking to \$5.00 per hour. Council sets the maximum rate by ordinance and delegates authority to the Mayor to impose differential hourly rates by neighborhood at or below the maximum allowed rate. The Mayor's proposed budget assumes that the maximum rate would not exceed \$4.00 per hour in 2011.

The Mayor also proposes to extend the hours of on-street parking rates collection by two hours (until 8:00 PM) Monday through Saturday. Council has delegated authority to the Mayor to

determine the hours of the day that on-street parking rates are collected. Therefore, the Mayor has not proposed legislation seeking Council approval of collecting rates during evening hours.

- b) **On-Street Parking Rates on Sundays** (Eder). Legislation behind Gray Tab #29 would eliminate free on-street parking and make time restrictions enforceable on Sundays. Currently, Sundays are listed as a “parking holiday” in the Seattle Municipal Code.

Attachment A



Proposed 2011 ON-STREET PARKING CHANGES

- \$4.00/hour
Evening Hours until 8 p.m. and Sundays (11 a.m. - 6 p.m.)
- \$2.50/hour
Evening Hours until 8 p.m.
- \$2.00/hour
- Blocks with paid parking



Attachment B: On-Street Parking Rates in Other Cities

While most North American large cities charge for on-street parking, the following table lists cities that compare to Seattle in size, geographic proximity, or pricing of off-street parking garages.

City	Rate Info
San Francisco	New program in development: demand-based pricing program where rates will range between \$0.25/hour and \$6.00/hour, depending on market conditions. Currently: \$3.50 / hour - Downtown Core \$3.00 / hour – Ring around downtown core \$2.00 / hour – All other areas \$3.00 / hour - Fisherman’s Wharf
Chicago	\$4.25 / hour Loop \$2.50 / hour CBD \$1.25 / hour outside CBD
New York City	\$2.50 / hour Higher rates in Smart Park NYC pilot areas
Los Angeles	Downtown rates up to \$4.00/ hour
Philadelphia	\$2.00 / hour in Center City
Minneapolis	Range from \$2.00 / hour to \$0.25 / hour in downtown
Denver	\$1.00 / hour downtown
Vancouver BC	\$1.00 / hour to \$3.50 / hour depending on area
Portland	\$1.60 / hour - Downtown District \$1.00 / hour - Lloyd District \$1.35 / hour - OHSU

Source: CBO

Attachment C: On-Street Parking Hours in Other Cities

Many North American cities extend paid parking requirements past 6 PM, including the following:

6 PM	7 PM	8 PM	9 PM	10 PM	Midnight or later
San Francisco (CA)	New York City (NY)	Boston (MA)	Chicago (IL) varies	Vancouver (BC)	Chicago (IL)
San Antonio (TX)	Boulder (CO)	Los Angeles (CA)	Toronto (ON)	Portland (OR)	Tampa (FL)
San Jose (CA)	St. Louis (MO)	Old Pasadena (CA)	Long Beach (CA)	Washington, DC	
San Diego (CA)		Park City (UT)		Santa Monica (CA)	
Nashville (TN)		Phoenix (AZ)		Glendale (CA)	
				Bethesda (MD)	

Source: SDOT

Attachment D: Sunday Parking Rate Collection in Other Cities

City	Sunday Rates Apply?	
Portland	Yes	
Los Angeles	Yes	
Toronto	Yes	
Pasadena	Yes	
Tampa	Yes	
New York City		No
Philadelphia		No
Washington, D.C.		No
San Diego		No
San Francisco		No
Boston		No

Source: SDOT's BIP#155

Attachment E: Informal Survey of Downtown Seattle Commercial Parking Lot Prices

Garage Name	Location	Time Period & Rate	Includes Tax?	
Norton Garage	1 st & Columbia	0 to 1 hour \$8 1-2 \$11 2-3 \$14		Yes
United Parking (surface lot)	4 th Ave. & Cherry	0 to ½ hour \$8 0-1 \$13 1-1½ \$18 1½ - 2 \$23	No	
United Parking (garage)	4 th Ave. & Columbia	0 to 1 hour \$10 1-2 \$12 2-3 \$16	No	
Jerry's Garage	4 th Ave. & Marion	0 to 1 hour \$10 1-2 \$12 2-3 \$16	No	
Hotel Monaco (garage)	4 th Ave.	0 to 2 hour \$12 2-4 \$20	No	
Cobb Garage	University between 3 rd Ave. and 4 th Ave.	0 to ½ hour \$5 ½ to 1 \$8 1-2 \$11 2-3 \$14		Yes
Impark/Securities Garage	4 th Ave. & Virginia	0 to ½ hour \$4 ½ to 1 \$6 1-2 \$8 2-3 \$10	No	
U-Park System (garage)	4 th Ave. & Virginia	0 to 2 hour \$7 2-4 \$10 All day \$15		Yes
Key Park (surface lot)	3 rd Ave. & Lenora	0 to 1 hour \$5 1-2 \$8 All day 14		Yes
211 Lenora Garage	2 nd & Lenora	0 to ½ hour \$2 ½ to 1 \$4 1-2 \$7 2-3 \$8 All day \$10		
U-Park (surface lot)	2 nd & Blanchard	0 to 2 hour \$8 2-4 \$10 All day \$15 Eves after 5 PM \$12		Yes

(continued)

Garage Name	Location	Time Period & Rate	Includes Tax?
Market Place Garage	Western & Virginia	0 to ½ hour \$5 0-1 \$8 1-1½ \$11 1½ - 2 \$14	Yes
Desimone (surface lot)	Western behind Pike Place Market	0 to 2 hour \$8 2-3 \$12 Eves after 5 PM \$5	Yes
Pike Place Market Garage	Western behind Pike Place Market	0 to 1 hour \$4 1-2 \$8 2-3 \$12 Eves after 5 PM \$5	Yes
Pacific Place Garage	Pine & 7 th Ave.	0 to 1 hour \$5 1-2 \$7 2-3 \$9 Eves after 5 PM \$6 (four hours)	Yes

Source: Central Staff Informal Survey; October 9, 2010