

## IMPACT STATEMENT

**Legislation title:** Approve hourly rate increase for on-street parking in the Downtown Meter District to better manage parking and provide a more safe and reliable parking system; to be implemented after the 2015 holiday shopping season.

**Contact name:** Judith Gray  
**Contact phone:** 503 823-4590  
**Presenter name:** Judith Gray

**Purpose of proposed legislation and background information:**

The proposed legislation would increase the rate for on-street parking in the Downtown Meter District from \$1.60 to \$2.00 per hour. The last on-street meter rate increase was in 2009.

There is consensus among parking experts that 85% of spaces filled is the effective maximum capacity for a downtown parking system. When parking occupancy exceeds 85%, would-be parkers circle the blocks looking for parking, which increases driver frustration while adding to congested streets and intersections, increasing carbon emissions, and adding to potential conflicts with pedestrians, bicycles, and others.

Recent analysis of parking in Downtown Portland found that the overall on-street system is 90% full during the peak hour; in some areas occupancy exceeds 95% during midday and evening peaks. The primary objective of the on-street meter rate adjustment is to create a more predictable and reliable parking system by setting a price that will achieve an occupancy level of 85%.

A secondary objective of the on-street meter rate adjustment is to restore more appropriate relative pricing with SmartPark garages. On-street parking is the highest value parking in Downtown and should be managed for short trips and high turnover, encouraging longer duration parking needs to use off-street parking. At \$1.60/hour, on-street parking in Downtown is priced lower than SmartPark garages for stays longer than two hours. Smart Park prices have been adjusted multiple times since 2009 in response to occupancy levels and are currently priced at \$1.80 and \$2.00 for the third and fourth hours. This price incentive to park on-street for longer stays is contrary to current policy, as well as accepted best practices in parking management.

Background Information

TRN 3.102, which guides management of the Downtown Meter District, states the purpose as follows:

*"...the on-street parking system in commercial districts is managed to support the economic vitality of the district by encouraging parking turnover, improving circulation, encouraging use of off-street parking, maintaining air quality, and promoting the use of alternative modes by managing the supply and price of on-street commuter parking."*

Pricing is one of the most effective tools for managing parking, especially in a mature urban environment such as downtown Portland. Parking meter rates should be periodically reviewed and adjusted to ensure that the system is performing in support of the established policy.

The last on-street meter rate increase was in 2009. Since that time, pricing at SmartPark garages has increased twice and the price of TriMet fares has been increased three times. Holding the price of on-street parking stagnant and cheaper relative to other access options undermines the objectives in the above purpose statement.

**Financial and budgetary impacts:**

The increase in on-street parking rates in downtown from \$1.60 per hour to \$2.00 is anticipated to generate approximately \$4 million annually in gross revenue. There will be a one-time cost associated with programming and field work required to implement the rate adjustment, estimated to be \$65,000. There is no planned staffing change associated with the meter rate increase.

The revenue is not included in the adopted budget. The budget will be adjusted in the spring BMP.

**Community impacts and community involvement:**

As required by TRN 3.102, a Downtown Meter Rate Adjustment Subcommittee was convened to provide input into the meter rate adjustment process. This Subcommittee was formed from members of the Central City Parking Policy Update Stakeholder Advisory Committee (Policy SAC). Each member of the 33-member Policy SAC was invited to participate and twelve members expressed interest to participate. In addition, the subcommittee included a representative of the Office of Management and Budget, per TRN 3.102 guidelines.

The subcommittee membership included the following:

- Mujtaba Ali, SmartPark Operator (SP+)
- Bob Buchanan, Pioneer Place/Portland Business Alliance
- Pete Collins, South Waterfront TMA
- Reza Farhoodi, Pearl District Neighborhood Association
- Tony Jordan, Citizen at large
- Nicole Knudsen, SEIU Local 503
- Adam Kriss, Portland Commission on Disability (accepted membership but did not attend)
- Ben Schonberger, Housing Land Advocates (Affordable housing policy advocates)
- Ian Stude, Portland State University
- Tina Wazinski, Goose Hollow neighborhood
- Felicia Williams (President), Downtown Neighborhood Association
- Helen Ying, Old Town Neighborhood Association
- Betsy Ames, Office of Management and Finance

The Subcommittee met twice in the summer of 2015 to discuss technical information and consider pricing and other potential adjustments in parking operations. Additional stakeholder outreach was conducted by PBOT staff, including the Portland Business Alliance as well as direct outreach to neighborhood, business, and labor representatives on the subcommittee.

#### Summary of Meter Rate Adjustment Subcommittee Recommendations

At their July 15 meeting they held the following votes:

- The Subcommittee voted 10-2 in support of increasing the hourly parking meter rate from \$1.60 to \$2.00.
  - The Old Town China Town representative voted No because she had been approved to support a smaller increase to \$1.80.
  - The SEIU representative voted No due to concerns about disproportionate impacts to low wage workers in downtown.
- The Subcommittee expressed unanimous support for several operations changes to be implemented by staff. These included a) converting the time limits on the short term spaces to have fewer 1-hour spaces and more 90-minute and/or 2-hour spaces; and b) changes to the all-day parking rate at the Old Town SmartPark garage to open up more capacity for customer parking and discourage employee parking.
- The Subcommittee also expressed unanimous support to update the current process for meter rate changes, with strong preference for the Performance Based Parking Management approach being considered by the Central City Parking Policy Update SAC.

