Office of Transportation
Bureau of Traffic Management

1997 Downtown Parking Meter District Rate Report

Introduction

The City operates approximately 5,600 parking meters in the core area of downtown.[1] Parking meters are managed to first meet short-term visitor parking demand, followed by demand for carpool spaces. Other meters provide a long-term parking resource for residents, car-poolers, students, and local employees in areas of the meter district outside the core.

The meter system is also managed to complement the City's 'Smart Park' system of public parking garages. One-hour meters are located within a three-block radius of public garages and are intended for the shorter-term single destination trip. The public is encouraged to use the garage facilities for longer stays in the retail core.

Three-hour meters supplement one-hour meters in areas more than three blocks from one of the City garages. These longer-term meters are located in areas with less demand for turnover, so longer stays can be accommodated. They are primarily interim uses that are transitioned to short term parking as the demand changes.

Together the City's system of parking meters and garage facilities provide a convenient and low cost supply of short-term parking to support downtown's role as the premier office, retail and cultural center of the metropolitan region.

Policy Background

Parking management is integral to the management of the City of Portland's overall transportation system. On-street and off-street parking is managed by the City to achieve the following broad transportation policy objectives:

 ➢ improving air quality;
 ➢ preserving pedestrian and urban design elements;

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[1] In June 1997, the City created a new meter district in the Lloyd District, installing 1200 meters in that business area.

> ➢ improving access and circulation; and
> ➢ promoting the use of alternative modes by managing the supply and price of on-street commuter parking.

The specific goal of the City of Portland's on-street parking system is to support the economic vitality of commercial districts by encouraging parking turnover, improving circulation, and encouraging use of off-street parking.

Policy direction for the management of the on-street parking system is provided by the Central City Transportation Management Plan (CCTMP), adopted in 1995. The CCTMP calls for the management of the on-street parking supply in order to enhance "the viability, safety and activity of a commercial district." Parking is considered a "key contributor to the economic health and vitality of a commercial district."

Direction and guidance is further provided by the City's Parking Meter District Policy, adopted in 1996. This policy addresses parking meter rates, fines and parking enforcement in existing meter districts, the formation of new parking meter districts, and the allocation of revenues derived from parking meter systems.

Meter Rate Increase History

The Portland Office of Transportation routinely evaluates meter usage patterns and revenue, City garage usage trends, parking rates in private facilities and trends in parking meter turnover and citation levels. This information is used to assess the effectiveness of the on-street parking system.

Parking meters were first installed in downtown Portland in the late 1930s. Since then, rates have increased five times. Recent history shows the short-term rate was increased to 60 cents per hour in 1982, and again in 1991, to 75 cents per hour. The most recent change was in 1995, when the short-term rate was increased from 75 cents per hour to 90 cents. The long-term rates were increased to 40 cents per hour in 1982 and again in 1995 to 50 cents per hour.

A Meter Rate History table (Table I) is appended to this report and contains additional details about past meter rate increases.

Meter rate increases in downtown occur for the following reasons: to encourage turnover at the meters, inflation, and to encourage the use of the City's short-term parking garage system by keeping meter rates above the garage rate. This differential rate also encourages parkers to drive directly to the garages for longer stays and to discourage unnecessary traffic circulation in the core; and to encourage on-street parking turnover. [2]

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[2] The rate increase approved in 1991 was different. This increase was part of a major upgrading of the parking meter system.

The initial rate increase proposals in 1991, and in 1995, called for an increase in meter rates to $1.00 per hour. This higher on-street rate improved downtown circulation, congestion, auto emissions and use of the garage system. On both occasions, there were concerns over increasing the rate to $1.00 in a single step.

It was suggested by the advisory committee to the 1991 process that meter rates be evaluated more frequently, and that increases should occur in smaller increments on a more regular basis. Therefore, the rate in 1991 was increased to 75 cents, and to 90 cents in 1995. The remaining 10-cent increase was deferred until the next biennial budget year and PDOT was directed to develop a district meter policy that would provide direction and guidance on the management of the on-street parking system. This policy was completed in late 1995.

1997 Proposed Meter Rate Increase

As directed by the City's Parking Meter District Policy, an advisory committee was formed in 1997, to revisit the issue of raising the parking meter rates by 10 cents. The Advisory Committee met from June through September 1997.

Hourly parking rates in private off-street facilities were surveyed in June 1997, to compare the private market rate for short-term parking in downtown Portland with the proposed meter rate increase. The survey included all available lots in the downtown meter district[3]. The parking rate ranged from $2.25 - $3.00 in the downtown core for the initial hour of parking. Therefore, a three hour stay at these lots would result in a parking charge two to three times greater than the $3.00 for a three hour stay at a parking meter.

Certain western cities were surveyed to compare meter rates, including Denver, Phoenix, Seattle and several cities in California. Short-term rates ranged from a low of 60 cents per hour in Phoenix to $2.00 per hour in Seattle and Los Angeles. Portland's current rate of 90 cents per hour is toward the low-end among the cities surveyed. The results of the survey are contained in Table 2 of this report.

Short-term rates at the City owned Smart Park garages will be raised in 1998, from 75 cents per hour to 95 cents per hour. This rate increase will help finance an important project for the downtown - the Central City Streetcar - planned for public service in the mid year 2000. This garage rate increase raises the garage rates above the short-term meter rate. PDOT supports a policy of having the meter rate somewhat above the current short-term City garage rate to encourage the use of the garage rather than circulating seeking a parking meter. A meter rate increase would provide the opportunity to maintain this differential rate policy.

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[3]Information was not available for unattended lots or where owners declined to participate in survey.

