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EXECUTIVE SUMMARY

The November 20, 2008 steering committee suggested a number of changes and enhancements to the original draft of the Balboa Village technical memorandum. Some of the recommendations included a closer examination of the planning and policy issues surrounding parking in Balboa Village, the need to accommodate any intensification or changes in land uses that may occur in the future, and encourage redevelopment by addressing the areas concern for additional parking supply in the commercial area.

Residential, recreational, and commercial areas in Balboa Village are occasionally overwhelmed by the influx of beach visitors that can create a shortage of parking during peak demand periods. Our analysis suggests that while the overall demand for parking in the Village varies considerably over the course of the year, as well as over the course of a week, on-street parking is impacted on a far more regular basis. The off-street parking supply largely has the role of absorbing the spillover demand for parking on busy days. The implication of this spillover is significant. First it suggests that, under current parking policies and conditions, any new off-street parking facility that is constructed is likely to be the parking place of last resort, essentially an additional spillover parking supply, and therefore would remain highly underutilized for much of the year. Second, it suggests that any solutions to the parking challenges faced in Balboa Village will have to address the high demand for on-street parking.

It is crucial to emphasize that even if additional off-street parking supply is created in the area, this new and expensive supply of parking could have little effect on the on-street parking shortage unless measures such as an aggressive on-street pricing policies are undertaken.

We recommend implementing a combination of parking management solutions to help mitigate the weekend parking situation. Market and peak rate pricing, which would create a system of higher parking fees when the demand for parking is highest. This strategy is the most efficient way to manage parking in the Balboa Village due to the tremendous seasonal and daily variance in the demand for parking. Our initial recommendation is to implement paid parking along the commercial streets (Balboa Boulevard and Bay Avenue) and if demand persists, paid parking along all streets in the area should be installed. We believe that a tiered pricing system for all the on-street spaces and public off-street lots that is reflective of the unusual peak demand periods is the preferable alternative.

Comments from City staff and the community received through March 2009 have focused on the question of the viability of a new parking structure in the Village. We conclude that the addition of new land uses in the



Village help to justify the construction of a new public structure although such a structure may have only a limited ability to ameliorate the type of impacted parking situation currently experienced in the area.

OVERVIEW

The Balboa Village study area is the fourth in a six part overview of the parking system in designated commercial and residential districts located within the City of Newport Beach.

The Balboa Village community of Newport Beach is located on the eastern portion of the Balboa Peninsula, between B and Coronado Streets. The Village is primarily composed of residential areas, but contains some entertainment, retail shops and restaurants. The area is a focal point for many beach visitors, tourists, and excursionists to Catalina Island or other coastal destinations. The Balboa Village Ferry Terminal, Catalina Flyer, Newport Harbor Nautical Museum, Balboa Pavilion, Balboa Pier and the beach are all significant regional attractions that are located in this study area.

Public parking in Balboa Village is available at several public lots, including the Balboa Pier lot. There are also several private lots, and unrestricted (generally free though with some exceptions) on-street parking. This mix of parking creates some inefficiency during much of the year since demand is distinctly different in the summer than during the remainder of the year. During peak summer weekends, the parking supply is occupied early in the day, leaving many vehicles unable to find appropriate parking near their destination. Later arrivals are forced to spend significant time cruising the side streets and thoroughfares searching for any available space. The mix of free and paid street parking exacerbates the cruising for spaces during peak and non-peak periods as the desire and possibility of finding a "free" space often trumps the decision to pay a fee for a readily available space.

Future development in the area could have a significant impact on parking: a 31,000 square foot nautical museum expansion is planned, the Balboa Theater is seeking to reopen its 325-seat auditorium, and area retail could transition into more parking-intensive restaurant uses. If all of these planned uses are realized, the impact on parking in the area could necessitate developing additional supply.

Beach and coastal visitors, including charter excursionists, also park their vehicles on the Peninsula, sometimes for extended periods of time, creating significant impacts on the amount of available parking throughout the summer beach season. These vehicles compete with residents for longer term parking and may cause some congestion near the ferry terminus.

The Balboa Village study area includes what is essentially the central portion of the Balboa Peninsula. A map of the study area is shown in Figure 1.



Figure 1: Study Area



Source: Google Earth Pro, Accessed October 1, 2008.

PROJECT METHODOLOGY

Walker relied on data from a number of sources in order to develop our recommendations. The bulk of our data and information comes from field surveys conducted in Balboa Village by Walker Parking on July 24 and July 26, 2008. In addition, we reviewed previous traffic and parking studies prepared for the City of Newport Beach and the Balboa Village neighborhood. We also considered studies and observations of parking demand and management in other coastal communities that suffer similar challenges.

Currently, on-street parking in Balboa Village is largely unrestricted except for weekly street sweeping. In the beach lots fees are collected at exit stations at The Balboa Pier lot or at meters in smaller lots.





IMPROVING THE EFFICIENCY OF THE EXISTING PARKING SUPPLY

Walker performed the following analysis and developed the recommendations contained in this report based on a combination of our experience with parking in residential and beach areas as well as telephone interviews conducted with city staff in coastal cities throughout California to gain insight for this report. We then proceeded with the analysis using the following assumptions:

- 1) The population of the entire region continues to increase. Balboa Village and the City of Newport Beach will continue to be popular local, regional and even international destinations, while the amount of available on-street parking remains constant. On a practical level, spatial and financial constraints make it very difficult to provide a free parking space for every single-occupancy vehicle (SOV), particularly if the character and design of the existing commercial district is to be preserved.
- 2) Generating more “turnover” of spaces provides more drivers with greater access to parking. (“Turnover” is the reuse of a vacated space by a new car.) One parking space occupied by a car left all day may serve one employee or long term beach visitor. In the same eight-hour period, eight or more customers are able to park and transact business.
- 3) Free or inexpensive on-street parking encourages drivers to leave vehicles on the street that they might otherwise park or store in their garages, or driveways, or maybe not keep at all.
- 4) Managing parking demand in Balboa Village will involve tradeoffs. In order for a commercial and residential district to function properly, certain parking user groups should have priority over others. For example, customers are not as willing to walk as far as employees to a business and desire to have access to the closest spaces. A beach lover or local resident who lives a few blocks away may desire a convenient parking space near certain businesses or the beach throughout the summer, but that parking space may be far more valuable to the family of four spending one day at the beach on their once in a lifetime vacation to Newport Beach and Southern California.
- 5) The use of parking meters or other forms of paid parking, properly enforced, are far more effective at creating turnover than are time limits. The enforcement of time limits is also significantly more labor intensive, and therefore more expensive than is the enforcement of parking regulations using parking meters. The decision to use paid parking should be addressed as it relates to creating turnover and increased parking availability in those areas that need it.

BASELINE SUPPLY AND DEMAND

For the purpose of this report, we define *Baseline Supply and Demand* as the conditions that were observed during our inventory and occupancy counts. Note that we do not refer to these counts as “existing conditions” because in many instances, inventories and the demand for parking in an area can change between the time the data is collected and the time the report is completed.



It is also important to note that inventory and occupancy data is a limited sample of actual conditions. For example, the occupancy numbers for the two study days could vary from typical conditions. These variances could result in higher or lower estimates of utilization of the parking supply. Over the study area as a whole, we assume that small positive and negative variations in specific areas tend to balance out and regress toward an average (mean). However, it is our opinion that our observations over the survey days represent a good sample of a busy summer weekday and weekend.



To estimate the baseline utilization of the existing parking system within the study area, Walker field staff collected inventory and occupancy data on Thursday, July 24 and Saturday, July 26. These days of the week were selected in consultation with City staff and community members. In Walker's experience, Thursday often represents the peak weekday for parking demand in a commercial district while Saturday is typically the busiest weekend day.

Counts were recorded three times during the day: at 10:00 AM, 1:00 PM, and 7:00 PM to observe the typical morning, afternoon and evening hours for peak parking demand. The weather during the counts was sunny and warm. We note that, with the input of City staff, we chose survey days that did not represent the absolute peak parking demand days of the summer (i.e. Fourth of July). As a result, the survey days are judged to represent busy summer days. Detailed inventory and occupancy information throughout the study area is included in Appendix A.

Within the study area, we counted a total of 1,636 parking spaces – 280 spaces are located on-street, and 1,356 are located in various private and public parking facilities. In addition, there are several private spaces located in "lots" of fewer than five spaces scattered throughout the commercial core. These spaces are often reserved for private tenants of nearby buildings. We do not consider these areas to be useable parking lots for the general public, and therefore, have omitted them from this analysis. There is a private 58 space lot that we could not access (and therefore assume that this lot also is not available to the parking public).

Table 1 illustrates the distribution of parking between on-street and off-street supply. As seen, the on-street parking represents approximately 17% of the total supply, while the off-street parking represents approximately 83% of the total supply.



Table 1: Parking Inventory

	Total Inventory	%Total Supply
On-Street Parking	280	17%
Off-Street Parking	1,356	83%
Total	1,636	100%

Source: Walker Parking Consultants, 2009

The overall peak demand was observed at 1:00 PM on Saturday when a total of 1,577 parking spaces were occupied (268 cars parked on street and 1,309 cars parked in off-street lots and garages). We will refer to this peak as the *Baseline Peak Demand*.

A majority of the off-street parking in Balboa Village is found in various public lots located throughout the area including the 617-space Balboa Pier Lot and the Peninsula Lot. Together these lots account for approximately 969 of the 1,356 off-street spaces we identified. As a result, when discussing off-street parking in Balboa Village, it is often in reference to the beach-access lots in the study area.

During the weekday count, the observed on-street demand was generally lower than the weekend count. The peak for Thursday, July 24 occurred at 1:00 PM. At this time, there were 1,096 parking spaces occupied (846 cars parked off-street and 250 cars parked on-street). The overall baseline peak demand of 1,577 parking spaces (Saturday at 1:00 PM) is equivalent to roughly 96% of the total Balboa Village area supply. Table 2 profiles the occupancy demand during both the weekday and weekend periods.

Peak weekday occupancy is 30% lower than peak weekend occupancy, indicating that the area supply appears to be adequate for non-beach use. That is, if additional inventory is developed, it is likely that it will remain unused for a majority of the year and even during most (non-weekend) summer days.



