



Sophie Hahn  
Councilmember District 5

CONSENT CALENDAR  
December 14, 2021

To: Honorable Mayor and Members of the City Council

From: Councilmember Sophie Hahn (Author), Councilmember Harrison (Co-Sponsor), Councilmember Taplin (Co-Sponsor), and Councilmember Robinson (Co-Sponsor)

Subject: Consideration of Expansion of Paid Parking to Support the Parking Meter Fund and Improved Pedestrian and Bicycle Facilities

RECOMMENDATION

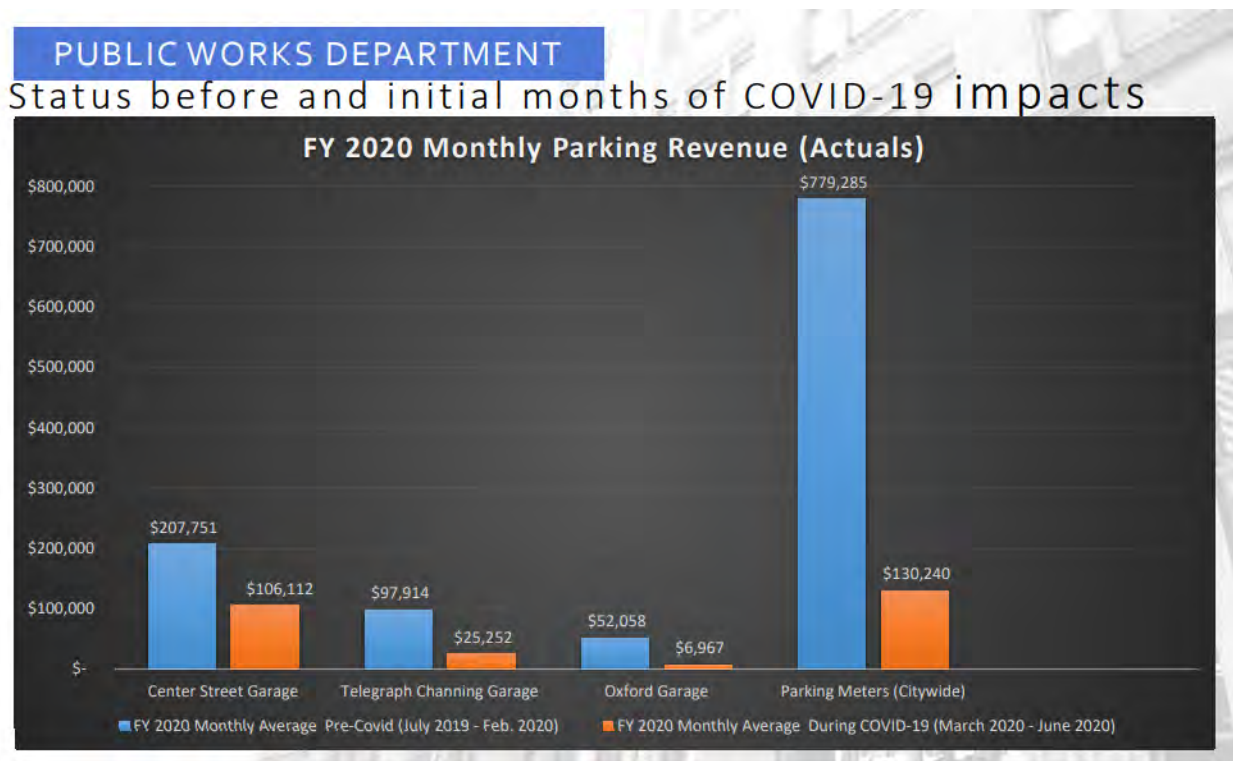
1. Refer to the City Manager and the Transportation Commission to consider the extension of paid metered parking to include all days of the week, paralleling the calendar for off-street parking garages.
2. Consider a pilot, phasing-in, and/or exempting certain areas, and conduct broad outreach to merchants, faith-based and other institutions and organizations, neighborhood groups, and others potentially supported or impacted by change.
3. Consider allocation of potential additional revenues to help offset losses to the Parking Meter Fund incurred during COVID. Once the Fund has recovered, consider allocations to support pedestrian and bicycle facilities to help achieve Berkeley's Climate Action and Vision Zero goals on an accelerated basis.

CURRENT SITUATION AND ITS EFFECTS

Berkeley's Parking Meter Fund until FY 2020 was maintaining a healthy fund balance, averaging over \$10M in income annually (2016-2019). Unfortunately, with the March 2020 shelter-in-place order to limit the spread of COVID-19, the fund experienced a significant shortfall, with decreased driving and parking and the temporary suspension of metered parking and enforcement. FY 2020 experienced a 30% decrease in revenue compared to FY 2019, and FY 2021 an approximately 70% decrease as compared to FY 2019. In FY 2021, the City Council authorized a \$3.2M one-time General Fund allocation to address the impact of the pandemic to the fund. However, the Parking Meter Fund is projected to end FY 2022 with a negative fund balance that will be carried forward for a number of years, exacerbated by anticipated Capital expenditures in FY2023.

**FORECAST OF PARKING METER FUND**

Description/Account	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2021 Projected	FY 2022 Proposed	FY 2023 Projected	FY 2024 Projected
<b>Beginning Fund Balance</b>	<b>\$3,270,420</b>	<b>\$4,990,946</b>	<b>\$3,208,091</b>	<b>\$3,208,091</b>	<b>\$3,208,091</b>	<b>\$2,957,810</b>	<b>(\$2,414,340)</b>	<b>(\$9,704,703)</b>
<b>Revenues</b>	<b>\$10,381,386</b>	<b>\$7,350,026</b>	<b>\$11,061,390</b>	<b>\$11,061,390</b>	<b>\$3,229,346</b>	<b>\$4,634,259</b>	<b>\$8,575,838</b>	<b>\$9,630,038</b>
Parking Metered	\$9,987,286	\$7,016,029	\$10,636,205	\$10,636,205	\$2,928,336	\$4,289,268	\$8,222,602	\$9,227,586
Point-to-Point Vehicle Share	\$393,672	\$307,505	\$425,168	\$425,168	\$296,310	\$344,991	\$348,441	\$397,609
All Other	\$428	\$26,492	\$17	\$17	\$4,700	\$-	\$4,795	\$4,843
<b>Expenditures</b>	<b>\$8,660,860</b>	<b>\$9,132,881</b>	<b>\$9,640,151</b>	<b>\$10,254,513</b>	<b>\$3,479,627</b>	<b>\$10,006,409</b>	<b>\$15,866,201</b>	<b>\$10,162,967</b>
Personnel	\$4,655,664	\$5,019,203	\$5,143,905	\$5,179,017	\$2,509,644	\$5,450,176	\$5,330,803	\$5,544,035
Non-Personnel	\$4,005,196	\$4,113,678	\$4,496,246	\$5,075,496	\$969,983	\$4,556,233	\$4,535,398	\$4,618,932
Capital Projects	\$-	\$-	\$-	\$-	\$-	\$-	\$6,000,000	\$-
<b>Annual Surplus/Shortfall</b>	<b>\$1,720,526</b>	<b>(\$1,782,855)</b>	<b>\$1,421,239</b>	<b>\$806,877</b>	<b>(\$250,281)</b>	<b>(\$5,372,150)</b>	<b>(\$7,290,363)</b>	<b>(\$532,929)</b>
<b>Ending Balance</b>	<b>\$4,990,946</b>	<b>\$3,208,091</b>	<b>\$4,629,330</b>	<b>\$4,014,968</b>	<b>\$2,957,810</b>	<b>(\$2,414,340)</b>	<b>(\$9,704,703)</b>	<b>(\$10,237,632)</b>



