

MEMORANDUM

RECOMMENDATIONS TO ADDRESS PARKING DEMAND IN BALBOA VILLAGE



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DATE: JUNE 29, 2009

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PROJECT NAME: CITY OF NEWPORT BEACH PARKING
MANAGEMENT STUDY

PROJECT NUMBER: 37-7990.00

SUBJECT: RECOMMENDATIONS – BALBOA VILLAGE

Pursuant to our discussion and understanding of parking needs in Balboa Village, please find our recommendations for the district below. We highlight them in this brief memorandum for your review prior to including them in our report for the Balboa Village district.

SHORT-TERM AND MEDIUM-TERM RECOMMENDATIONS

Recommendation 1: Establish a parking benefit district (PBD) for Balboa Village to provide local oversight and guidance with regard to how A) parking in the neighborhood is managed and B) revenue from policies designed to improve parking management can be used within the parking benefit district.

1. Create a Balboa Village Parking Benefit District (BVPBD) with representatives from both the existing Balboa Village Business Improvement District and Village residents. Representatives/members of the PBD will be responsible for the monitoring of parking occupancy rates and other parking-related conditions and making recommendations regarding parking rates and other management policies in order to appropriately address parking issues.
2. Dedicate a portion of the revenue generated by the parking rate increases recommended in this section to parking and other local transportation improvements:¹
 - A. Set up a special fund to ensure that the portion of the revenue designated for the PBD be kept separate from general city funds;
 - B. Net of expenses for meters and enforcement, dedicate a portion of parking revenue to the local area where, for example, the district receives a portion of the revenue increment generated by an increase in rates approved by PBD.
 - C. Determine policies eligible to benefit from the revenue, which we recommend include some or all of the following:

¹ We recommend that the revenue dedicated to the BID be the incremental revenue collected above the amount that meters currently generate in the area. However, we note that parking districts in other jurisdictions share the increment. For example, Parking Management Districts in the City of San Diego have a revenue split in which the City receives 55% while the district receives the remaining 45% of the increased revenue in the area.



- i. administrative costs, security, maintenance, enforcement and new capital projects in the Village;
- ii. a fund created for the purpose of financing a new parking garage;
- iii. parking improvements such as multispace meters that will accept credit or declining cards that the public can purchase and use multiple times before re-adding funds;
- iv. transportation alternatives such as improved bike facilities, increased transit service or a local trolley or shuttle service that provide parking alternatives and reduce traffic;
- v. improved signage to help direct vehicles off Balboa Boulevard and into the public and beach lots more effectively;
- vi. sidewalk and street enhancements and improvements to improve the walkability and aesthetics of the area as well as potentially to increase effective walking distances in the area.

Recommendation 2: Price on-street parking at a rate which manages the high demand for this limited resource so that a few spaces are available to those in search of on-street parking. An occupancy rate of 85% is the industry standard for optimal on-street parking system performance; given the high demand for spaces in Balboa Village on weekends, we suggest a target occupancy rate of 85% to 90%.

Given that the demand for these on-street spaces varies considerably based on the day of the week or the season, in order to effectively manage demand, the on-street rate should vary as well.

A. Initially implement the following paid parking fees in Balboa Village from roughly Coronado to B Street, keeping in mind that these rates, particularly on summer weekends, may need to increase in order to effectively manage the demand for on-street parking:

Tier 1) Peak summer weekend rates: \$2/hour or \$16/day²

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

Tier 3) Weekday (year round) rates: \$1/hour or \$6 day

B. Do not set parking fees above \$1.50 per hour until parking pay meters that allow drivers a convenient method of payment (such as credit cards and or paper currency) are available for use. Use multi-space pay stations to increase efficiency, minimize clutter and allow more flexibility when adjusting rates.

C. Monitor parking occupancy rates for on-street parking spaces in the area on a regular basis in order to ensure that they are not too low (impacted parking and a shortage of available on-street spaces remains a problem) or too high (on-street occupancy rates below 80% - 85%, particularly

² We recommend that large increases in parking fees be implemented gradually over time.



on busy weekend days). At the same time, monitor parking occupancy rates in areas adjacent to the area bounded by Coronado and B Streets in order to measure any parking spillover effects and the need to implement paid parking in these adjacent areas. On-street occupancy rates should also be monitored in relation to occupancy rates in the area beach lots.

- D. Adjust parking rates if necessary, in response to the occupancy rates observed during the monitoring process described above. Parking fees as high as \$3.00 per hour during busy summer weekends may be needed in order to effectively manage demand.
- E. Meet with owners of Catalina Ferry and day fishing boat operators to determine how to best locate parking demand generated by their patrons and employees. Options may include utilizing shuttles from parking lots located outside of Balboa Village.