Table 2: Occupancy Summary for Balboa Village

		10:00 AM	1:00 PM	7:00 PM
<i>Thursday, July 24</i>				
On-Street Occupancy	280	217	250	267
Off-Street Occupancy	1,356	641	846	686
Total Occupancy	1,636	858	1,096	953
% Total Supply		52%	67%	58%
<i>Saturday, July 26</i>				
On-Street Occupancy	280	251	268	271
Off-Street Occupancy	1,356	1,161	1,309	1,109
Total Occupancy	1,636	1,412	1,577	1,380
% Total Supply		86%	96%	84%

Source: Walker Parking Consultants, 2009

Although the study area overall does not necessarily suffer from a parking shortage, at certain times parking demand significantly outstrips supply. Figure 2 highlights the areas that impact on-street parking. This figure illustrates the peak on-street parking demand and highlights the areas that experienced the most significant parking occupancy during our survey period. The numbers on the map help identify and reference the various blocks. Appendix B provides detailed maps that illustrate parking occupancy demand for peak on-street, off-street and combined (all parking in the area including off-street and on-street) for both weekday and weekend survey periods.

Figure 2: Peak Parking Occupancy Demand – On-Street (Weekend)



Source: Google Earth Pro, Accessed September 2008, Walker Parking Consultants, 2009

EFFECTIVE PARKING SUPPLY

When discussing the utilization of a parking system, it is important to consider the concept of effective supply. Effective supply is the maximum number of parking spaces that can realistically be used within a given system, less a cushion. An effective supply cushion of spaces helps to protect against the inevitable loss of spaces resulting from temporary losses or displacements caused by conditions such as mis-parked cars, construction, broken glass, or other disruptions to the supply. Maintaining a cushion in the parking system also helps to decrease traffic congestion by minimizing the amount of time visitors must spend looking for an empty space.

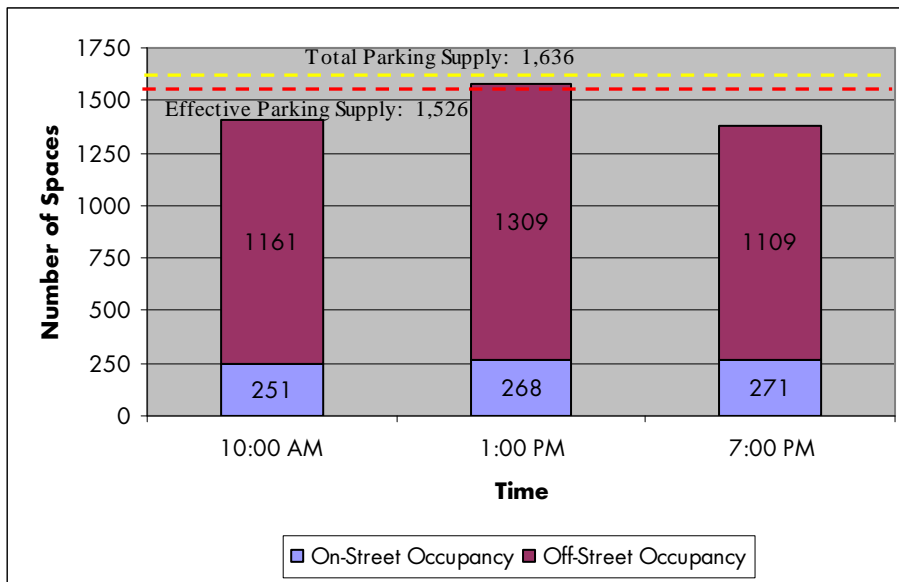
For on-street parking in a commercial district we recommend an effective supply equal to 85% of the total capacity. This allows a cushion of spaces so that traffic does not back up on surface streets. Off-street parking typically requires less of a cushion – generally 90% to 95% of the full supply, depending on the type of facility and the anticipated user group. Smaller cushions are needed for long-term parking, since employees and frequent visitors to the area tend to be familiar with the facilities and their spaces are not subject to frequent turnover. For the off-street facilities in Balboa Village, with a large tourist and beach presence, we expect that much of the traffic will be generated by visitors, and therefore, we apply an on-street effective



supply rate of 85% of the total capacity and 95% for off-street. A weighted average of those effective supplies in the Balboa Village parking system is approximately 93% of the total supply.

Figure 3 illustrates the hourly demand observed on Saturday, July 26 as compared to the total Balboa Village supply and the total area effective supply.

Figure 3: Peak Parking Demand (Saturday, July 26)



Source: Walker Parking Consultants, 2009

SUPPLY SUFFICIENCY

The perception that there is not available parking in the study area does not match the reality of the area for much of the year, though there is a distinct shortage of parking during the summer weekends and often on other weekend days throughout the year. During a majority of the year, and even during summer weekdays, parking is not a problem in Balboa Village. Our occupancy data indicates that even during the busy summer tourism and visitor season, parking is generally available during much of the week. Weekends, however, have intensive demand and even the relatively large beach lots cannot accommodate the number of visitors that descend upon the area. As a result of the intensity of demand, a flexible pricing mechanism may be necessary to manage the parking. As we have observed in other areas, market rate pricing can be used to efficiently allocate parking in a commercial area. For Balboa Village, we believe that weekend parking is in high demand and the parking fees for lots and the metered street parking should reflect this high demand. A flexible or tiered payment system will be discussed under the Parking Management section of this report.



Overall there is sufficient parking in Balboa Village to support the current land uses during most of the year. Without question there are certain areas and certain times of day where parking occupancy exceeds the



effective supply for the area. How to balance the high demand days with the rest of the year is critical to building a successful, dynamic and vibrant area.

We examined several areas to determine if developing additional parking is viable. We understand that summer weekends are extremely busy and additional supply would likely be highly utilized. However, throughout much of the year we do not believe that additional off-street supply would be as efficiently utilized. Weekday parking in the Balboa Pier lot was 72% occupied during our July counts. During a recent October weekend visit it was likewise less than 80% occupied. As a result, we conclude that additional supply would not be efficiently used throughout much of the year. The construction of a new parking facility should only be considered after implementing proper parking management policies, and then only as a final piece of the plan to be implemented.

LICENSE PLATE INVENTORY AND TURNOVER ANALYSIS

In many commercial areas including Balboa Village, congestion occurs around the core shopping streets, while more peripheral parking remains at lower utilization rates. Part of the congestion is caused by employees parking in spaces that are designated for other short term parkers. It is understandable that employees would rather park close to work than farther from it, but if everyone coming to Balboa Village competes for the most convenient parking, the congestion is magnified. This is not good for business, as it creates the perception that the local commercial shopping district is congested. Customer parking should be the priority in Balboa Village area, not only for the sake of the customers and businesses but also for the sake of efficient circulation and space turnover. Prioritizing parking for different user groups helps to even out the imbalances in parking demand.

To test the extent to which long-term parking makes up a significant portion of the parking demand in the most congested portion of the study area, Walker staff conducted a length of stay analysis of selected on-street block faces on Bay Avenue and Balboa Boulevard between Cypress Street and Main Street. By recording license plate numbers every hour during a weekday, we were able to track how long individual cars stayed in a space. Results from this license plate inventory (LPI) analysis show a significant number of vehicles were present throughout the day. Table 3 outlines the number of vehicles that remained in the study area for various amounts of time during the LPI.

Table 3: License Plate Inventories

Hours	1	2	3	4	5	6	7	8	9	10	11
Vehicles	210	77	60	34	36	29	30	26	18	12	51

Number of vehicles remaining in the LPI area throughout the day.





In the turnover study area, the LPI analysis identified 583 unique vehicles parked in the 317 spaces. This indicates a turnover ratio of approximately 1.84 vehicles per space over the 11 hour study period ($583 \div 317$). The results record that 166 vehicles were parked in the same space for 5 hours or more (52% of spaces in the LPI area), indicating that more than half of the spaces were occupied by long term parkers. The number is even greater if one considers 4-hour parkers. This LPI analysis was conducted on a weekday. It is reasonable to anticipate that the problem of a lack of turnover of parking spaces could be worse on a weekend.

It is difficult without further analysis to determine if these cars belong to residents or employees, though it appears from the considerable lengths of stay, that many are residents. If this is the case, then it would be beneficial to develop measures, including strictly enforced time restrictions or installing parking meters, to ensure that the greatest numbers of on-street parking spaces are available for short-term parkers.

UTILIZATION OF SPECIFIC PARKING SUPPLIES

At the peak hour on Saturday (1:00PM) the entire study area exceeded what we consider the effective capacity of the area. However, during the morning and evening counts on Saturday, while still busy, our counts indicate that spaces are generally available throughout the study area. On weekdays, the area is below 70% utilization. The perception is that parking in the area is constantly congested and typically unavailable. However, our findings on the survey days did not support this perception. Table 4 shows a block-by-block breakdown for the baseline occupancies (observed on Thursday and Saturday) for all areas.



Table 4: Combined Peak Occupancies (as % of supply)

Block	Inv.	Weekday Occupancies Thursday, July 24, 2008			Weekday Occupancies Thursday, July 24, 2008		
		10 am	1 pm	7 pm	10 am	1 pm	7 pm
1	35	80%	97%	97%	91%	103%	100%
2	17	88%	94%	100%	94%	94%	100%
3	20	95%	95%	95%	90%	95%	90%
4	271	20%	25%	36%	60%	99%	28%
5	6	17%	100%	83%	33%	100%	100%
6	17	53%	59%	59%	59%	59%	65%
7	35	51%	57%	66%	63%	83%	106%
8	1	100%	100%	100%	100%	100%	100%
9	136	92%	100%	97%	99%	100%	100%
10	28	18%	18%	14%	82%	93%	93%
11	2	100%	100%	100%	100%	100%	100%
12	35	40%	43%	60%	66%	66%	69%
13	76	29%	84%	92%	100%	100%	100%
14	2	100%	100%	100%	100%	100%	100%
15	8	88%	100%	88%	100%	100%	100%
16	10	60%	50%	60%	50%	50%	50%
17	747	57%	72%	47%	99%	100%	96%
18	39	85%	90%	95%	92%	90%	90%
19	10	110%	100%	110%	100%	120%	110%
20	27	89%	96%	100%	96%	104%	104%
21	27	52%	70%	74%	70%	96%	89%
22	70	23%	64%	60%	53%	76%	101%
23	17	41%	82%	94%	59%	88%	100%
Grand Total	1,636	52%	67%	58%	86%	96%	84%

Source: Walker Parking Consultants, 2009

As illustrated in Figure 4, there are several blocks that exceed 85% occupancy during the peak hour. Figure 4 shows only those streets with greater than 85% occupancy. This does not necessarily mean there is an overall parking shortage throughout the day, but it shows that parking demand is greater than the effective supply in some areas during the peak hour period. Appendix C provides greater detail on the block-by-block occupancy and ratios during the weekday and weekend study periods. The blocks outlined in dark red illustrate the areas with the greatest demand that are particularly good candidates for paid parking to be used to encourage the turnover of parking spaces.