Source: Public Works Parking Enterprise Funds Balancing Report<sup>1</sup>

Currently, on-street and surface-lot metered parking is in force Monday through Saturday,<sup>2</sup> while off-street parking garages operate seven days a week.<sup>3</sup> Extending metered parking from six to seven days a week might result in an estimated \$1M to \$1.5M in additional revenues for the City, helping to alleviate current Fund deficits. In the long run, pursuant to BMC Sections 14.52.110 C, D and/or H, added revenues could be allocated to other priorities. Improvement of bicycle and pedestrian facilities would be

<sup>1</sup> <https://www.cityofberkeley.info/uploadedFiles/Clerk/2020-11-12%20Budget%20Item%20f%20Parking.pdf>

<sup>2</sup> [https://www.cityofberkeley.info/parking-meters/#\\_onstreet](https://www.cityofberkeley.info/parking-meters/#_onstreet)

<sup>3</sup> [https://www.cityofberkeley.info/Public\\_Works/Transportation/Off\\_Street\\_Parking\\_\(Garages\\_and\\_Lots\).aspx#CSG](https://www.cityofberkeley.info/Public_Works/Transportation/Off_Street_Parking_(Garages_and_Lots).aspx#CSG)

an ideal use, with vehicle parking subsidizing mode shift and safety for more sustainable transportation options, consistent with the City's Climate Action and Vision Zero goals.

Extending metered parking to a full seven days/week would be a change for commercial districts and for institutions and organizations, in particular faith-based organizations, that have traditionally not been impacted by metered parking on Sundays. For this reason, exploring a pilot program, phasing-in, and/or exempting certain areas, and conducting broad outreach to merchants, faith-based and other institutions and organizations, neighborhood groups, and others potentially supported or impacted by change is of key importance.

### BACKGROUND

City of Berkeley Parking meters (including pay-and-display stations) are "typically used to improve access, promote commercial activity, and discourage long-term car storage. The City may adjust a meter's hourly rate and/or limit the amount of time one may park in a metered parking space to encourage turnover and increase parking availability for short-term visitors and customers."<sup>4</sup>

Despite the known benefits of metered parking in commercial districts, Berkeley has maintained free street- and surface-lot parking on Sundays, with minimal to no parking enforcement or collections. Off-street garages, by contrast, operate a full seven days per week.

Section 14.52.030 of the Berkeley Municipal Code regulates the "time of operation of parking meters and pay-and-display stations" and provides that "the operation of parking meters and pay-and-display stations shall be effective between the hours of nine a.m. and six p.m. every day except Sundays." Allowing metered parking on Sundays would require amending Section 14.52.030.

Monies derived from parking meters may be used in the following manners, pursuant to Section 14.52.110, regulating the "Use of money deposited in parking meters and pay-and-display stations:"

"Except as permitted under subdivision G below, all moneys collected from parking meters and pay-and-display stations in the City shall be placed in a special fund, which fund shall be used for the following purposes:

- A. For the purchasing, leasing, installing, repairing, maintaining, operating, removing, regulating and policing of parking meters and pay-

---

<sup>4</sup> <https://www.cityofberkeley.info/parking-meters>

and-display stations in the City and for the payment of any and all expenses relating or incidental thereto.

B. For the purchasing, leasing, acquiring, improving, operating and maintaining of off-street parking facilities in the City.

C. For the installation and maintenance of traffic control devices and signals.

D. For the painting and marking of streets and curbs required for the direction of traffic and the parking of motor vehicles.

E. For the proper regulation, control and inspection of parking and traffic upon the public streets.

F. To be pledged as security for the payment of principal of and interest on off-street parking revenue bonds issued by the City.

G. Additional Revenue deemed to be generated by the goBerkeley Pilot Program will be used to fund goBerkeley efforts, pursuant to Section 1012(b) of Intermodal Surface Transportation Efficiency Act of 1991, as amended, as agreed in the 2012 Cooperative Agreement between the City of Berkeley, the California Department of Transportation and the Federal Highway Administration.

H. Surplus money not utilized under subdivision A through F above may be transferred to the general fund. The City Manager or their designee may make an annual determination as to what is surplus based on the needs and obligations of the special fund and transfer such surplus to the general fund. (Ord. 7498-NS § 2, 2016; Ord. 7305-NS (part), 2013)”

Use of monies from the Parking Meter Fund for improved pedestrian and bike facilities is likely allowed pursuant to Subsections C and D above, which allow funds to be used for traffic control devices, signals, and street painting. Alternatively, Subsection H would allow funds to be transferred to the General Fund for these uses.

The City of Berkeley’s Climate Action Plan’s second goal is that “[p]ublic transit, walking, cycling, and other sustainable mobility modes are the primary means of transportation for Berkeley residents and visitors.” Staff’s [July 2020 update on the Climate Action Plan](#) emphasizes that in Berkeley’s quest to continue reducing its GHG Emissions, the City’s “biggest opportunity sector” is to advance opportunities “for people to safely walk, bike, take public transit, and electrify mobility options.” “Transportation accounts for 59% of Berkeley’s total 2018 GHG inventory. This is the largest sector of

GHG emissions and the most challenging to tackle. The City continues to work to get people out of cars by prioritizing walking and biking, and into less polluting modes of transportation.”<sup>5</sup>

Berkeley has also adopted a [Vision Zero Program](#) to end traffic fatalities and severe injuries, most of which involve pedestrians and bicyclists. One of Vision Zero’s seven goals is to “create safer transportation options for people who walk, bike, and take transit.” Allocating additional Parking Meter Fund monies to support improved bike and pedestrian facilities would thus support both the City’s Climate Action and Vision Zero goals.

