



# ***Agenda Report***

## ***Fullerton City Council***

**MEETING DATE:** DECEMBER 17, 2019

**TO:** CITY COUNCIL / SUCCESSOR AGENCY

**SUBMITTED BY:** KENNETH A. DOMER, CITY MANAGER

**PREPARED BY:** MATT FOULKES, COMMUNITY AND ECONOMIC DEVELOPMENT DIRECTOR

**SUBJECT:** ESTABLISHMENT OF THE DOWNTOWN NIGHTTIME PAID PARKING PROGRAM OPERATING PARAMETERS

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### **SUMMARY**

Consideration of establishment of operating parameters for the Downtown nighttime paid parking program following the completion of the pilot program ending December 31, 2019.

### **RECOMMENDATION**

Adopt Resolution No. 2019-XX.

RESOLUTION NO. 2019-XX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, ESTABLISHING THE DOWNTOWN NIGHTTIME PAID PARKING PROGRAM OPERATING PARAMETERS

### **PRIORITY POLICY STATEMENTS**

This item matches the following Priority Policy Statements:

- Fiscal and Organizational Stability
- Public Safety
- Infrastructure and City Assets.

### **FISCAL IMPACT**

Weekly net income is conservatively estimated on the low end at \$1,300 (approximately \$67,000 annually). Future nighttime revenue will vary, but likely increase, based on changes in daytime parking regulations to include addressing employee parking. Revenues from the nighttime paid parking pilot program shall be designated for reinvestment into the operations of the Downtown, including enhanced maintenance, enforcement, safety and security and funding for the preparation of an Assessment

Engineer's Report to inform consideration of the formation of a Business Improvement District or other similar type of Landscape / Lighting or Maintenance District for the Downtown.

Corresponding appropriations related to this program will be included as a recommendation when the City Council considers the annual Mid-Year Budget adjustments.

## BACKGROUND

As a first step toward a comprehensive parking management strategy for Downtown public parking assets, the City Council in April, 2019 approved a Downtown nighttime paid parking pilot program for a period of up to 180-days (24 weeks) with interim reporting to the City Council after 90-days (12 weeks). A progress report following the first 90-days of the pilot program was presented for receive and file on November 19, 2019 and reflected the data gathered over the first 14 weeks of the program.

In addition, on November 19, 2019 the City Council also directed staff to work with SP+ on the preparation of a scope of services and cost proposal for the development and implementation of a citywide parking enforcement program and a revised employee permit parking / daytime long-term parking program for future City Council consideration. SP+ has submitted its initial proposal for staff review and is tentatively scheduled for City Council consideration in early 2020.

## OBJECTIVE

The purpose of establishing a paid parking program is the following:

- #1: Manage peak parking demands to improve patron experiences
- #2: Establish revenue streams for Downtown operations
- #3: Improve security in lots and structures.

Charging for parking is one of the tools – along with time limits, enforcement, wayfinding / availability signage – for managing parking supply. With this in mind, the pilot program launched on July 18, 2019 with three short-term goals.

**Goal #1:** Collect data regarding parking behaviors and impacts to businesses and surrounding residential neighborhoods

**Goal #2:** Demonstrate potential revenue source for reinvestment in Downtown

**Goal #3:** Evaluate feasibility of more permanent paid parking program on City-owned parking assets.

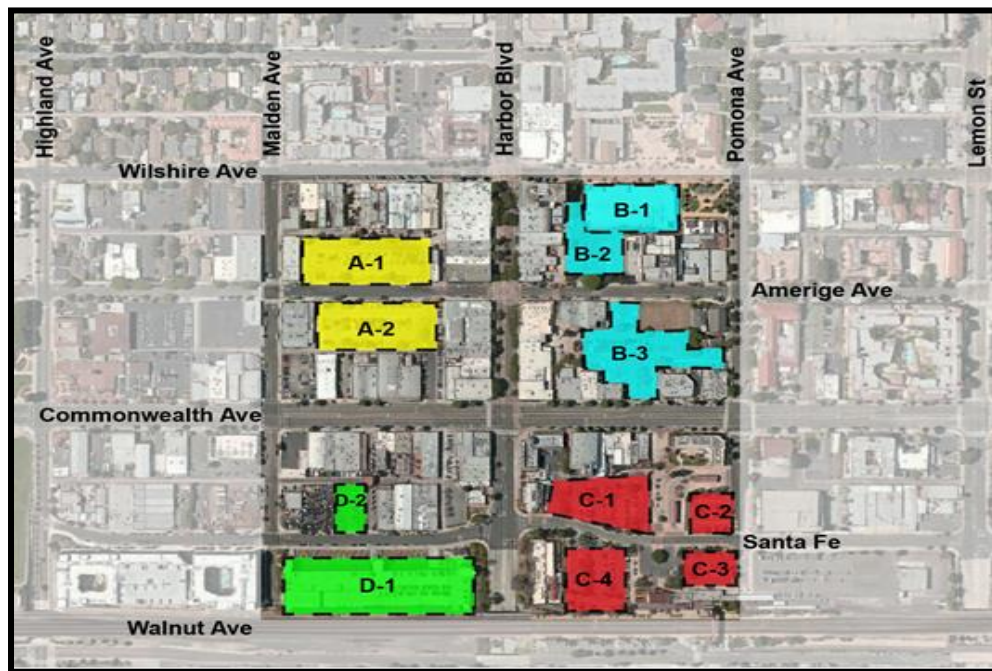
## PILOT PROGRAM DATA ANALYSIS

The following summarizes some of the data collected through December 1, 2019.