Figure 4: 85% Occupancy



Source: Walker Parking Consultants, 2009

For comparison, Table 5 highlights occupancy during the weekday and weekend peak demand period in all areas of Balboa Village.



Table 5: Peak Occupancy by Block

Balboa Village (Combined)		Weekday Peak		Weekend Peak	
Block	Inv.	1:00 PM		1:00 PM	
1	35	34	97%	36	103%
2	17	16	94%	16	94%
3	20	19	95%	19	95%
4	271	69	25%	267	99%
5	6	6	100%	6	100%
6	17	10	59%	10	59%
7	35	20	57%	29	83%
8	1	1	100%	1	100%
9	136	136	100%	136	100%
10	28	5	18%	26	93%
11	2	2	100%	2	100%
12	35	15	43%	23	66%
13	76	64	84%	76	100%
14	2	2	100%	2	100%
15	8	8	100%	8	100%
16	10	5	50%	5	50%
17	747	535	72%	746	100%
18	39	35	90%	35	90%
19	10	10	100%	12	120%
20	27	26	96%	28	104%
21	27	19	70%	26	96%
22	70	45	64%	53	76%
23	17	14	82%	15	88%
Total	1,636	1,096	67%	1,577	96%

Source: Walker Parking Consultants, 2009

PARKING SUPPLY

Parking is extremely expensive to build, and rarely earns enough income to break even after operating expenses and debt service obligations. In examining current parking occupancy and demand from our survey data, it indicates that there is insufficient parking demand to justify adding parking supply in Balboa Village to meet projected non-peak demand, as an additional off-street parking supply is likely to remain underutilized or unused the vast majority of the year.

Currently in Southern California we are seeing garage construction costs start at approximately \$18,000 per space depending on façade, geological considerations, and other construction issues that increase costs. These costs do not include soft costs (another 20%) or land acquisition. Using an estimate of \$18,000 per



space, a 220-space garage would cost approximately \$3.96 million plus an additional estimated \$800,000 for soft costs. The annual debt service for a \$4.76 million garage would be approximately \$405,000 excluding land costs.¹ In an area like Balboa Village, the land costs could easily double the construction costs and debt service numbers. For a 220-space garage to cover the construction only debt service it would need to generate approximately \$7.90/space, 300 days per year, excluding Sundays and Holidays.² Again, this assumes a construction cost of \$18,000 per space plus \$500 per year in operating costs and an estimated 20% for soft costs. That number could double to \$15.00 or more per day if land costs are included. We point out, however, that if built it is unlikely that the majority of these spaces would be occupied on most days. As a result the actual cost of each occupied space would likely be significantly higher.

For an automated structure, we do not have consistent pricing data. Depending on the configuration of the lot, an automated structure can significantly reduce the footprint – up to 50%. On a per space basis, the construction costs are comparable to those found in structured (above ground) facilities. Automated parking structures can make sense in extremely high priced areas or in odd shaped lots where typical structure design is not possible. As a result, the most successful automated structures that we have seen are typically found in smaller residential developments. We are not aware of any automated public parking structures in California or on the West Coast.

¹ This assumes a 20-year bond with 6% interest and level bi-annual payments.

² 220 spaces multiplied by 300 days, multiplied by \$7.90 equals \$405,000.



PARKING MANAGEMENT

Parking Management includes those strategies aimed at making better use of the available parking supply in a defined area. Parking management strategies include pricing cues, trip reduction strategies, incentives for modes of transportation other than the single occupancy automobile, preferential parking, and disincentives for those contributing more to congestion (congestion pricing).



ON-STREET PARKING PRICING POLICIES

The proper role of price in on-street parking is to allocate a scarce resource and generate turnover of spaces to serve the greatest number of parkers. On-street parking in commercial areas is often the preferred form of parking for most parkers, especially short-term convenience parkers. Generally, the order of parking preference is:

1. On-street
2. Surface lot
3. Structure -above grade
4. Structure -below grade
5. Remote parking with shuttle

In an effort to provide convenient parking for the most number of short-term parkers, on-street parking is usually metered and/or time restricted in order to ensure availability for short-term parkers.

Given the greater desirability of on-street parking, if the rate for on-street parking is less than comparable off-street rates, on-street parking will not operate efficiently. Rather, it will fill quickly and not turn over at a rate to meet the demand for convenience parking; the spaces are in high demand and drivers will want to stay parked at them as long as possible.

Low meter rates at the curb also reduce the profitability of short-term off-street parking. This typically leads to a shortage of off-street short-term parking as operators focus on more profitable market segments, and in extreme examples, may offer only all-day parking and monthly permit parking. Thus, too low a meter rate can actually result in a shortage of convenient parking throughout the parking system.

To maintain a balance, on-street parking should be priced so as to achieve a desired level of occupancy and turnover. If on-street parking is priced higher than comparable off-street rates, some of this demand will shift to off-street parking facilities, thus making more spaces available at the curb.

On-street parking has been shown to operate most efficiently with occupancy of approximately 85% at even the busiest hour. This occupancy rate leaves about one out of every seven spaces available, or approximately one empty space per block face. This provides enough vacancy that visitors can easily find a space near their destination.



The goal is to achieve the right price. This means that pricing should not be uniform. The most desirable spaces need higher prices, while areas with less demand would have a lower rate.

Walker recommends that on-street parking occupancy for each area and street should be monitored carefully, and prices adjusted to keep just enough spaces available. In this way prices should be allowed to find an approximate market rate according to demand, where just enough spaces are always available.

Professor Donald Shoup of UCLA advocates setting prices for parking according to the "Goldilocks Principle," whereby:

"The price is too high if many spaces are vacant, and too low if no spaces are vacant. Children learn that porridge shouldn't be too hot or too cold, and that beds shouldn't be too soft or too firm. Likewise, the price of curb parking shouldn't be too high or too low."

Using this methodology, the best price is achieved when the vacancy is about 15 percent of curb spaces. If this process is allowed, then pricing will not drive customers away. Rather, the most desirable spaces closest to the front-door will be most efficiently utilized. If the initial parking meter rates in an area are accidentally set too high, then this policy of achieving an 85% occupancy rate will require the parking rate to be lowered until the parking again achieves 85% occupancy.

PAID PARKING IN BALBOA VILLAGE

Paid parking is an alternative that can shift some of the cost of parking from the residents to the visitors. Coin-operated meters, as noted, are inconvenient, inefficient, sometimes unreliable, and often unsightly. Many cities are beginning to evaluate other types of modern meters or even alternatives such pay-and-display systems, smart meters, electronic hang-tags or pay-by-phone systems.

In the Balboa Village area, we recommend a comprehensive paid parking system. The parking demand in Balboa Village is largely predicated on beach demand which is demonstrably different in the summer than during the winter and also much different on weekends than during weekdays. To accommodate this variation we recommend a tiered system of pricing parking; prices for parking should vary based on historical and projected demand. To control the number of vehicles in the area during peak conditions we suggest that the City evaluate placing meters on all streets in Balboa Village. If occupancy is regularly monitored, rates could be adjusted to achieve the desired occupancy numbers depending on the day of the week and the season. Monthly or quarterly occupancy counts can be conducted to help identify if pricing parking is having the desired effect.

Conversely we may recommend a generic system with rates predicated on anticipated utilization that would result in a tiered payment system. In a tiered system we recommend that summer weekend parking be the most expensive followed by non-peak season (October to June) weekend parking. Weekday rates should be fairly attractive to ensure business and restaurant patrons are not discouraged from coming to the area during non-peak demand periods. Pricing for a tiered system could follow this pricing arrangement:

Tier 1) Peak summer weekend rates: \$2/hr or \$16/day

Tier 2) Non peak weekend rates: \$1.50/hr or \$12 day

Tier 3) Weekday rates: \$1/hr or \$6 day

This is a sample pricing scheme that should reflect demand. We recommend that both on-street and public off-street prices reflect this pricing system. Typically we recommend that on-street parking is priced higher than off-street to help steer vehicles into remote lots. In Balboa Village we feel that the on-street pricing could either be higher than the off-street prices or have shorter stay limits (e.g. two hour meter limits). Initially, we would recommend metering on-street spaces along Balboa Boulevard and Bay Avenue. If parking remains problematic, a system of paid parking on all on-street spaces in the study area may be the only viable solution to the impacted parking situation.

PARKING METERS IN BALBOA VILLAGE

In reviewing the parking issues in Balboa Village, there are areas with significant congestion that may benefit from time limit parking or parking meters to help alleviate congestion and increase turnover during high occupancy periods. Meters help ensure that all areas of Balboa Village have parking available throughout the day and it may encourage some residents to use their home garage spaces for parking rather than storage. Single-head, coin operated meters are aesthetically unpleasing and require the visitors/patrons to know how long their beach visit, shopping or dining experience will be and ensure that they have enough coins with them to satisfy their trip requirements. Alternatively, many cities are using smart meters or pay-by-phone systems. Below are some of the pros and cons of such a policy:

Pros

- Efficiently allocates parking
- Creates availability for shops and restaurants
- Increases turnover

Cons

- Expensive to set up and maintain
- Requires additional enforcement
- Education will be necessary to support meters
- Aesthetically unpleasant

Some cities are beginning to evaluate other types of modern meters or even alternatives such pay-and-display systems, smart meters, electronic hang-tags or pay-by-phone systems.

MULTISPACE METERS

Alternatives to the single-head meter would offer drivers a convenience and the community an improved aesthetic as well in an area like Balboa Village. Such meters therefore might be better received than conventional meters. If paid parking were implemented in the area, Corona del Mar should evaluate installing multi-space meters. Multispace meters are typically easy to use. They are much less obtrusive than single head meters and can be less expensive depending on how wide an area is covered.



Typically there are two types of multispace meter systems, pay-and-display and pay-by-space. With pay-and-display meters, drivers must go to the multispace meter, purchase a receipt to display on their dashboard and return to their vehicle to display the receipt, which reflects the amount of time purchased. Such a system some benefits but also drawbacks; for example there can be added inconvenience for the driver, who must go to



the meter and return to the car to display payment. In addition, a pay-and-display system results in more labor intensive enforcement measures as parking enforcement officers must check the receipts on each dashboard in order to verify compliance. We have also observed complaints of potential maintenance and litter issues with regard to the production and discarding of receipts.