This proposal is referred to both the City Manager and Transportation Commission (or its successor) to ensure opportunities for robust community input, including outreach to merchants, faith-based and other institutions and organizations, neighborhood groups, and others potentially supported or impacted by proposed change. A pilot, phasing-in, and/or exempting certain areas should also be considered.

#### ENVIRONMENTAL IMPACTS

Unlikely to have substantive impacts on greenhouse gas emissions, though some studies have demonstrated metered parking reduces time spent idling and searching for parking spots, which can have minor reductions to tailpipe emissions. Possible future investments in bicycle and pedestrian infrastructure funded from these new revenues would help us reach our Climate Action Goals sooner.

#### FINANCIAL IMPLICATIONS

[Metered parking](#) (on-street and in surface lots), currently in force from Monday through Saturday ([except listed holidays](#)), generates approximately \$10M/year for the City of Berkeley (pre-COVID). Including Sundays in paid parking could increase revenues an estimated \$1M - \$1.5M per year. Parking enforcement would need to be extended to Sundays, offsetting some portion of income, but likely no more than for days when metered parking is already in force.

#### CONTACT PERSON

Councilmember Sophie Hahn      Council District 5      510-981-7150

#### ATTACHMENTS

---

<sup>5</sup> [https://www.cityofberkeley.info/Clerk/City\\_Council/2020/07\\_Jul/Documents/2020-07-21\\_Presentations\\_Item\\_5\\_\(6pm\)\\_Pres\\_CMO\\_pdf.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2020/07_Jul/Documents/2020-07-21_Presentations_Item_5_(6pm)_Pres_CMO_pdf.aspx)

1. Parking Enterprise Funds: Balancing Proposal  
<https://www.cityofberkeley.info/uploadedFiles/Clerk/2020-11-12%20Budget%20Item%20f%20Parking.pdf>
2. Sitaline study on parking meters improving business:  
<https://www.sightline.org/2012/03/28/is-metered-parking-boosting-business/>



**Date:** November 12, 2020  
**To:** Budget & Finance Policy Committee  
**From:** Liam Garland, Public Works Director  
**Submitted By:** Sean O’Shea, Public Works Administrative & Fiscal Services Manager  
**Subject:** Parking Funds – Public Works Balancing Proposal

## Summary

The COVID-19 pandemic has had a significant impact on the financial health of both the City’s On-Street and Off-Street Parking Funds. Initial projections of impacts into FY 2021 were presented to Council as part of the budget gap discussions with departments throughout June. On October 8, 2020, staff presented status updates to the Budget & Finance Policy Committee on both parking funds, including revised projections that show both funds are generating significant deficits. This report presents a department proposal for balancing the parking program funds for FY 2021 and future years, and highlights additional balancing considerations.

## Background

Before the Shelter-In-Place Order was issued on March 16, 2020, and normal parking operations halted, both the On-Street and Off-Street Parking Funds were on pace for healthy revenues in excess of expenditures. The status of both funds has changed dramatically post-COVID as both funds were impacted equally hard by cratering demand due to the shelter-in-place orders, subsequent business restrictions and changing parking customer behaviors. City garages have closed or severely reduced capacity due to demand and to save costs. Parking Meters were turned off through June, and are still below pre-COVID rates and demand. The falling revenue required significant use of fund balances and a commitment from the General Fund to cover the Center Street Garage Bond Debt Service payment for FY 2021. The staff report and presentation to the Budget and Finance Policy Committee on October 8, 2020 detailed the revenue and budget impacts.<sup>1</sup>

## Public Works Balancing Proposal

The Public Works balancing proposal assumes a projected program deficit of (\$7,752,445) for FY 2021. This includes the FY 2020 year end fund balance for the Off-Street (Garage) Parking Fund, which ended up negative at (\$1,244,453) due to dramatically decreased revenue at city garages after the shelter-in-place order in March. The second component is a combined On-Street and Off-Street Parking Fund projected (\$6,507,992) operating loss for FY 2021, based on updated expected revenues and planned expenditures.

While the bulk of this balancing proposal highlights recommended strategies to address fund deficits, this report will also present further capital needs that have additional impacts into FY 2022 and FY 2023. The deep revenue losses in FY 2020 and 2021 will cause the funds to significantly exhaust fund balance.

---

<sup>1</sup>[https://www.cityofberkeley.info/uploadedFiles/Clerk/Report\\_Status%20of%20parking%20enterprise%20funds.pdf](https://www.cityofberkeley.info/uploadedFiles/Clerk/Report_Status%20of%20parking%20enterprise%20funds.pdf)

For the Off-Street Parking Fund, a pre-COVID FY 2020 projected year end fund balance of \$0.76M was totally depleted and ran negative (\$1.24M) by the end of FY 2020. For the On-Street Parking Fund, the pre-COVID FY 2020 projected year end fund balance was \$5.52M, but after the COVID-19 related revenue impacts, the actual fund balance was \$3.21M. The consideration of fund balance is critical when looking beyond simply balancing the funds for FY 2021, as the fund balance for the On-Street Parking Fund contains \$3.0M in funds reserved towards a \$6.0M systemwide meter upgrade and replacement program. Use of existing reserves to balance current year budget will further deplete the funds available to upgrade the City's parking meters. Based on projected revenues for the rest of FY 2021 and into FY 2022/23, which assume there will not be a significant recurrence of COVID that shuts parking operations down again, the parking funds will begin to have net operating surpluses that will allow meet the garage to cover expenses and debt service but not enough to make up for the fund balance that was deployed to address deficits. This will either delay the meter replacement project several years until sufficient fund balance is attained within the parking funds, or could require General Fund budget supplementation beyond FY 2021 to allow the project to begin on schedule.

### **Revenue/Budget Augmentation and Use of Reserves**

To try to solve the FY 2020-2021 deficit \$7,752,445, Public Works looked at ways to responsibly increase revenue and supplement the adopted baseline FY 2021 parking budget. After review and analysis of the parking program, Public Works is proposing three solutions for a total of \$3,615,067.50 in increased revenue along with appropriations of reserve and fund balance.