The Subcommittee was presented with the issue of impacts on low-wage workers parking on street and also were presented with the following staff findings:

- SmartPark garages are an appropriate option for long-term parking, with a relatively low \$5 flat fee for twelve hours starting at 5 p.m. (\$6 in Old Town on weekend nights).
- Effective pricing of the on-street system, leading to more reliable and predictable parking, will benefit all users who are depending on on-street parking. A reliable parking system is perhaps most valuable to low-wage workers who typically have little flexibility in their arrival times at work.

As a mitigation for low-wage earners working evening shifts, the parking operations division is developing a lower cost parking pass for SmartPark garages. This option is planned to be made available concurrent with the proposed meter rate increases.

#### Meter Rate Adjustment Subcommittee Expanded Technical Considerations

The subcommittee reviewed technical information on a range of factors, as directed by TRN 3.102 and also to address questions raised by members of the subcommittee. Details of the technical information are provided in the technical memoranda, which were provided to the subcommittee in advance of their meetings. The technical memoranda are provided as Exhibits to the Ordinance. Key findings related to parking operations, pricing, and equity considerations are summarized below.

### Current Parking Operations

- In aggregate, the occupancy of the on-street parking system reaches or exceeds the target level of 85% during several hours on a typical weekday, with peak occupancy of 90% overall and exceeding 95% in some areas.
- On-street parking occupancy is higher than it was in 2008 when the last counts were conducted.
- A high proportion of vehicles (up to 18%) are staying longer than the time limit. In particular, there are more 1-hour spaces than are needed, with a higher demand for 90-minute and/or 2-hour spaces. Operations adjustments to the current mix of time limits will better match customer/visitor needs.

### Pricing for On-Street Parking and Other Access Options

- The last on-street meter rate increase was in 2009.
- While on-street parking prices have been static, prices for other access options for Downtown have had multiple adjustments, such as SmartPark prices (two increases since 2009) and TriMet fares (increased in 2010, 2011, and 2012).
  - At \$1.60 per hour, on-street parking prices are now lower than SmartPark garages for stays longer than two hours. This is contrary to policy which makes on-street parking the highest priority for short term trips.
  - The price for a short-term parking stay is comparable to the price of transit for a single trip fare. The cost of a round trip fare for one person is \$5, slightly higher than the \$4.80 cost of a 3-hour stay at an on-street parking meter under current prices.

### SmartPark Garage Occupancy

- SmartPark garages in the retail core are operating at or above the 85% occupancy target for several hours each day.
- The Old Town and 1st & Jefferson garages serve a relatively higher proportion of commuter parking, as evidenced by the occupancy profiles which shows earlier arrivals and later departures than the retail-serving garages.
- A survey at the Old Town SmartPark garage found that only 2% of parkers were customers in the area, while more than 60% were employees with monthly passes or paying the all day rate.

### Effect of Price Change on Parking Demand

- The subcommittee also reviewed research on the estimated behavior changes (elasticity of demand) resulting from marginal parking price increases.

### Equity

During the subcommittee meetings the representative from the SEIU voiced concern about the impact of the rate increase on low income workers. While on-street parking is intended for short-term use and not employee parking, the issue raised is that many low wage earners work evening shifts, perhaps starting around 5 p.m. They are able to pay for on-street parking from 5 to 7 and,

because enforcement ends at 7 p.m., they are able to use the parking space for the remainder of their shift. For such workers, the proposed increase would add \$0.80 to their daily transportation cost.

Staff appreciates this issue being brought to their and the Subcommittee's attention. The availability of affordable transportation options can be especially challenging for those working late shifts when transit service may be less frequent, and walk/bike options may not feel as viable.

At the same time, failing to manage the system well is not an equity strategy. When on-street parking is over-utilized (i.e., over 85% full) the reliability of the system is compromised. Many evening shift workers earning lower wages (i.e., janitorial, bar and restaurant servers) have little or no flexibility on their arrival time to begin a shift. As such, they may suffer greater consequences from time lost looking for parking.

This issue helped inform a larger conversation about equity as it relates to parking. SmartPark garages are an appropriate alternative for employee parking in the evening. After 5 p.m., parking is charged a flat rate of \$5 (\$6 on weekends in Old Town). The flat rate is good for 12 hours of parking from 5 p.m. until 5 a.m.

As a mitigation for low-wage earners working evening shifts, the parking operations division is developing a lower cost parking pass for SmartPark garages. This option is planned to be made available concurrent with the proposed meter rate increases.

### **Exhibits to this Ordinance**

The range of topics included in each memorandum are listed below for reference.

#### Memorandum for the June 17 meeting (see Exhibit A to the Ordinance)

- On-street parking occupancy, duration, and turnover
- SmartPark parking occupancy
- Price of on-street parking relative to SmartPark
- Price of on-street parking relative to transit
- Overall access options in the Downtown
- Economic impacts
- Potential for spillover into adjacent neighborhoods
- Equity considerations

#### Memorandum for the July 13 meeting (see Exhibit B to the Ordinance).

- Meter rates in other cities
- Expected changes in parking demand in response to price changes
- Potential operating adjustments to on-street time stays to better match customer parking needs

- Potential operating changes at the Old Town SmartPark garage to create more customer parking capacity
- Portland meter revenue allocation policy

Members of the Central City Parking Policy Stakeholder Advisory Committee have been invited to attend City Council and testify.

Judith Gray and Malisa McCreedy are the staff that attended the subcommittee meetings and can answer specific public involvement questions. Judith Gray 823-4590; Malisa McCreedy 823-5810

### Budgetary Impact Worksheet

**Does this action change appropriations?**

- ☐ **YES:** Please complete the information below.
- ☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

KK 11-4-15