With a pay-by-space meter, there is no receipt. All information is recorded in the pay-by-space (multispace) meter. With several ways to pay, (coins, credit card), their use is fairly simple:

- The driver notes the number of the space where he/she parks.
- Locates multispace meter.
- Pushes buttons to indicate space number and amount of time driver plans to park.
- Enters method of payment (i.e. credit card, coins, or paper money) and finalizes transaction.

Enforcement using a pay-by-space meter is also generally easier, in some cases significantly, than with a pay-and-display system. Parking enforcement can check violations for a number of cars simply by punching a few buttons on the meter. With some systems, this action can be performed remotely.

Pros

- Multiple forms of payment
- Reliability
- Reduced street clutter
- Relative ease of enforcement

Cons

- More expensive than single head meters.
- Learning curve for users

IN-CAR METERS

A SmartPark device or any other similar electronic hang-tag device uses a SmartCard that is loaded with a prepaid amount of parking hours. The amount of free or discounted parking can be determined by the City. The SmartCard is inserted into the in-car meter, which is then placed inside the vehicle and displays the parking zone selected. Thus, the in-car meter operates like a personal parking meter that stays in the vehicle. To use an in-car meter, customers make a one-time meter purchase (approximately \$50 to \$60) and then preload the in-car meter in increments of \$20 to \$200, similar to FasTrak. When residents or visitors come to Balboa Village, they simply turn on their meter and hang the device from their review mirror so that parking enforcement can see they have paid. These meters can be loaded at one for visitors to the Balboa Village and loaded at a lower rate for residents.



In Car Meter

These in-car parking devices may be used at single space parking meters, municipal parking lots and municipal garages. With in-car meters motorists pay for actual parking time only, allowing visitors and residents to use the card only for the time they are parked. Another benefit of this technology that may be attractive to Balboa Village area is that it is a cashless operation that allows residents and frequent visitors the ability to park without carrying coins.

**Pros**

- Convenient for frequent users such as residents
- Easy to use
- Can easily set or change pricing
- Prepaid so city may see revenue before the meter is actually used

Cons

- Not good for areas with a high number of visitors
- Third party typically required
- More expensive for both the city and the user than alternatives

RESIDENTIAL PARKING PERMITS

Residential Parking Permits are permits for residents whose neighborhoods are impacted by certain public facilities or land uses (such as beaches or adjacent commercial areas) that result in non-residents parking on neighborhood streets. There are many different ways to develop a residential permit system. The City of Newport Beach currently has some areas that already enforce such a program for residents.

For Balboa Village we believe an effective parking permit system would be difficult to develop and manage given the likely restrictions that the California Coastal Commission would likely place on establishing such a program. If a residential parking permit system is developed, we recommend strict enforcement and price-appropriate fees for the permits, likely high given the high demand.

To ensure that this type of system encourages the appropriate use of parking (and the use of real estate) in the Village, the City would need to charge a meaningful fee for the Balboa Village residential parking permits. Ideally, the parking permits should at least cover the administrative and enforcement costs that the City must bear plus encourage residents to use their off-street spaces. Since annual Blue Pole meters fees are \$100 and Master Permit fees are \$648, residential parking permits on Balboa Village should probably fall somewhere between these two fees, perhaps \$300 per annum (\$25/month). A graduated system that allows the first two permits to be \$300 and the next two permits to be \$600 may discourage abuse or over use of the permits. Existing homes that were built before the advent of contemporary zoning that requires off-street residential parking could obtain two permits at the approximate cost of the appropriate administrative fee (with confirmation from code enforcement). We would also recommend that a very limited number of daily guest passes be provided to all residents (perhaps as few as 10 passes per year). If more daily passes are required they could be purchased from the City for a fee.

The advantage of residential parking permits on Balboa Village is that they allow residents and guests to park near their homes while providing a controlled amount of access to beach patrons.

A disadvantage of residential parking permits is the administrative and enforcement burden that will be placed on the City and the residents. For permits to truly be an effective parking management tool they need to have a meaningful cost associated with their use and this may not be agreeable with many residents. While permits may help alleviate some of the current parking constraint, the amount of enforcement and additional administrative requirements are likely to be overly burdensome to many residents and visitors to the area. As mentioned, the California Coastal Commission would need to be consulted to ensure that this type of permit program complies with their mission. Finally, there is the possibility that by making more parking available, some residents would have less incentive to park their cars off street, resulting in few if any net new parking spaces actually being made available.

OVERNIGHT PARKING DISTRICTS

Another solution discussed during the steering committee meeting was the use of an overnight parking district. This would operate like a residential permit district but would only be in effect during the overnight hours. This would allow residents to park on their streets during the evening hours but allow beach visitors or commercial patrons access during the daytime hours. This type of restriction may be effective for allowing residential parking in a beach area during overnight hours when the Coastal Commission is not as concerned about access. Unfortunately, this alternative does not address a direct solution during peak parking conditions but may help reduce the number of long-term vehicle parking in the area.

PARKING SIGNAGE

Walker staff reviewed signage directing traffic towards Balboa Village and to beach parking in the area. Walker identified a number of directional and wayfinding signs to the Balboa Pier Lot or other municipal lots. Increased visibility and sign location may help wayfinding for parking along Balboa Boulevard. Signs with pricing information or space availability may also help visitors identify parking locations. Ideally, on-street availability and pricing to encourage visitor parking in appropriate places could be displayed along with pricing and availability for the public lots. This would likely reduce the amount of vehicles cruising for available on-street spaces and direct more vehicles into the public lots earlier than without wayfinding and signage.



Pros

- Helps visitors navigate to appropriate areas
- May reduce congestion by reducing drivers cruising in search of parking
- More efficient use of parking resources.

Cons

- May add visual clutter to pristine area
- May be confusing if directions are not clear
- More expensive than not providing any information

PARKING GUIDANCE AND INFORMATION SYSTEMS

Another enhancement to signage is a parking guidance and information (PGI) system, which presents drivers with dynamic information on parking in a controlled area, such as Balboa Village. The systems combine traffic monitoring, communication, and electronic message sign technologies to provide parking information using simple electronic sensors and monitors.

PGI systems are designed to aid in the search for vacant parking spaces by directing drivers to lots or areas where occupancy levels are low. This can be done with convenient and aesthetically pleasing electronic signs located throughout the commercial core or near parking structure entrances. The ultimate objective of this

technology is to increase convenience and satisfaction by reducing search time, which in turn reduces congestion on the surrounding roads.

Pros

- May reduce congestion because drivers would not have to cruise for parking
- Enhances City's image as technology innovator
- Helps visitors navigate and parking in appropriate areas

Cons

- More expensive than not providing any information or using traditional signs
- May add visual clutter to pristine area
- Unproven technology
- May be confusing if directions are not clear

INCREASE BICYCLE/PEDESTRIAN FACILITIES

Demand for parking can be reduced by providing bicycle and pedestrian facilities and amenities that make it easier and more pleasant to bicycle or walk to nearby destinations. This strategy could prove to be particularly valuable in an area like Balboa Village. While bicycle facilities may not be a panacea for parking, first-class facilities can influence some driving decisions, particularly on shorter trips; if facilities are sufficient and desirable, some visitors may elect to ride their bicycle to the beach rather than drive. We have seen this behavior shift in a number of studies.³ We would encourage Newport Beach to be a regional leader in this endeavor as it has ideal climate, geography and population density for such a program.

In other areas of Newport Beach we have made recommendations regarding improved bicycle facilities and other alternative forms of transportation. In Balboa Village, Walker advocates that an attractive and well placed bicycle facility could be an important amenity within a transportation demand management program that reduces parking demand in the Village area of the Peninsula.

To help establish a more bicycle friendly area, Newport Beach could evaluate adding additional bicycle lanes, bike racks, maps, and even create a bike plan that helps direct future bicycle growth.

The American Association of State Highway and Transportation Officials (AASHTO) Guide for the Development of Bicycle Facilities (1999) provides an overview of what type of bikeways are appropriate for different uses. End of trip facilities are also an important component. There are three types of bike lockers and facilities that we are familiar with:

1. U-lock acceptable bike racks
2. Crank case security racks
3. Bicycle storage enclosures

Each type works well and is adaptable to a multitude of uses. For temporary storage in a commercial area we recommend a u-lock acceptable rack. In an office area or parking structure area we recommend a security rack. For commuters or in unattended areas we recommend bicycle storage enclosures.

³ Makovsky, Paul (2002, August/September), Pedestrian Cities. *Metropolis Magazine*, (http://www.metropolismag.com/html/content_0802/ped/index.html)



Crank Case Security Rack



Some cities have also begun experimenting with bike stations or full-service bike lockers near destinations that provide lockers, changing rooms and showers for bicycle commuters. Bikestation services include secure, indoor bicycle parking available to members with a membership pass. In the Seattle Bikestation there is free attendant-assist bicycle parking during operating hours. Bicycle repair services and commuter retail items are also available at this facility, as well as public transportation schedules, bike maps, and a personalized service matching new bicycle commuters with experienced cyclists who can help them plan a commute route, provide tips on bicycle commuting, and generally serve as mentors. While we do not necessarily believe that Newport Beach has the overall bicycle commuter numbers to support a full-service bike station, we do encourage Newport Beach to evaluate increasing the number and type of bicycle facilities it offers.



Long Beach, California Bike Station



Chicago's Millennium Park Bike Station

PARIS VÉLIB

Vélib (or “vélo liberté”, English: bicycle freedom) is a public bicycle rental program in Paris, France. Ten thousand bicycles were introduced to the city with 750 automated rental stations each with 15 or more bikes/spaces. This number has since grown to 20,000 bicycles and 1,450 stations, about 1 station every 300 yards throughout the city center, making Vélib the largest system of its kind in the world.⁴



Source: Stationnement de Montreal

Each Vélib station is equipped with an automatic rental terminal and spots for dozens of bicycles. Maps showing the station locations are available at all kiosks. The rental terminals display the locations and numbers of available bicycles and free spots of the neighboring Vélib stations. If a user arrives with a rented bicycle at a station without available spots, the terminal grants another 15 minutes of free rental time. Vans and trucks are used at night to redistribute bicycles to high-demand stations.

In order to use the system, users need to take out a subscription, which allows the subscriber an unlimited number of rentals. Subscriptions can be purchased by the day, week or year from approximately \$2 to \$40. With a subscription, bike rental is free for the first half hour of every individual trip; an unlimited number of such free trips can be made per day. A trip that lasts longer than 30 minutes incurs a charge of one to five dollars for each subsequent 30-minute period.⁵ The variable price scale is intended to keep the bikes in circulation, much like variable rate pricing at parking meters is meant to keep the parking meters turning over.