The Advisory Committee looked at a variety of other on-street parking meters related issues. The primary issue was whether or not to change 60 minute meters to 90 minute meters in some areas of the downtown core, specifically, those areas serving retail shopper needs for longer than one-hour parking. The Advisory Committee recommended that the majority of 60-minute meters in the retail core be changed to 90 minutes. This change was recommended by the Advisory Committee based on the following findings:

> Advisory Committee Members felt that the needs of the retail customer in downtown require longer stays. Their visits to the downtown are multi-purpose, multi-destination trips, including shopping at more than one location, errands, and business-related trips. Sixty-minute meters facilitate single destination trips such as picking up dry cleaning or similar errands.

> Retailers prefer 90 minute meters even though the customer turnover rate is much higher with 60-minute meters. Customer preference for the convenience offered by the longer term meter is important to the downtown merchant.

> In October 1997, the City and the Association for Portland Progress commissioned a survey of parking meter users, retailers and business owners, and Smart Park Garage users to assess attitudes towards changing 60-minute meters to 90 minutes. Fifty four in-person interviews were conducted of people using downtown parking meters, 1200 questionnaires were distributed to the core area garages (30% response rate), and six telephone interviews were conducted with downtown business owners. The response to changing 60-minute meters to 90 minutes was very positive among all three-target segments. Specifically, 88% of retail/business people thought it was an excellent or good idea, 79% of garage users and 69% of meter users also rated the idea as excellent or good.

> Based on input from retailers, and the surveys, an implementation plan changing 60-minute meters to 90 minutes will be developed and implemented in the spring of 1998.

Resource Allocation

The City of Portland's Parking Meter District Policy contains a Revenue Allocation Policy that applies to new meter districts and to all rate changes in existing districts. The intent of the policy is to provide general guidelines on how meter system revenues are to be allocated by the City to support transportation and parking services. This policy maintains that:

> *As a general rule, the majority of net revenues should go to supporting transportation and parking services and programs within the meter district.*

As per the policy, the Advisory Committee will recommend to PDOT priority projects to be funded by additional revenue generated by a rate change. A recommended resource allocation plan shall

then be developed and reported to the City Council by PDOT as part of the budget process.

Assuming other factors that influence parking meter income (construction, occupancy, economic conditions, permit usage, etc), do not substantially change, the proposed 10 cent meter rate increase should result in a $150,000-$200,000 annual revenue increase.

The Advisory Committee found the highest priority for use of the increased meter revenue is the extension of Fareless Square to Lloyd District. The Committee further found that the amount to be allocated to this project should not exceed $150,000 per year for up to 5 years. This funding is only one portion of the funding expected to be provided by the applicants for the Fareless Square extension, including the Lloyd District Transportation Management Association, the City of Portland and the Association for Portland Progress.

The Advisory Committee also encouraged any revenue above this amount be used for other downtown needs. The Committee identified as part of these needs the following projects:

➢ Ongoing marketing to promote multi-modal access and mobility to and around the downtown;
➢ Rehabilitation of the downtown transit mall; and
➢ Additional trash receptacles other than those on the transit mall

Recommendations

The current short-term parking meter rate is well below the private rate for short-term parking in downtown Portland. This disparity in parking cost provides an incentive to the public to "circle the block" looking for the cheaper and more convenient parking option, the on-street meter. Excess circulation adds to auto emissions, impedes traffic flow and is a source of increased congestion.

The current rate compares favorable with other western cities and even with the proposed increase, Portland's rate will be below most western cities.

Currently, the short-term meter rate of 90 cents per hour is below the 95 cents per hour SmartPark garage hourly rate. As discussed earlier in this report, PDOT supports a policy of having the short-term parking meter rate higher than the hourly rate at City garages to create an economic incentive to drive directly to the City's garages for longer visits to downtown.

For these reasons, the Office of Transportation recommends an increase in the short-term meter rate to $1.00 per hour and an increase in the long-term meter rate to $.60 per hour effective February 1998.

Implementation

The process to change meter rates has been made much easier with the new electronic meters the City purchased in 1991. Hand held computers would be used to reprogram the rate systems within the meters, which will greatly speed the process and reduce the cost of making the rate change. This work will be done by existing meter staff and will be integrated into current work schedules. It is estimated that this work can be completed before the end of February 1998.

Table 1

METER RATE HISTORY
1969-1998

Year	Short-term Rate	Long-term Rate	Reasons for Increase
1969	$0.20	$0.15	Fund computer for downtown traffic control; support revenue bond for Autoport development
1975	$0.25	$0.20	Cover cost increases (inflation); meter rate substantially below off-street rates; improve turnover and circulation
1982	$0.60	$0.40	Encourage off-street parking; cover revenue shortfall in General Fund; inflationary cost increases for parking operations
1991	$0.75	$0.40	Fund electronic meter purchase; bring meter rates up to City garage rates; encourage off-street use
1995	$0.90	$0.50	Improve turnover and circulation; encourage off-street parking
1998	$1.00 (Proposed)	$0.60 (Proposed)	Bring meter rates above City garage rates; encourage off-street use

Table 2

Parking Meter Rate Survey
U.S. Cities
May 1997

		Short-term Hourly Rate	
#	**City**	**1995**	**1997**
1	Denver	1.00	1.00
2	Los Angeles	2.00	2.00
3	Charlotte	(No meters)	1.00
4	Sacramento	0.75	0.75
5	Salt Lake City	0.50	0.50
6	San Diego	1.00	1.00
7	San Francisco	1.50	1.50
8	San Jose	0.75	0.75
9	Seattle	1.00/2.00*	1.00/2.00*
10	Cincinnati	1.00	1.00

PORTLAND as of 7/1/95   0.90   1.00**

* 30-minute meters are $2.00 per hour; others are $1.00 per hour.
** Proposed