- 1) *Use of the Rate Stabilization Fund:* In setting up the Center Street Garage Bond, part of the terms included a requirement to create a reserve fund, to be used in case revenues dipped below the debt covenant ratio of 1.25. At bond issuance, a combined total \$1,915,050 was transferred to this fund from the two parking funds. After consultation with the Finance Director and City Bond Counsel, city staff received assurance that these funds could be transferred back into the parking funds to augment operational budgets. Staff proposed transferring the full amount of \$1,915,050 back into the parking funds for use in the FY2021 budget.
- 2) *On-Street Parking Fund Balance:* While the Off-Street Parking Fund ended FY 2020 with a negative fund balance, the On-Street Parking Fund ended FY 2020 with a \$3,208,035 fund balance. This was significantly lower than the pre-COVID projected year end fund balance of \$5.5M. This balance included \$3.0M in resources that were planned to be used for the scheduled citywide Parking Meter Upgrade Project in FY 2023, which is currently estimated to cost \$6.0M. The Public Works department has been setting aside \$1.0M annually in operating surplus, part of the fund balance, towards this planned expenditure. To help balance the deficit, while also reserving some level of fund balance towards future obligations, Public Works proposes to appropriate half of the fund balance, \$1,604,017.50, to address deficits.
- 3) *Increase Hourly Parking Rates by \$0.50/hour:* After analysis of on-street parking usage in the downtown, beginning on November 1, Public Works has implemented a meter increase of \$0.50/hour, for a new peak hourly rate of \$3.00. This will result in an increase in projected revenue for the months of November and December of approximately \$48,000/month, for a total revenue increase of \$96,000. In January 2021, the rate increase would align with the Public



Works Department's previous assumptions for parking meter revenue, so no additional revenue beyond \$96,000 can be projected at this time.

### Expenditure Reductions

In addition to generating new revenue and using reserves, the Public Works Department reviewed its expenditure budget for opportunities to save costs within the two parking funds. After consideration, the proposed solutions propositions include \$964,354.52 in reductions due to salary savings from vacancies, cost shifting salaries to other funds sources, and deferring a capital project. The most significant proposal for expenditure reductions, is a proposed cost-shift of Parking Enforcement Program support from the On-Street Parking Fund to the General Fund for FY 2021 in the amount of \$3,240,688. The total expenditure savings to the parking funds would be \$4,205,042.62.

- 1) *Cost Shift 0.77 FTE to other Public Works Funds:* Staff reviewed all Public Works positions funded by the Parking Funds for potential reallocation to other Public Works managed funds. Most positions are in direct support of the parking program, including parking maintenance, meter repair, meter collection, and parking program management and could not be appropriately cost shifted. Staff did identify a few administrative positions of which a portion of their salary and benefits are funded by the Parking Funds. The Parking Fund FTE allocation for all of these positions totals up to 0.77 FTE, and \$81,298 in savings for the remainder of FY 2021, if the cost shift is implemented by December 2020.
- 2) *Vacancy Savings:* Public Works has had two recent vacancies at positions that are funded at least in part by Parking Funds, an Associate Management Analyst and Parking Meter Mechanic. The analyst position has been filled, but 4 months of savings were realized. The Parking Meter Mechanic position is projected to remain vacant for the remainder of FY 2021. The projected savings from those two positions in FY 2021 totals \$173,056.62.
- 3) *Defer Construction of Telegraph-Channing Mall Elevator Construction:* The Telegraph – Channing Mall Garage Elevator replacement project is in the department capital plan for FY 2021. Staff proposes to defer the construction of this project to future years, but will keep a small portion for project design and a refined project cost estimate. The projected deferral of the construction cost is an estimated \$710,000.
- 4) *Cost Shift FY 2021 Parking Enforcement Program to the General Fund:* Public Works analyzed all costs for staffing and non-personnel under its control, but a large part of the On-Street Parking Fund expenditure budget is not in Public Works, but with the Police Department's Parking Enforcement Program. The On-Street Parking Fund directly pays for 19.0 FTE in Parking Enforcement, in the amount of \$2,527,215. The fund also pays for \$703,473 in Parking Enforcement non-personnel costs, including a share of the annual lease payment for their leased facility, for a total of \$3,240,688 in On-Street Parking Fund support for Parking Enforcement. Revenue from Parking Enforcement citations does not stay in the On-Street Parking Fund but is received into the city's General Fund. The proposal for FY 2021 is to allocate the total costs of the Parking Enforcement program, \$3,240,688, to the General Fund. Assigning the costs of the Parking Enforcement program to the General Fund, rather than a transfer from

the General Fund to the On-Street Parking Fund, is beneficial in that will help with the Parking Funds bolster its debt service coverage ratio, by eliminating expenses from the calculation.

### Alternatives Considered

Staff considered several other alternatives on both the revenue and expenditure side but is not recommending implementation at this time, either due to adverse budget impacts or very insignificant benefits.

- 1) *Telegraph-Channing Garage Closure:* Staff calculated the net savings of shutting down the Telegraph-Channing Garage for parking. Based on current parking revenue at the garage, the net monthly savings from reducing the Parking Management Fee for garage operations would be \$29,151/month. This would be offset however, by greater costs from city staff at approximately \$33,143/month, who would have to replace the parking management operator in servicing the facility. Services would be needed to remain open for the retail tenants in the mall, including opening and closing the facility, janitorial, security, and trash coordination.
- 2) *Center Street Garage Increase Monthly Parking:* Currently the garage has 90 'public' monthly parkers at \$250/month, generating \$22,500/month in revenue. Staff is not confident that given the parking environment, the current rate of \$250/month would entice much new monthly parking. If the rate was decreased to incentivize garage parking, from \$250/month to \$150/month, this would result in a loss of revenue estimated at \$9,000/month just from the current monthly parkers. In order to break even, the garage would need to add 54 new monthly parkers. This would have to be marketed to the Community and city staff, and it is unclear to Public Works how many new monthly parkers would be added. Even if that break-even demand was met, it would need to be exceeded greatly in order to generate greater revenue than the status quo. Any significant amount of new monthly parkers would require the garage to increase its current capacity limits. This would trigger additional costs from our Parking Management contract, which have been able to reduce due to limiting the capacity of the garage. These increased expenses would negate the revenue increases and potentially create a net operating loss.
- 3) *Elmwood Lot Monthly Parking:* Staff evaluated both closing the lot to save costs and offering limited monthly parking to boost revenue. Closing the lot entirely is not an option, it has to remain open for commercial trash access and there are 3 reserved spaces for businesses. Offering some monthly parking, potentially to merchants for employee parking, would ultimately make very little impact to the greater fund deficit. There are 39 available spaces, so if 20 were made available for monthly parking, at \$100/month, for December through June 2021, it would generate only \$14,000 in new revenue.
- 4) *Bond Insurance Payout:* Staff consulted with its Bond Counsel over possible use of insurance that was taken out for the Center Street Garage Bond. The only use of the coverage is to pay debt service if no other funding was available to do so. This payment of \$1,910,050 was made in FY 2020 by the Parking Funds, and has been budgeted for payment out of the General Fund in FY 2021. Bond counsel informed the City that there are possible repercussions to future bond issuances if the city defaults on the bond and draws on the insurance. At this time, staff plans to

make the bond payment with General Fund in FY 2021 but will consider use of insurance in future fiscal years if deficits threaten the Parking Funds ability to make the bond payment or operational needs continue.