A credit card or debit card with personal identification number (PIN) is required to sign up for the program and to rent bikes. The credit/debit card will be charged the equivalent of \$250 if a rented bike is not returned. In Paris, the credit card is required to contain an EMV-chip (this chip is not currently available on most credit cards issued in the US, although the security standard was developed by MasterCard and Visa).

Paying for Bicycle Sharing

The Vélib system is financed by the JCDecaux advertising corporation, in return for the Cit of Paris signing over rights from a substantial portion of on-street billboard advertising located near the stations. JCDecaux won the contract over a rival bid from US-based Clear Channel Communications.

The company paid start-up costs of about \$115 million and employs the equivalent of about 285 people full time to operate the system and repair the bikes for 10 years. The city receives all revenue from the program as well as a fee of about \$4.3 million a year.⁶

Some North American cities have also expressed interest in a Vélib-style bicycle program. Montreal recently announced that it would begin a bike sharing program beginning in April 2009. The program, named Bixi (short for Bike Taxi), will be run by Stationnement de Montreal, a subsidiary of the Board of Trade of

⁴ <http://www.parisinfo.com/professionnels/100313/velib->

⁵ Ibid.

⁶ Anderson, John Ward. "Paris Embraces Plan to Become City of Bikes", The Washington Post, pp. A10. Retrieved December 6, 2008.



Metropolitan Montreal. Other North American cities have tried to develop a public bike sharing system but so far the results have not been as successful as their European counterparts.

A bike sharing program has the potential to reduce parking in a dense commercial district. Most of the public bicycle sharing programs with which we are familiar are located in dense commercial areas. A public bicycle sharing service in a residential and beach area may have some unique challenges that will need to be addressed. Provided these issues are not insuperable a public bicycle sharing program in Balboa Village could create a positive alternative transportation image and help mitigate some of the seasonal parking demand that Balboa Village currently endures.

METHODS OF FINANCING PARKING IN BALBOA VILLAGE

PROPERTY & BUSINESS IMPROVEMENT DISTRICT (PBID) ⁷

A Business Improvement District (BID) is a redevelopment tool for commercial neighborhoods such as shopping malls and business districts. Established by law in the late 1980's and early 1990's, BIDs are public/private sector partnerships that perform a variety of services to improve the image of their cities and promote individual business districts. They also carry out economic development services by working to attract, retain and expand businesses. In California, there are two separate laws that authorize the formation of a Business Improvement District:

- The Parking and Business Improvement Area Law of 1989 (Streets & Highways Code §36500 et seq.)
- Property and Business Improvement District Law of 1994 (Streets & Highways Code §36600 et seq.)

Both laws enable a city, county, or joint powers authority (made up of cities and/or counties only) to establish a BID and levy annual assessments on businesses within its boundaries. Improvements which may be financed include parking facilities, parks, fountains, benches, trash receptacles, street lighting, and decorations. Services that may be financed include promotion of public events, furnishing music in public places and promotion of tourism. Such a funding mechanism could be one source of revenue to fund or help fund a new public parking facility in Balboa Village.

The key terms of the 1994 act are as follows:

- Setup for 5 years at a time (renewable in 10 year increments)
(some Charter cities have amended to allow 10 years to start)
- Can fund business marketing, promotions, events, clean and safe programs, capital improvements, management etc)
- 100 plus of these PBIDs created around State
- Requires 50.1% weighted owner support petition (30% Charter cities)

⁷ California Tax Data, www.californiataxdata.com, accessed December 18, 2008.



- Requires 50.1% weighted owner ballot approval
- Can assess vacant land, blighted buildings, government properties, public utility properties, churches, non-profits but not residentially zoned properties

Forming a BID

Typically, a BID is initiated by local business owners petitioning the City to establish a BID on their behalf. Once the City Council has approved a resolution of intention, a copy of the BID proposal and resolution is sent to all affected businesses. After the City Council conducts two public hearings it may approve the BID establishment by ordinance, provided written protests are not received from business owners who will represent 50 percent or more of the total assessments to be collected.

Assessment Fees

The formula for determining the assessment amount is determined by the business organization that initiates the BID process, not the City. The respective business group takes into account the type, size, and location of the businesses. Assessments are levied on businesses on the basis of relative benefit from the improvements and activities to be funded. Fees generally range from \$40 to \$500 per business each year. A few of the newer BIDs have higher fees, ranging from \$90 to \$1,200 per year, with some anchor businesses paying up to \$5,000 to support BID-related projects.

The fees help to fund BID board-approved business-related activities and improvements which will benefit the businesses. Activities, programs and improvements range from farmers' markets to business promotions to installing street lighting and removing graffiti. By pooling private resources, business owners in BIDs collectively pay for activities which they could not afford on an individual basis. Further, since a BID fee is a benefit assessment and not a tax, BIDs can consistently enact programs and activities without relying on scarce public funding. BIDs are one of the most valuable and effective finance tools available to the small business community.

The City collects the fee on an annual basis. The BID assessment is included as a separate charge on the business tax certificate bill that every business receives. All assessment funds are returned to the BIDs through annual contract agreements. Most cities do not charge BIDs for the City staff or administrative costs associated with this service.

PARKING BENEFIT DISTRICT – FINANCING PARKING THROUGH COMPREHENSIVE MANAGEMENT OF PARKING

The meaning of "Parking Benefit District" (PBD) often changes based on the city where it is put into place. In general it is a mechanism which can greatly increase the efficiency with which it funds, manages and makes decisions with regard to parking in a designated area (the district). A PBD typically charges for parking in the District, but with the stipulation that all or a set percentage of the revenue stay in the district to fund improvements. A board or body is created in order to make the decisions regarding how much to charge and how to manage the parking system. The creation of the PBD and governing body then typically sets off a positive chain of events for the area:



- 1) A specific body is created whose responsibility it is to maximize the efficiency of the parking system in the district. As a result there is also a political constituency that will defend parking rate increases if necessary while keeping in mind the overall health of the district.
- 2) Parking is managed to maximize the efficiency of the parking system, increasing turnover and increasing the utilization of parking spaces, which allows for an increase in visitors to the area.
- 3) An incentive is potentially created for charging for parking in residential areas (either through the selling of a designated number of on-street parking permits or metering streets) as residents can see the money going to direct improvements on their block, such as repaired sidewalks, landscaping or other benefits.
- 4) The byproduct of increased parking revenue throughout the district occurs.
- 5) The PBD governing body makes decisions as to how to allocate the additional revenue through such projects as contributing to the funding of off-street parking if necessary, neighborhood beautification projects (such as street trees or attractive benches), or potentially creating funding for employees and others to encourage the use alternate forms of transportations such as bicycles, carpools, or improved transit service. Such measures are likely to reduce the demand for parking in the neighborhood.

A Parking Benefit District is often a combination of residential permit parking and traditional paid parking. A parking benefit district is created by metering the on-street parking and dedicating the net revenue towards neighborhood improvements that promote alternatives to parking. This may include increased facilities for walking, cycling and transit use, such as sidewalks, curb ramps, and bicycle lanes. Charging for parking and promoting alternatives can help reduce the number of people parking in the neighborhood, but for those that do park and pay the meter, the neighborhood benefits.

ADVANTAGES OF PBDs

- *Efficient management of parking.* PBDs allow for management of the parking supply within the district in a comprehensive and therefore efficient fashion.
- *Local involvement and control.* PBDs are largely made up of stakeholders from within the district, who then actively manage and provide oversight for the parking system.
- *Revenue stays within the district to fund parking, transportation alternatives or other improvements and amenities.* This results in political support from locals and users of the parking system, who see positive uses for the money that they spend on parking.
- *Promotes shared parking and park once strategies.* These result in less land devoted to parking and more land devoted to productive uses.

DISADVANTAGES OF PBDs

- *Requires active neighborhood participation.* This type of organization typically requires active neighborhood participation to effectively maintain the PBD. If there is a sufficient base of enthusiastic and knowledgeable proponents this is not a problem, but in areas without a champion of PBDs, this type of management program loses its ability to affect change.
- *Administrative burden.* There is some administrative burden and expense to set up and maintain a PBD.



PARKING POLICY AND THE STATUS QUO APPROACH

Balboa Village is an attractive and compelling place to live and visit. These qualities bring an influx of vehicles to the Peninsula. During summer weekends parking availability is below what we would consider effective for a residential or commercial area. During summer weekdays and throughout much of the remainder of the year, parking can present some challenges but does not constrain the area to the point where it is completely impacted. Nearly all of the remedies that we have outlined previously have some shortcomings or implementation difficulties that do not always outweigh their benefits. While some of these recommendations may elicit a change in behavior for a small group of visitors to the Village, they are not expected to change the overall behavior enough to significantly alleviate parking congestion in the Village during the peak summer months. Therefore, our final alternative is to not make any wholesale changes to the parking system in the Village and let on-street system fill with vehicles during the summer months and let the lots remain open during the weekends and on busy weekdays.



FUTURE CONSIDERATIONS

In light of the impacted parking conditions that exist in Balboa Village during certain periods, members of the community has expressed a strong interest in building a parking structure to increase the number of available parking spaces. We have noted earlier in this memorandum, however, that despite spikes in parking demand, given the relative infrequency with which impacted parking conditions occur, primarily on summer weekends, that we have not identified a need for additional parking supply in the area.

This is not to say that future conditions will not justify an increase in the parking supply in the Village in the future or that the City should not build parking for the purposes of accommodating new land uses or changes in existing land uses. In order to warrant the construction of new parking, we highlight that a number of conditions would need to be met or justified. Most notably a new garage *could* be justified by new parking generators for which existing parking supplies would not provide a sufficient or convenient supply of parking and which would generate parking demand for a substantial number of days of the year.

A review of different development scenarios suggests that the construction of a new garage in Balboa Village would serve future development in the area. We also point out, however, that given the large supply of parking available in the beach lots, a new parking structure is often a question of convenience rather than economic necessity and that given the costs of land and construction, the benefits of these costs need to be carefully considered. In addition, in many cases the development scenarios that favor garage construction would be hindered by the influx of beach (and other marine use) parkers. The demand for parking by these user groups would likely dominate any new supply of parking.

Much of the report up to this point has focused on how to mitigate parking demand and improve current parking conditions in the Village. This section of the report seeks to present development scenarios that could justify a garage and address a number of future uses that the City envisions for the Village including the Newport Harbor Nautical Museum, Balboa Theatre and other potential changes to the business environment in Newport Beach.