Recommendation 3: Put in place a system of parking permits for Balboa Village residents that appropriately addresses the parking management needs of Balboa Village. The purpose of this recommendation is A) to allocate scarce on-street parking spaces as efficiently as possible by affixing a cost to residents for their use and encouraging those residents who have off-street parking spaces to utilize them and B) offer residents the convenience of not having to constantly pay meter fees on a daily basis.

Before making recommendations in this area we note, from a parking efficiency and management perspective, a parking permit system is not ideal.³ First, the most efficient way to manage parking is to have drivers pay for the amount of parking time and space they use on an incremental or marginal basis in which drivers pay for as much or as little parking as they use. However, in the case of a parking permit, once the permit holder has paid a “sunk” cost, he/she has the incentive to maximize the use of the permit and therefore to use park on the street as much as possible instead of, for example, parking in their own off-street parking spaces.

Second, a parking permit makes it more difficult to differentiate the price for the permit holder based on periods of high and low demand. We attempt to address this issue to the extent possible within our recommendations by charging higher permit fees for summer than for the non-summer period. Finally, we note that the cost of a parking permit that truly reflected the value of not paying for on-street parking in Balboa Village could arguably be in the thousands of dollars.

In short, implementing a system of residential parking permits is primarily recommended as a convenience for residents in order to make the introduction of paid parking within the area easier and more palatable. To the extent that fees higher than those currently charged for Blue Pole permits or Master Permits are charged, greater efficiency can be added to the parking system.

³ We note that a parking permit system offers residents convenience, but that the inconvenience of paying a meter could be minimized with equipment such as the in-car, hang tag meter device described earlier in this document or a declining card that could be swiped at a meter each time a resident parks.

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We make the following recommendations with regard to residential parking permits in Balboa Village:

1. Offer residents of Balboa Village the opportunity to purchase on-street parking permits at a rate that, as much as possible, reflects the high value of on-street parking in the area.

2. Initially price permits at:

September 15 – May 15: \$480 for the eight-month period (\$60 per month).

May 16 – September 14:⁴ \$480 for the four-month period (\$120 per month).

The total annual cost of annual permit parking would therefore be \$960, a roughly 45% increase above the current annual cost of the City's Master Permit. Given the scale of the increase in price, we recommend that the fee increase be implemented gradually. However, we note that this fee is still far below the market or proposed meter price for parking which, at \$1.00 per hour could cost a driver \$10 per day and potentially \$300 per month.

3. Limit the number of permits per residence. Walker preliminarily recommends a limit of two on-street parking permits per residence and/or a significant, for example \$200 increase in the cost of each additional permit.⁵
4. Monitor residential parking on a regular basis and consider adjustments in the fee charged for parking permits accordingly.
5. As part of the parking permit program for residents, evaluate offering residents parking at the beach lots at either monthly or annual rates.⁶

⁴ We note that the peak demand for parking in the area occurs in the summer and on weekends, particularly in the summer but throughout the year as well. An alternative to requiring the purchase of a higher priced, summertime parking permit in addition to a September to May permit is to offer separate weekday and weekend annual permits, with the weekend permits priced at a premium.

⁵ We make this recommendation understanding that a number of residences in the area may have multiple tenants but that most residential units should have at least one off-street parking space. Ultimately, we believe that it would be valuable for the City to survey and record residential properties in the area to determine which have off-street parking on site and which do not. Higher rates would then be charged someone who has off-street parking spaces but wishes to park on the street while a lower rate could be charged to the resident of an older multifamily residence that does not have off-street parking. We welcome input from City staff and Council on this matter.

⁶ The California Coastal Commission may not allow daytime preferences but may allow late evening and early morning permits or parking preferences.

We note that that the California Coastal Commission has taken issue with what it considers to be preferential treatment of one group over another when providing parking. In this case, it could find offering only residents a flat rate parking permit as problematic. If this proves to be the case we recommend that the City offer these parking permits to the public or consider using its Master Permit program, which is already in place, for this purpose. If this were done, we believe that it would justify raising the cost of the Master Permit, something which we suggested in an earlier report.

LONGER TERM RECOMMENDATIONS

Consider building a new public parking structure to serve Balboa Village once the following issues have been considered:

1. A public parking structure in the area would likely be efficiently utilized only if the parking pricing and management recommendations for on-street parking discussed in this memorandum are put in place and the fee for parking in the structure is less than on-street parking.
2. While on-street parking fees are likely to generate a significant revenue source from which to fund construction, operations and maintenance of a new garage, given the high cost of land and construction in the area, an assessment on local property and other funding sources may be necessary to fully cover costs.

And the following questions have been addressed:

1. After regular monitoring, do parking occupancies in the area remain at a level that members of the Parking Benefit District consider unacceptably high for a determined number of days per year?
2. Would additional increases in the fees for on-street parking for the purposes of continued parking demand management result in an unacceptably high cost for on-street parking? Would a parking garage that charged less than the on-street amount for parking be viable?
3. Do realistic and cost effective options to shuttle employees, or patrons of businesses such as the Catalina Ferry, from other locations in the City exist?