### **Future Capital Needs**

The balancing proposal presented in this memorandum restores the Off-Street Parking Fund balance to \$0, balances both Parking Funds operational shortfall for FY 2021 and retains a \$1.6M year end fund balance in the On-Street Parking Fund. Looking ahead to FY 2022 and FY 2023, if revenue begins to return to pre-COVID levels, the two Parking funds will get to operational break-even. While this means that no General Fund assistance would be required to make the Center Street Garage Bond debt service payment or cover the cost of Parking Enforcement in those years, the parking funds will not earn revenue sufficient enough to fund its major capital replacement needs currently scheduled in FY 2021 and FY 2023. The fund balances used in FY 2020 and FY 2021 to cover operation costs will not be made up for several years.

The Telegraph Channing Garage Elevator Replacement project construction funding was scheduled to begin in FY 2021. It has been deferred in this budget balancing proposal to a future fiscal year. There is risk in deferring this project too long. The elevator is aging, requires frequent repairs, and is the only ADA access to the mall and garage beyond the first floor. The construction cost (currently estimated at \$710,000) will have to get added to a future fiscal year budget, potentially as a General Fund budget request.

The Citywide Parking Meter Upgrade/Replacement project is estimated to cost \$6.0M and is scheduled for FY 2023. Public Works has long planned an annual contribution to the On-Street Parking Fund balance at a rate of \$1.0M/year through FY 2023 to fund the project. By FY 2023, those fund balances will have been completely depleted to cover parking program operations. In order to complete the meter upgrade/replacement on time, a General Fund budget request would be necessary. The critical issue for the meter upgrade is that when the cell network carriers upgrade their technology, our existing meters would go offline, and not be able to collect credit card revenue. This would hurt the program's revenue collecting ability, which is already under stress. The best estimate when network carriers will upgrade their technology is in 2023.

Combining those two major projects, there is an unfunded need in the Parking capital replacement program of approximately \$6.71M, programmed for implementation by FY 2023. Beyond the \$3.24M proposed for the General Fund in FY 2021 to cover the Parking Enforcement Program, Public Works is submitting for future consideration potential General Fund assistance to cover these major capital needs, until the Parking Funds are able to restore revenues.

# PARKING ENTERPRISE FUNDS

BALANCING PROPOSALS

PUBLIC WORKS DEPARTMENT

## PUBLIC WORKS DEPARTMENT

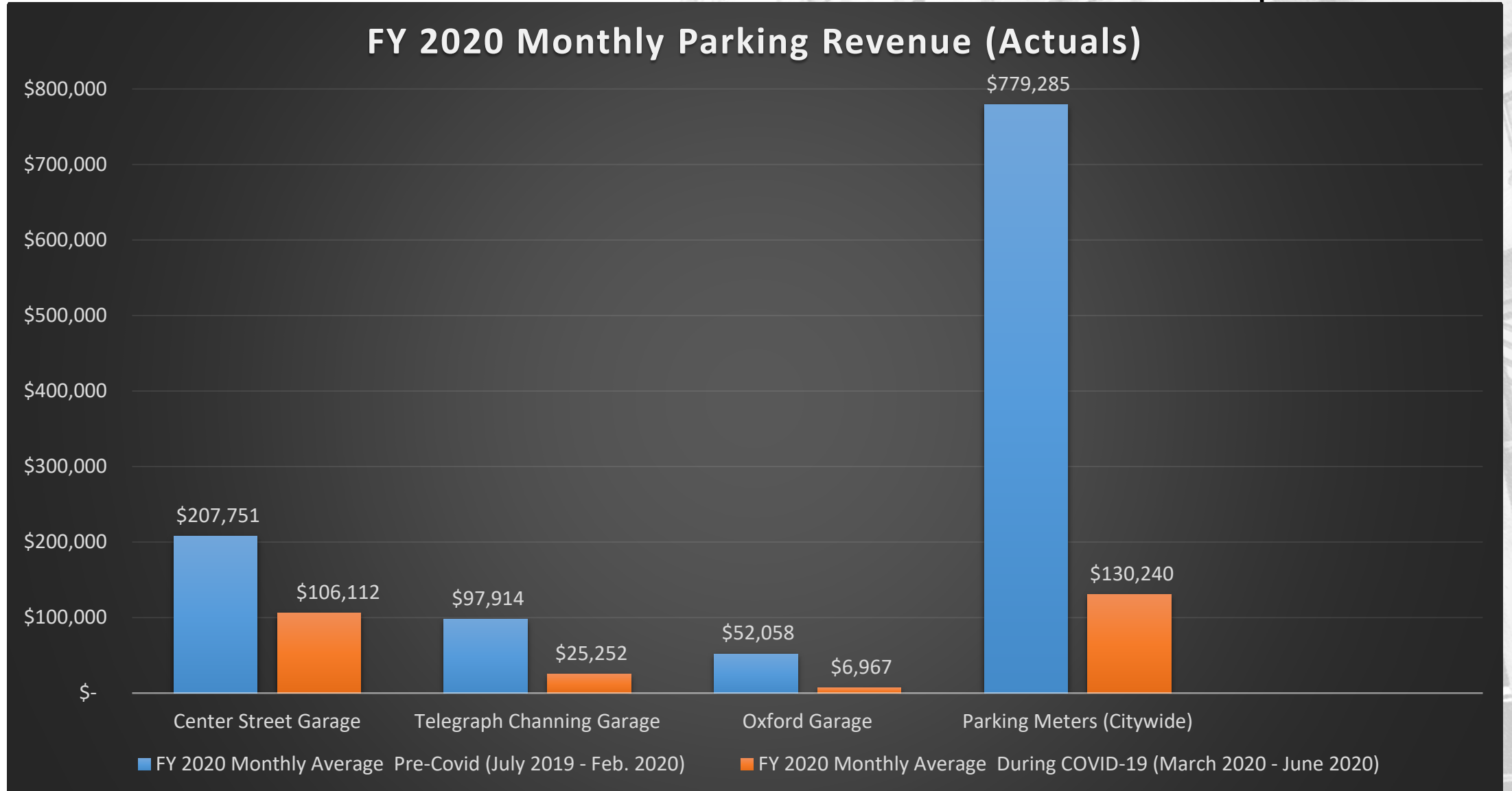
# OVERVIEW

- Review of Revenue Impacts and the Current and Projected Status of the Parking Enterprise Funds
- Revenue/Budget Augmentation/Use of Reserves Proposals
- Expenditure/Cost Saving Proposals
- Summary of FY 2021 Balancing Proposals
- Future Fiscal Year Program Shortfall