ZONING

Changes in the City's current zoning code may foster new uses and a redevelopment of some parts of the Village. Walker has prepared a separate report evaluating the zoning requirements related to parking in Newport Beach. As with many areas in Newport Beach, Balboa Village has unique land uses and parking demands. Some of these issues are addressed in this report; others are more systemic and are addressed in the zoning document. A special parking district or business district that addresses parking will help facilitate and may be necessary for redevelopment. In terms of financing and justifying a new structure, a policy such as that which allows new development to pay a fee in lieu of providing its own parking and then relies on a public parking structure to meet its parking needs may be an important ingredient for building a new parking structure.



POTENTIAL BUILDOUT/INTENSIFICATION OF CURRENT LAND USES

Seeing as Balboa Village largely functions as a shared parking district, there are two important factors to take into account when considering additional development or the conversion of existing land uses in the area. The first is the amount of parking demand that a new land use will generate. The second is the time at which the new use will be generating a demand for parking. The time at which any new parking demand in the area will peak is critical to consider given the enormous demand for parking that is generated by the beach and other coastal uses on summer weekend days.

SCENARIO 1 – LARGE-SCALE CONVERSION OF OFFICE OR RETAIL TO RESTAURANT SPACE

Having already established baseline conditions for the study area, in this scenario we project generally how well the existing parking supply might accommodate future parking demand given a hypothetical increase in space devoted to restaurant use. There are several areas in Balboa Village that have potential to change or intensify their current land use. To help understand the impact of land use intensification from retail or office uses to higher parking demand uses such as restaurants, we create what is arguably an extreme scenario, but one which illustrates what would happen if 100,000 square feet (GFA) of office or retail were transformed into restaurant use.

During peak weekday conditions, restaurant/bar parking demand is approximately five times greater than office parking demand, and three times greater than retail. If this intensification of uses occurs, shared parking would help mitigate some of the demand since much of the redevelopment land uses would remain office and retail, which peaks during the day. Further, the occupancy counts for a weekday in July indicate that there is some existing parking capacity on weekdays to accommodate a significant portion of this demand. Nevertheless, if this much square footage were converted to restaurant uses, we can assume that several hundred additional parking spaces would be necessary on a busy weekday evening to accommodate parking demand.

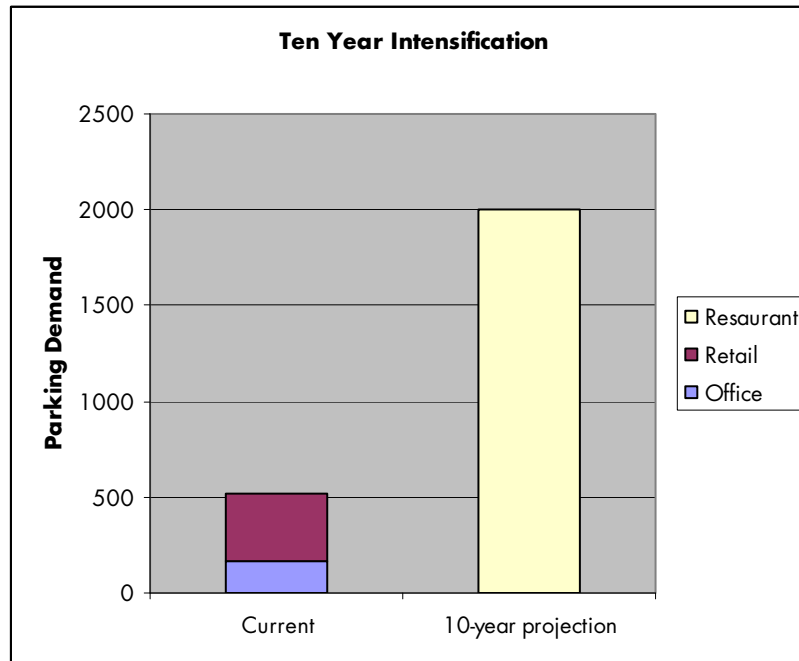
During peak summer weekend conditions, significant daytime parking demand generated by the envisioned restaurant uses would compound already impacted parking conditions resulting from beach demand. During the day, demand would be significant, potentially resulting in parking demand for well over an additional 1,000 vehicles in the area.⁸ It should be noted that even if a parking supply sufficient to accommodate this large number of restaurant parkers were constructed, we would expect that much of this additional supply would be used by beachgoers eager to take advantage of the increased availability of parking in Newport Beach.⁹

In the evening, despite a lessening of parking demand generated by beachgoers, the large number of restaurant parkers would overwhelm an already impacted parking supply. As identified in Figure 5, an intensification of use from office and retail to restaurant use significantly changes the parking demand for the area, potentially increasing the need for additional parking spaces in the area.

⁸ While arguably some beachgoers may be restaurant patrons and vice versa, in this situation we would project that the restaurants would effectively increase the length of stay of beachgoers (and restaurant patrons) effectively increasing the demand for parking. Given the “order of magnitude” of this hypothetical and general scenario, we do not make specific parking demand projections for parking demand.

⁹ This discussion does not take into consideration the ability of the street infrastructure to accommodate significant additional cars on a summer weekend.

Figure 5: Intensification of Land Uses in the Redevelopment Area

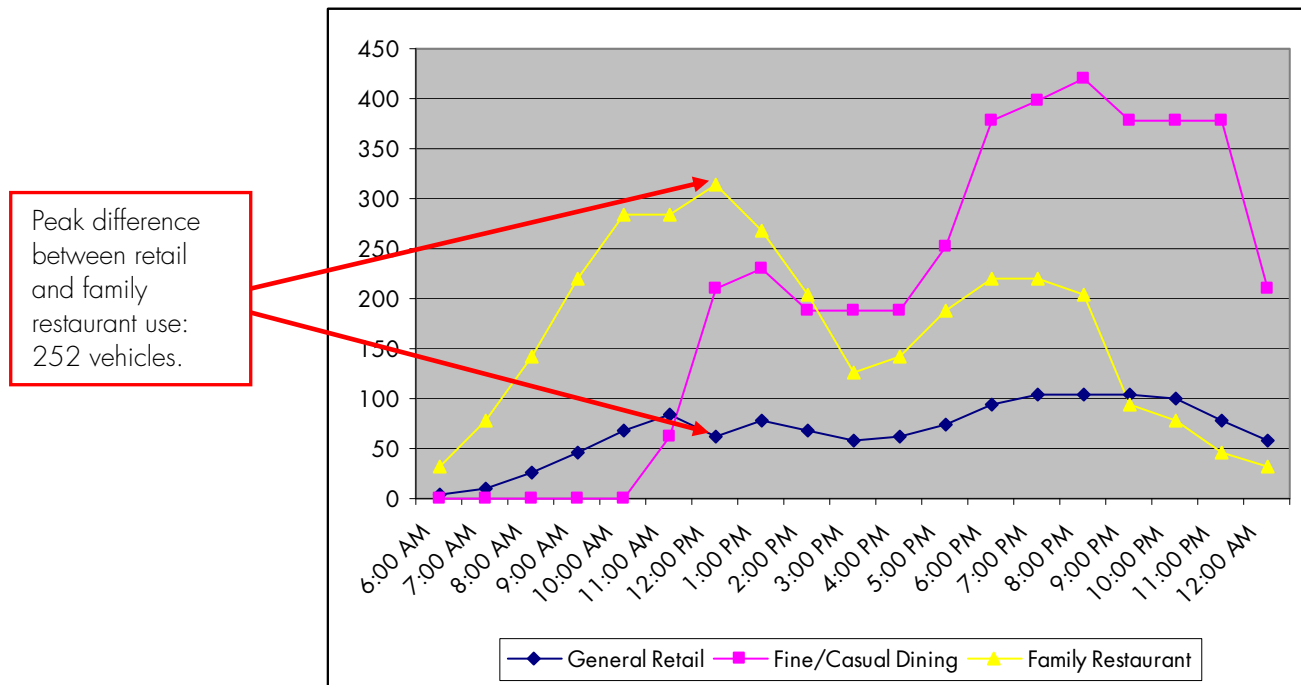


Source: Walker Parking Consultants, 2009

SCENARIO 2 - SMALLER SCALE CONVERSION OF RETAIL SPACE TO RESTAURANT USAGE

In a perhaps more realistic scenario, if 20,000 square feet of retail (three 6,667 square foot family-style restaurants) changed uses and became what we would classify as family-style restaurants in the next three to five years the net increase in parking demand would be roughly 250 spaces. This is significant because the peak occupancy demand period for a family-style restaurant is typically 12:00PM (Noon) and would specifically coincide with the peak demand period for the beach. Fine-dining establishments, or casual restaurants with a bar have a higher peak occupancy demand, but the peak demand period is typically much later in the day, when the beach use and parking demand in Balboa Village is starting to diminish. Figure 6 shows what the peak parking demand would look like if some of the retail uses became restaurants.

Figure 6: Difference in parking demand between restaurant and retail uses



Source: Walker Parking Consultants, 2009

In this hypothetical scenario peak daytime demand in the area would increase by 252 vehicles (net increase). For a fine dining restaurant or casual dining restaurant with a bar, the peak demand difference would be 315 vehicles (net increase) and would occur at 8:00PM as the beach demand is diminishing.

IMPLICATIONS FOR A NEW PARKING STRUCTURE TO SERVE RESTAURANT USES

A significant increase in restaurant square footage in Balboa Village would increase the demand for additional parking spaces. Thus there are several “pros and cons” that should be considered regarding the use of a new parking structure to accommodate this additional parking demand:

1. A new structure would be in demand far more often if there were an increase in the number of restaurants in Balboa Village than if it were constructed solely to serve beachgoers; new or more intense land uses in the area would make for more even use of a parking structure and therefore more efficient use of the spaces.
2. Additional parking constructed to serve new restaurants would overlap with busy beach days and exacerbate the already impacted peak times for parking demand. Although more cars in total would be accommodated, on peak days the parking experience for drivers would be worse.



3. As mentioned previously, drivers visiting the area solely to patronize restaurants would likely still struggle in competition for parking with beach goers during busy periods, particularly given the parking fee that would likely need to be charged for parking.

During those times when the Village is not experiencing a peak in demand for parking for the beach, our occupancy counts suggest that parking is generally available in Balboa Village. Existing parking supplies would be able to accommodate the *weekday* demand for parking in the Village if 20,000 sf of the existing retail usage were converted to family restaurants however more spaces would be needed to meet the demand for more parking in this scenario on a summer weekend. Hundreds and potentially 1,000 new spaces would be needed to accommodate a significant increase in restaurant uses such as the 100,000 square feet set forth in this scenario.

CONCLUSION – INCREASED RESTAURANT DEMAND AND A NEW PARKING STRUCTURE

A new parking structure located in Balboa Village would allow for the accommodation of more visitors driving in during periods of peak parking demand and would be an added convenience to businesses in the Village during slower periods.¹⁰ The challenge of building new parking supply to serve a greater number of restaurant uses is that peak demand would likely occur during what are already busy periods. Restaurant patrons would have to compete for parking with beachgoers during these times as the demand for beach parking would be higher than the demand for parking generated by the restaurants. We anticipate that California Coastal Commission regulations would prevent preferential parking for restaurants and other businesses during periods when the demand for access to the Coast is high, resulting in parking spaces ostensibly designated for business patrons being used by beach goers or those frequenting other coastal users.

SCENARIO 3 – OFFICE USE

We recognize that typical office use may be an unlikely use in Balboa Village although we point out that offices in coastal areas do exist in Southern California in locations such as Santa Monica, where the public garages are shared by both offices and visitors. While restaurant and retail land uses peak on weekends, when parking in Balboa Village is already impacted, typical office is the land use that most efficiently shares parking with a beach area, generating roughly ten times as much demand for parking as on the weekend. While virtually any additional land uses would exacerbate the impacted parking conditions during the busiest times, office uses experience at most 10% of peak parking demand on weekends; parking impacts on evenings and weekends would be minimal.

Office uses built in tandem with the development of a new parking structure development would create a condition where the structure was used throughout the week by employees while remaining available on weekends to mitigate the impacted parking situation that results from the public's desire to access the coast.¹¹

We understand that office uses may not be viewed as desirable or practical in Balboa Village and that many factors are involved in determining the desired mix of land uses in a given neighborhood; parking issues may

¹⁰ This is assuming that parking could be provided for a reasonable fee to the public and perhaps area employees, which would likely be challenging given the cost of constructing a parking structure in Balboa Village.

¹¹ We note that based on our weekday occupancy counts and an assumption of roughly 3.5 spaces per 1,000 sf, a significant amount of office use could be added to Balboa Village without creating a parking shortage provided that the public beach lots were utilized for employee parking. In some cases less dense creative office uses may generate an even lower demand for parking than typical office use.

not be a priority. Further, the type of parking associated with office use generates relatively little revenue compared to that used by more frequent turnover restaurant, retail or beach uses; parking in a Balboa Village parking structure would represent very expensive employee parking spaces. However, the complementary nature of the peak in parking demand for office compared with that of the coast creates efficiencies that do not exist with other land uses and offers opportunities when considering the construction of a new parking structure. Further, a system of in lieu fees whereby property owners could pay a fee in lieu of providing parking in the space-constrained environs of Balboa Village would help fund a parking structure, allow for the sharing of spaces and bring new activity to the neighborhood.

NEW USES AND ADDITIONAL PARKING DEMAND- NEWPORT HARBOR NAUTICAL MUSEUM

In 2005, The Newport Harbor Nautical Museum purchased 34,000 square feet of property in Balboa Village to house its museum and Tall Ship program.¹² The Museum is dedicated to preserving and promoting the nautical heritage of Newport Harbor, southern California and the eastern Pacific through exhibitions and education programs pertaining to nautical arts, artifacts, events and customs. The facility is in the midst of a capital campaign to help expand the current institution and offer a wider array of programs and events in the Balboa Village area. The Museum is currently working on Phase 3 of its development and hopes to complete Phase 4 by 2010. Parking is a significant concern for expanding this property and developing the area to accommodate the anticipated 125,000 visitors that will provide patronage to the museum and its programs.¹³

A 34,000 square feet Nautical Museum (31,000 square feet of useable space) has the potential to be a significant attraction in Balboa Village.¹⁴ Parking demand for the museum is difficult to project without a comprehensive study of the facility and its likely daily attendance demand. Our experience with similar facilities suggests that parking demand for museums varies dramatically from location to location. Projecting peak occupancy demand for parking depends on the visitor demographic, type of museum, the number and type of exhibits, location, and numerous other factors. As a result it is difficult to assess how much parking may be required to support this unique facility and how much demand for parking the museum will generate. Our understanding is that the Nautical Museum will attract patrons that are coming specifically to visit the museum. However, there will be a number of patrons who visit the area for other reasons but will visit the museum as part of their trip. It is also projected that a number of visitors will arrive at the museum on a chartered bus or even by ferry or boat, resulting in a very small parking impact.



¹² MCM Group International, Visioning Analysis – Newport Harbor Nautical Museum, July 2008.

¹³ Ibid.

¹⁴ Ibid.

According to the Visioning Analysis provided by the MCM Group, the Nautical Museum would require parking for 200 vehicles. It is likely that the California Coastal Commission will require a parking study be performed to better understand how the proposed Nautical Museum may impact beach parking in Balboa Village. Using MCM Group projections, the museum peak summer demand could be as high as 200 vehicles though we also believe that many of the summertime visitors will already be at the beach and will be represented in the number of captive vehicles already in the area, and thereby not impacting the demand for parking. Nonetheless, the proposed Nautical Museum will increase parking demand in the Village. As a result, it is likely that additional parking will be required to support a museum with ambitions to accommodate 125,000 annual visitors.

A separate analysis of the parking demand and potential impact the Nautical Museum may have on the area is recommended, however, it is likely that the Museum could make up part of the additional parking demand accommodated by a new parking structure in the area.

NEW USES AND ADDITIONAL PARKING DEMAND- BALBOA THEATRE

The Balboa Theater is being remodeled into a 320-seat multi-use venue boasting the latest in sound and lighting design. The City of Newport Beach is working with the California Coastal Commission to monitor the Balboa Pier Parking Lots to understand how this facility might impact parking in the area. The Coastal Commission has requested that the City establish a monitoring plan to help evaluate whether the Theater patrons' use of the Balboa Pier parking lot is adversely impacting the public's ability to use the lot to access the pier, beach and other public recreational facilities available in the coastal area. The monitoring plan seeks to gather lot usage data at various times over the next two years. This task should be accomplished by surveying the Balboa Pier Parking Lot utilization and counting the number of vehicles parked during peak and non-peak beach usage when performances both are and are not being held.

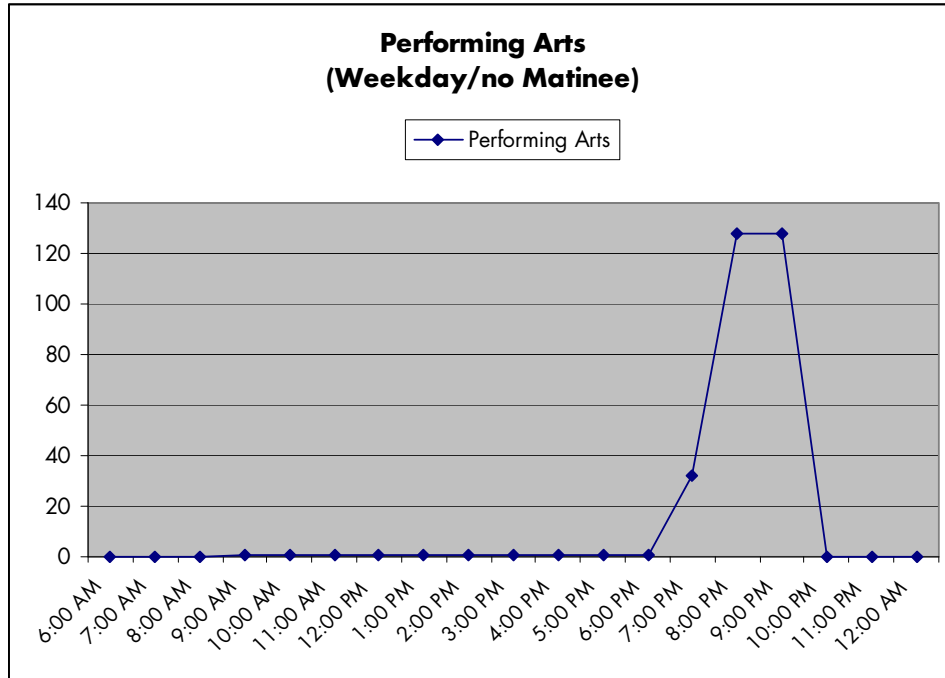


Source: www.balboaperformingartstheaterfoundation.org

Again, without an independent parking study to better understand how the theater is used it is difficult to accurately project vehicle demand. Our assumption is that a percentage of the patrons will be from the surrounding area and will not increase the parking demand. It is also possible that the theater will have a strong local and regional draw, particularly during the busy summer season. Our shared parking model indicates that for typical performing arts theaters there is a peak weekday demand of 0.37 vehicles per seat. The weekend peak demand is 0.40 vehicles per seat. These numbers include typical employee parking demand of 0.07 vehicles per seat, or approximately 22 employee vehicles for a 320-seat venue. Figure 7 shows parking demand during a typical weekday for a typical 320-seat theater that does not have a weekday matinee.

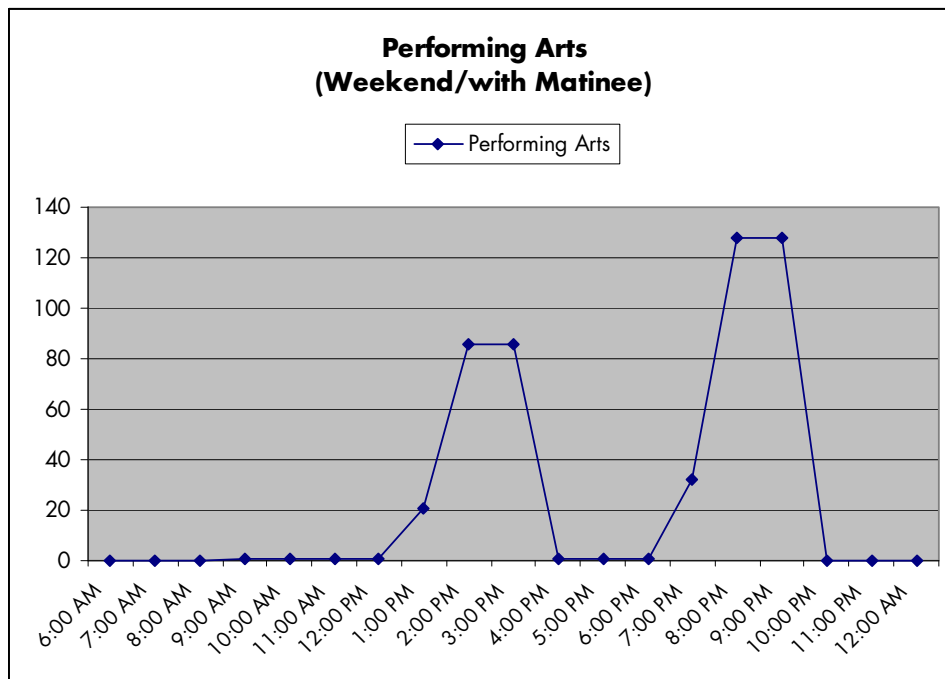


Figure 7: Theater Parking Demand (weekday - typical)



In Balboa Village, the weekend performances are likely to be much busier than a weekday performance, particularly during the busy summer beach season. Again, it is projected that the peak parking demand for a theater will be at 8:00 PM as the peak beach demand is waning. Figure 8 shows parking demand for a typical performing arts theater during a weekend with a matinee.