# PUBLIC WORKS DEPARTMENT

## Status before and initial months of COVID-19 impacts





# PUBLIC WORKS DEPARTMENT

## Current Revenue Status (FY 2020 Ending)

	<b>FY 2020 Projected (pre-COVID-19)</b>	<b>FY 2020 Actuals (COVID-19 Impacts)</b>	<b>FY 2020 Revenue Loss</b>
<b>Center Street Garage</b>	\$ 2,493,011	\$ 2,086,456	\$ (406,555)
<b>Telegraph Channing Garage</b>	\$ 1,175,417	\$ 884,619	\$ (290,798)
<b>Oxford Garage</b>	\$ 624,699	\$ 444,335	\$ (180,364)
<b>Parking Meters (Citywide)</b>	\$ 9,351,419	\$ 6,755,240	\$ (2,596,179)
<b>Total</b>	<b>\$ 13,644,546</b>	<b>\$ 10,170,650</b>	<b>\$ (3,473,896)</b>

# PUBLIC WORKS DEPARTMENT

## FY 2021 Projected Revenue (Assumes COVID-19 Impacts through June 2021)

	<b>FY 2021 Projected (if no COVID-19 impacts and using Pre-COVID-19 average)</b>	<b>FY 2021 Projected (Assumes Covid- 19 Impacts thru June 2021)</b>	<b>FY 2021 Potential Revenue Loss (due to COVID- 19)</b>
<b>Center Street Garage</b>	\$ 2,493,011	\$ 1,325,969	\$ (1,167,042)
<b>Telegraph Channing Garage</b>	\$ 1,175,417	\$ 584,307	\$ (591,110)
<b>Oxford Garage</b>	\$ 624,699	\$ 238,644	\$ (386,055)
<b>Parking Meters (various locations)</b>	\$ 9,351,419	\$ 4,326,460	\$ (5,024,959)
<b>Total</b>	<b>\$ 13,644,546</b>	<b>\$ 6,475,380</b>	<b>\$ (7,169,166)</b>

## PUBLIC WORKS DEPARTMENT

# BALANCING PROPOSALS REVENUE AUGMENTATION/USE OF RESERVES

- Use of Rate Stabilization Fund:  
**\$1,915,050**
- Fund Balance (On Street Parking Fund):  
**\$1,604,018**
- Increase Hourly Parking Rates \$0.50/hr:  
**\$96,000**



## PUBLIC WORKS DEPARTMENT

# BALANCING PROPOSALS EXPENDITURE REDUCTIONS

- Cost Shift 0.77 FTE of PW administrative staff to other Funds: **(\$96,000)**
- Vacancy Savings 2 FTE - Associate Management Analyst and Parking Meter Mechanic: **(\$173,057 )**
- Defer Construction of Telegraph-Channing Garage Replacement: **(\$710,000)**
- Cost Shift FY 2021 Parking Enforcement Program Costs to General Fund: **(\$3,240,688)**

# PUBLIC WORKS DEPARTMENT

## FY 2021 Balancing Summary

FY 2021 Off-Street Parking Fund Beginning Balance	\$ (1,244,453.00)
FY 2021 Projected Combined ANNUAL SURPLUS/SHORTFALL (Rev - Exp)	\$ (6,507,992.00)
<b>Total Resources Needed to Address Deficit and Negative Cash Balance</b>	<b>\$ (7,752,445.00)</b>
<b>Proposed Revenue Augmentation/Use of Reserves</b>	<b>Amount</b>
Use of 50% of Parking Meter Fund FY 2021 Beginning Available Cash Balance	\$ 1,604,017.50
Increase Hourly Parking Meter Rates by \$0.50/hour	\$ 96,000.00
Use of Rate Stabilization Fund	\$ 1,915,050.00
<b>FY 2021 Projected Total Revenue</b>	<b>\$ 3,615,067.50</b>
<b>Proposed Expenditure Reduction (Cost Savings Strategies)</b>	<b>Amount</b>
Cost shift 0.77 FTE equivalent to other PW funds	\$ 81,298.00
Salary Savings due to vacancies (Assoc. Management Analyst and Parking Meter Mechanic)	\$ 173,056.62
Delay Construction of Telegraph Channing Garage Elevator project to FY 2022	\$ 710,000.00
Cost Shift the FY 2021 Parking Enforcement Program cost to the General Fund	\$ 3,240,688.00
<b>Total</b>	<b>\$ 4,205,042.62</b>
<b>Total Resources Needed to Address Deficit and Negative Cash Balance</b>	<b>\$ (7,752,445.00)</b>
	Proposed Revenue Augmentation \$ 3,615,067.50
	Proposed Expenditure Reduction (Cost Savings Strategies) \$ 4,205,042.62
<b>Total Proposed Balancing Measures</b>	<b>\$ 7,820,110.12</b>
<b>Projected Balance after Proposals</b>	<b>\$ 67,665.12</b>
<b>Total General Fund Allocation Needed to Address Deficit</b>	<b>\$ 3,240,688.00</b>



# PUBLIC WORKS DEPARTMENT

## Future Fiscal Year Shortfall/ General Fund Request Summary

<b>General Fund Balancing Support*</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Parking Enforcement Program	\$3,240,688		
Telegraph - Channing Garage Elevator		\$710,000	
Parking Meter Upgrade/Replacement			\$6,000,000
<b>New Proposal Summary</b>	<b>\$3,240,688</b>	<b>\$710,000</b>	<b>\$6,000,000</b>
<b>General Fund Total FY 2021-2023</b>	<b>\$9,950,688</b>		
<b>Possible General Fund Allocation FY 2021-2023</b>	<b>\$3,240,688</b>	<b>\$3,355,000</b>	<b>\$3,355,000</b>

*\*excludes Debt Service Coverage of \$1,910,050 already budgeted in  
FY 2021*





## ARE PARKING METERS BOOSTING BUSINESS?

More evidence that business receipts rise with parking costs.



Author: **Eric de Place**

(@Eric\_deP) on March 28, 2012 at 8:30 am

Over the weekend, Seattle's restaurant association [took to the op-ed pages](#) to complain about the City's parking policies downtown. As they tell it, changes in parking policy "hits them where it hurts our businesses the most: their wallets."

Yet as with so many discussions of parking, the restauranteurs' argument is long on conjecture but extremely short on hard data. A look at gross receipts figures for downtown restaurants shows precisely the opposite of what the business group alleges. Their wallets appear to be doing just fine:

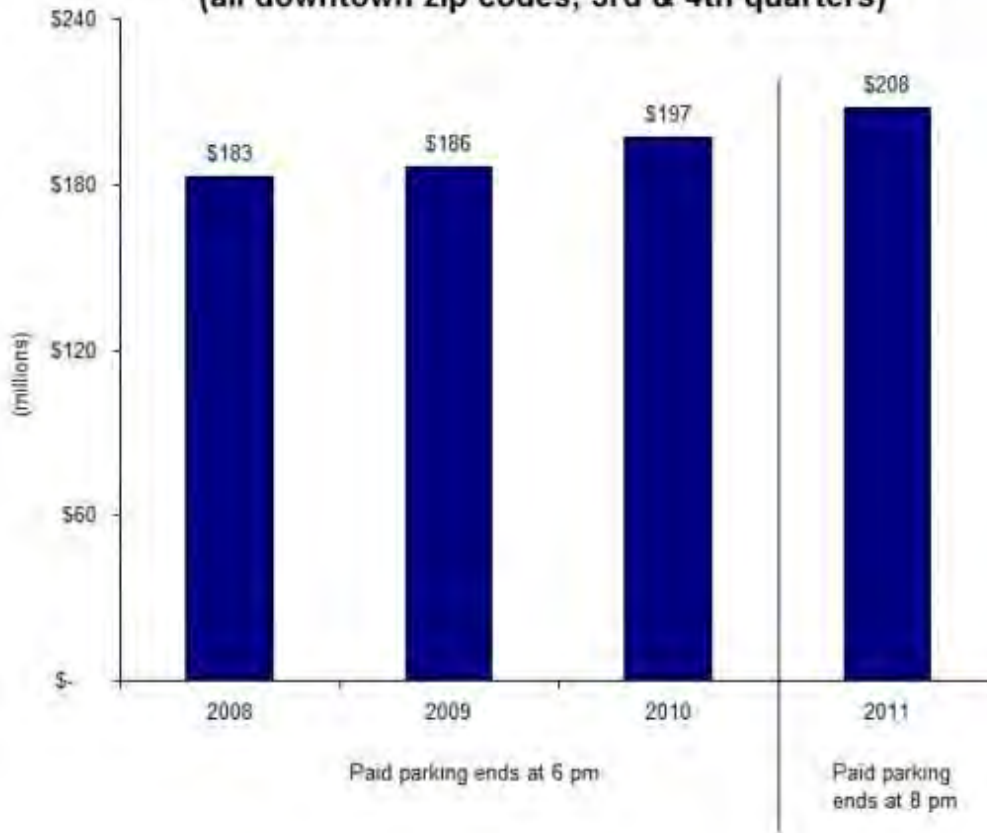
FALL FUND DRIVE



Give today to upgrade our democracy, advance housing affordability, and fight fossil fuels.

DONATE TODAY

### Gross restaurant receipts (all downtown zip codes, 3rd & 4th quarters)



After paid parking hours were extended in mid-2011 **gross receipts for downtown restaurants climbed by 5.4 percent.**

The extension of metered parking from 6 to 8 pm went into effect in the middle of 2011, so by comparing the 3rd and 4th quarters of 2011 to the 3rd and 4th quarters of previous years we get a year-over-year comparison. To be sure, we should treat this analysis as preliminary, but the data we have so far suggest that in the era of higher parking costs business is practically booming.

On the one hand, it's easy to understand why restaurant owners worry. A lot of these businesses skate by on thin margins, and proprietors may feel that parking changes could put their livelihood at stake. But on the other hand, it's important to cross-check our beliefs with the data. And the data show that higher parking costs downtown have most definitely *not* led to a decline in overall sales.

FALL FUND DRIVE

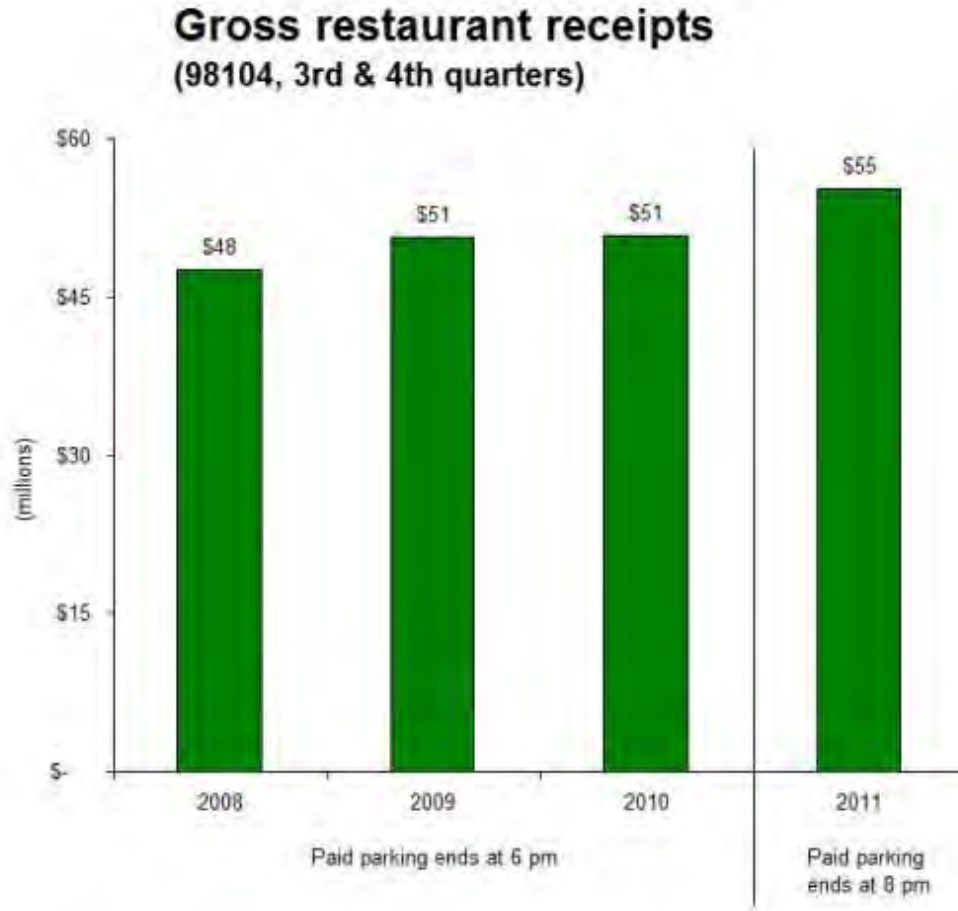


Give today to upgrade our democracy, advance housing affordability, and fight fossil fuels.

DONATE TODAY

the car curbside until 8?) In fact, boosting business is exactly what Seattle set out to do when officials adjusted meter rates and extended paid hours downtown.