Figure 8: Theater Parking Demand (weekend - typical)





A comprehensive parking study evaluating the differences between the Balboa Theater, the seasonal nature of Newport Beach, and the patron behavior will likely produce a different peak; these charts are for illustration purposes only and do not necessarily represent what we believe is likely to occur in Newport Beach or at the Balboa Theater.

CONCLUSION – FUTURE CONSIDERATIONS REGARDING A NEW PARKING STRUCTURE

The creation of a new public parking garage in older commercial districts generally represents an opportunity for the area to accommodate new development. Current parking zoning requirements in most cities, as well as the scarcity and cost of available land, often make new development which requires large numbers of parking spaces such as restaurants, difficult or impossible in these districts. The challenge is a result of the scarcity and cost of devoting land to parking in these dense areas, which in effect would result in more land area devoted to parking than to the actual use itself.

A new public parking garage in Balboa Village presents an opportunity as well. Garage spaces and the cost of providing them could be shared by, among others:

- existing users who currently have trouble finding parking;
- the parking demand generated by new commercial development that may come to the area;
- the demand for parking that will be generated by the Nautical Museum and Balboa Theater.

We note however that the successful utilization of a new garage in the Village is more challenging than might be expected given some factors that are not typical of an older commercial district. Although the area experiences severely impacted parking conditions during periods of peak demand for beach parking, these periods represent a relatively small percentage of days during the year. We therefore see one goal of a new parking structure in the area as being the accommodation of parking for existing or new uses other than the beach and other recreational marine uses. The resulting challenge, however, will be that those times when the beach is crowded the new parking structure would be used primarily if not entirely by beach goers for several reasons including the following:

1. We do not foresee a scenario in which the Coastal Commission would permit the construction of a parking structure that would provide *preferential* parking for non-beach goers during periods when parking for the purpose of coastal access is in high demand.
2. We project that drivers going to the beach will pay more to park than would drivers going to Balboa Village for just about any other purpose or destination. In this way, beach goers and perhaps those parking for other maritime purposes would dominate the parking supply, even if a high parking rate were charged.¹⁵

To the extent possible, it would then be advantageous for uses such as the Theater to arrange their schedules to avoid conflicts with busy beach days.

¹⁵ Given the extraordinarily high cost of building a structure, the cost of parking at the nearby beach lots, and the need for a parking demand management mechanism, we envision that a fee must be charged for any parking structure built in Balboa Village.



NEW USES, IMPACTED PARKING AND THE NEED FOR A NEW PARKING STRUCTURE

The purpose of this look at the new uses discussed above is to help identify how they might impact parking in the area. As the charts in this section show, peak parking demand for restaurants and theater uses are likely to occur in the evening as the peak beach demand period is in decline. However, some additional impacts would likely still occur during the peak demand hours.

In these examples, with just additional restaurant intensification and the opening of a 320-seat performing arts theater, we project demand at 548 vehicles during the peak demand period occurring at 8:00 PM. During the peak beach demand period (11:00 AM to 6:00 PM) the projected theater and restaurant parking demand generation is 291 vehicles. The peak demand for this period occurs on a weekend at 2:00 PM. If the Nautical Museum requires an additional 200 spaces, parking demand for the area would exceed the current supply. As a result, during the summer beach season it is extremely unlikely that there will be sufficient available parking for these uses without adding to the overall area supply.

As noted in the earlier discussion, new land uses in the area that would create additional parking demand during off-peak parking hours would allow for a more efficient utilization of a new parking structure and justify its existence much of the year. Ultimately the question of whether current parking usage patterns or potential new demand warrant a new garage is both an issue of the community's wishes and the financial and opportunity costs of a structure.

CONVENIENCE OR NECESSITY

Much of the existing parking capacity that we observe in Balboa Village during off-peak hours (primarily weekdays) is the result of the large number of parking spaces available in the Balboa and Peninsula lots. In a public meeting in 2008 some members of the community stated that conditions make parking in these lots unpleasant and therefore their use for reasons other than beach parking is undesirable or impossible.¹⁶ However, the spaces in these lots represent a valuable parking resource, most of which our occupancy counts and subsequent occupancy spot checks on subsequent days have suggested are available the majority of the year.

Based on Walker's research regarding acceptable walking distances between parking and destinations (see Figure 9 below), these spaces are located within a reasonable walking distance of most of Balboa Village, particularly for employees and perhaps for valet operations in the areas closest to these lots.¹⁷ For a popular restaurant, Walker research suggests that people will walk four hundred feet or more after parking, particularly in a pleasant location such as Newport Beach. Examples of this can be seen in Santa Monica's Third Street Promenade or Pasadena's Old Pasadena Districts.

In addition to serving the new uses in the area, a new parking structure located within the Balboa Village commercial district would indeed represent a supply of parking that is at a higher level of service for the commercial portion of Balboa Village and thereby represent a convenience to patrons of businesses in the Village that parking in the beach lots would not afford. However, the extent to which each space in a new

¹⁶ We note that given the high cost of building additional spaces, a fraction of that cost devoted to efforts to make the lots a more palatable option including signage and wayfinding, lighting or other measures would represent a savings.

¹⁷ This observation for valet operations is preliminary; an analysis of the viability of a valet operation using these lots has not been performed.



public structure were not used and generating revenue on a daily basis represents real costs that would have to be covered.

Figure 9: Walking Distances and their Associated Levels of Service

Maximum walking distance	Level of Service			
	D	C	B	A
Within parking facilities				
Surface Lot	1400'	1050'	700'	350'
Structure	1200'	900'	600'	300'
From parking to destination				
Outdoors, uncovered	1600'	1200'	800'	400'

Source: Walker Parking Consultants, 2004.



REPORT CONCLUSION AND RECOMMENDATIONS

Parking in Balboa Village can be difficult, particularly during busy summer weekends. Creating a parking system that is responsive to the needs of all the Village areas' parking user groups, residents, merchants, customers and visitors is difficult due to the different parking needs of each. As we have mentioned, any solution will result in trade-offs between the different groups.

Our analysis demonstrates that while the demand for parking overall in the Village area varies considerably over the course of the year, as well as over the course of a week, on-street parking is impacted on a far more regular basis. The off-street parking supply as a whole largely has the role of absorbing demand for parking on busy days. The implication of this spillover is significant. First it suggests that, under current parking policies and conditions, any new off-street parking facility that is constructed is likely to be the parking place of last resort, essentially an additional spillover parking supply, and therefore would remain highly underutilized for much of the year. Second, it suggests that any solutions to the parking challenges faced in Balboa Village will have to address the high demand for on-street parking.

It is therefore crucial to emphasize that even if additional off-street parking supply is created in the area, this new (and, as discussed, expensive) supply of parking could have little effect on the on-street parking shortage unless measures such as an aggressive on-street pricing policies are undertaken. As we pointed out earlier, the cost of any new parking facility would be significant in total and on a per space basis, particularly when considering that the vast majority of days per year these spaces would sit underutilized or vacant.

It is reasonable and fair that at least a portion if not all of that cost should be passed on to the parking user, given in part that the majority of parkers may not be City residents. The fact that by far the largest draw in the area on busy days is the beach, and that most visitors who travel to the area do so primarily or solely to visit area beaches, enforces the fairness of the user paying at least a portion of the parking costs. It is worth noting that in many parking systems the high demand (and subsequent high revenue) from on-street parking is used to subsidize off-street parking facilities; in this way, parking in an area from both a financial and management perspective is treated as a comprehensive system. Although a financial analysis is needed, we anticipate that parking rates in a new structure need to be substantial in order to cover even partial costs.

Our initial recommendation considers how providing economic cues (i.e. pricing) may help shape how to best serve the disparate groups. Our analysis indicates that without the intense beach activity, the parking system appears to work effectively and accommodate the area demand. However, during peak weekend demand periods the system is severely impacted. That is to say, the value of the parking system in Balboa Village changes dramatically during the peak summer weekend period. To address this disparity we suggest that the City implement a tiered pricing system in the area. Initially, we believe that a tiered pricing system may be beneficial in the beach lots to help mollify seasonal demand. Additional metered pricing of the on-street parking, particularly along Balboa Boulevard or Bay Avenue may also be required to ensure that there is some parity between the on-street pricing and the beach lots so that "hunting" for a free or lower-priced on-street space does not become the norm. A tiered pricing system can look something like this:

- Tier 1) Peak summer weekend rates: \$2/hr or \$16/day
- Tier 2) Non peak weekend rates: \$1.50/hr or \$12 day
- Tier 3) Weekday rates: \$1/hr or \$6 day



This type of pricing system seeks to rebalance the system based on likely seasonal or daily demand. We also recommend that alternative transportation modalities be installed. In Balboa Village the installation of safe and reliable bicycle facilities should be evaluated. This will not dramatically reduce the amount of parking required but it may begin to shift the default alternative of driving for short trips onto a different mode of transportation for some users and overall provide the public with other transportation alternatives. Finally, we believe that improved signage can help direct vehicles off the Balboa Boulevard and into the public and beach lots more effectively.

In order to truly address the parking challenges in Balboa Village something of a paradigm shift for all users of parking in the area needs to occur when it comes to driving and parking near the beach. The current assumption is that many people simply get in their car, drive to the Balboa Village area, and circle until they find a space. With proper economic cues, signage, and alternatives to driving, the behavior of some drivers can be modified so that demand for parking during peak hours and peak times will be reduced without reducing the overall number of people visiting Newport Beach, or by increasing the total number of parking spaces. Even if such policies influence just a small percentage of parkers in the area, if done successfully these policies can increase the overall attractiveness of the area by reducing parking and traffic congestion.