Given the numbers so far, it looks like the City got it right. Receipts notched up in each of the three downtown zip codes. Sales rose by 2.2 percent in 98101 and by 8.7 percent in 98121. In the 98104 zip code, which encompasses the Chinatown/International District that has been the subject of **so much hand-wringing** over parking policy changes, business is stronger yet:



In the 98104 zip code, **gross receipts spiked by nearly 9 percent** after the parking changes went into effect. So, contrary to all the hullabaloo (and **criticism** of my earlier post on the subject), there's little verifiable evidence that parking meters are driving business out of the southern part of downtown that includes Chinatown. If anything, the **parking changes would seem to be increasing business.**

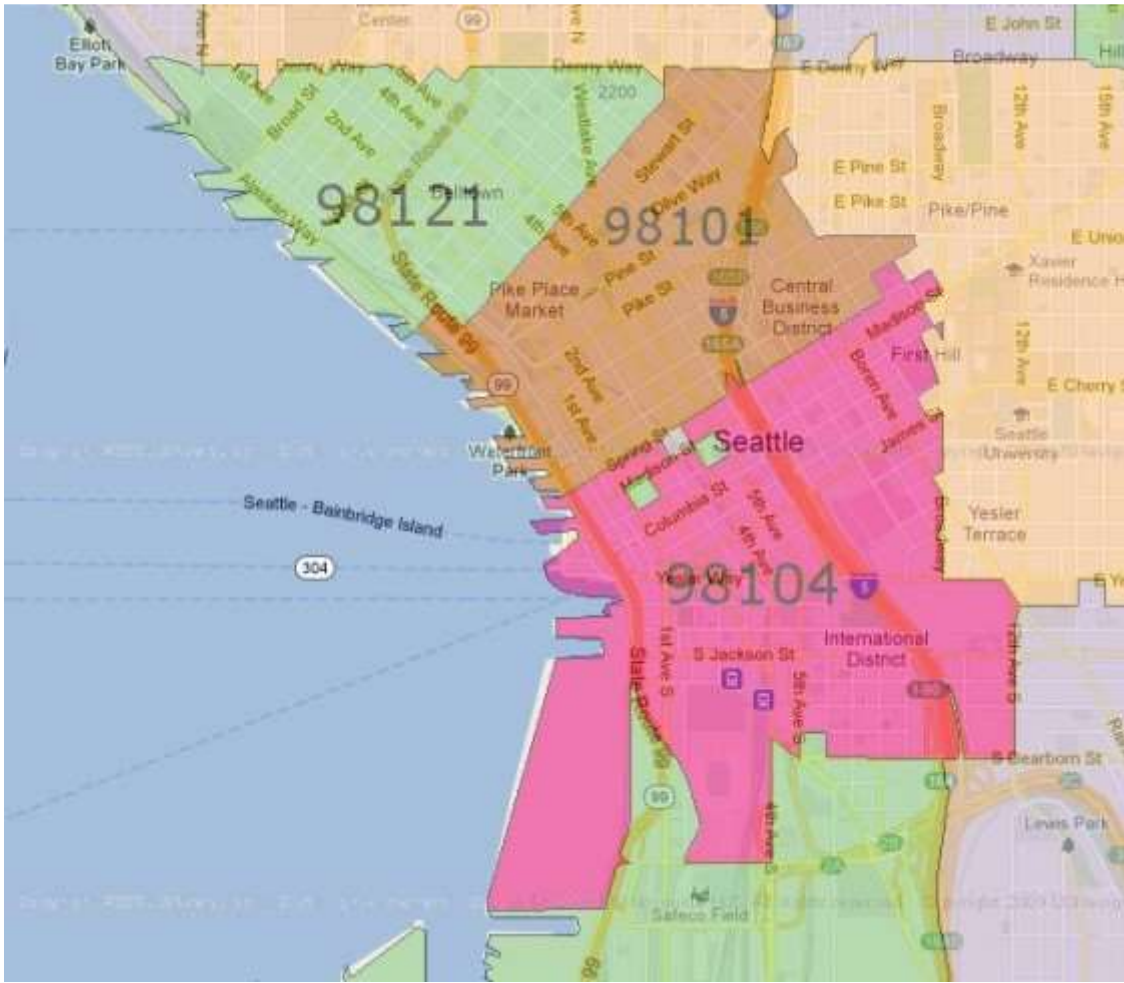
Personally, I'm getting sick and tired of what seems like endless complaints about parking that are

FALL FUND DRIVE



Give today to upgrade our democracy, advance housing affordability, and fight fossil fuels.

DONATE TODAY



When you've got enough data on your hands, it's usually possible to squint at it long enough to gin up some counter-story or oddity. But in this case, the receipts figures for downtown restaurants are reasonably clear: since paid parking hours were extended, business has increased, at least in aggregate. Plus, the aggregate data I'm reporting here is corroborated by the **two other sources** I've explored, sample data from the City for 14 establishments in Chinatown/International District and state Revenue Department data for the city as a whole.

In the future, I hope we can root our discussions in the actual numbers, and fewer data-free reactions from the restaurant association and *Seattle Times*. And if our debates about parking policy should ever graduate to the level of using actual numbers, then maybe we can start exploring more advanced topics like correlation and causation.

*Notes: The data I use in the post refer to NAICS codes 722, 7221, 72211, 722110, 7222, 72221, 722211, and*

FALL FUND DRIVE



Give today to upgrade our democracy, advance housing affordability, and fight fossil fuels.

DONATE TODAY

parking rates also went up from \$2.50 to \$4.00 per hour and the changes took effect in April and May 2011. In Belltown, roughly consistent with 98121, parking rates declined from \$2.50 to \$2.00 per hour and the changes took effect in June and July 2011. In Chinatown/International District, a subset of 98104, parking rates did not change, but parking hours were extended starting in August 2011.



## Eric de Place

**Eric de Place**, director of Thin Green Line, spearheads Sightline’s work on energy policy. Known as a leading expert on coal, oil, and gas export plans in the Pacific Northwest, he is considered an authority on a range of issues connected to fossil fuel transport, including carbon emissions, local pollution, transportation system impacts, rail policy, and economics. He has researched and published more than four hundred articles, reports, and analyses on these proposals, and his work on fossil fuel transport has been cited by regional and national news media outlets more than a thousand times. His expertise makes him a highly sought-after expert in the field providing him with the opportunity to support allied groups, as well as educate media, elected officials, and the broader public on critical issues affecting our region. Eric is a talented speaker, presenter, and media spokesperson. In his increasingly scarce free time, he enjoys climbing the Northwest’s peaks, tidepooling beaches with his kid, and solving the rest of the world’s problems over a pint. Before coming to Sightline, he worked with the [Northwest Area Foundation](#), developing strategies to alleviate poverty in rural communities. He has a master’s degree in philosophy from the University of Notre Dame. Find his latest research [here](#), email him at [eric \[at\] sightline \[dot\] org](mailto:eric@sightline.org).

For press inquiries and interview requests, please contact [Steph Routh](#)

Sightline Institute is a 501(c)3 non-profit organization and does not support, endorse, or oppose any candidate or political party.

**You can power us forward on sustainable solutions. Make a donation to Sightline now.**

FALL FUND DRIVE



Give today to upgrade our democracy, advance housing affordability, and fight fossil fuels.

DONATE TODAY