Over the last twenty weeks of the program, 18,108 payments were made for parking in Downtown Fullerton between the kiosks (89%) and the ParkMobile app (11%).

**Paid Parking Spaces:** Paid parking is located in eleven areas including nine surface lots and two parking structures (labeled A-1 through D-2 in Figure 1).

**Figure 1 – Paid Parking Locations**



Collectively, these parking lots / structures total 1,907 parking spaces that are part of the pilot program. The number of parking spaces within each location is detailed in Figure 2.

**Figure 2 – Spaces by Location**

Location	Number of parking spaces
A1	129
A2	101
B1 (Wilshire Structure)	324
B2	44
B3	170
C1	104
C2	42
C3	43
C4	93
D1 (SOCO Structure)	816
D2	41
<b>Total</b>	<b>1,907</b>

**Pre-9:00 p.m. parking counts:** SP+ inventoried vehicles already parked in each of the pilot program lots at 9:00 p.m. to compile a list of vehicles on which payment is not required. In so doing, a count of cars parked prior to 9:00 p.m. has been obtained. Figure 3 shows the average total pre-9:00 p.m. counts in the eleven pilot program locations by day of the week along with what percentage of the total 1,907 program spaces this amount represents.

**Figure 3 – Pre-9:00 p.m. Parking Counts**

		Thursday	% of total program spaces	Friday	% of total program spaces	Saturday	% of total program spaces
Total cars already parked prior to 9:00 p.m.	@ Week 14	867	45%	1,146	60%	1,114	58%
	@ Week 20	865	45%	1,111	58%	1,091	57%

Figure 4 shows the same pre-9:00 p.m. count data in terms of utilization (the percentage of spaces already occupied by a car at or before 9:00 p.m.) by lot along with the number of available spaces in the lot. For the most desirable surface lots (C1, A1, A2, D-2) the number of spaces available for new parkers when the program started at 9:00 p.m. was in some cases only a few parking spaces (shaded in gray).

**Figure 4 – Pre-9:00 p.m. Utilization**

Rank	Thursday	# of available spaces @ 9:00 p.m.	Friday	# of available spaces @ 9:00 p.m.	Saturday	# of available spaces @ 9:00 p.m.
1	C1 - 89%	11	C1 - 94%	7	A2 - 96%	4
2	A2 - 87%	14	A2 - 94%	6	D2 - 92%	3
3	D2 - 80%	8	A1 - 85%	19	C1 - 91%	10
4	A1 - 68%	41	D2 - 85%	6	A1 - 86%	18
5	C4 - 68%	30	C4 - 83%	16	C4 - 82%	17
6	B2 - 61%	17	B3 - 76%	42	B3 - 69%	53
7	B3 - 55%	76	B2 - 72%	12	C2 - 64%	15
8	C2 - 46%	23	C2 - 70%	13	B2 - 64%	16
9	D1 - 35%	530	C3 - 56%	19	C3 - 53%	20
10	C3 - 27%	31	D1 - 49%	418	D1 - 51%	402
11	B1 - 19%	261	B1 - 26%	238	B1 - 21%	257

The pre-9:00 p.m. parkers are a mix of patrons and employees. SP+ enforcement staff performed several manual counts of employee permit parking placards and verified the use of these locations by employees. While the counts of vehicles displaying employee hangtags were lower than expected based on the number of employee parking tags issued to downtown businesses, there was also no reason why an employee would need

to display a placard after 6:00 p.m. when the time limits (two hour or three hour) in these parking lots ends. The City has also received comments from several downtown businesses that the lack of parking enforcement by the City of either the time limits of the lots or the requirement for display of an employee's hangtag also likely contributed to the low counts by SP+.

**Post-9:00 p.m.:** The pilot program pertains to new parkers after 9:00 p.m.. Payment reporting provides a count of those cars that have paid to park. Figure 5 shows the average total post-9:00 p.m. counts in the eleven pilot program locations by day of the week and the average parking revenue received.

**Figure 5 – Post-9:00 p.m. Parking Counts**

		Thursday	Friday	Saturday	Total per week
Avg. new parkers after 9:00 p.m.	@ Week 14	158	361	388	<b>907</b>
	@ Week 20	162	350	393	<b>905</b>
Avg. Paid Parking Revenue @ \$5 per car	@ Week 14	\$790	\$1,805	\$1,940	<b>\$4,535</b>
	@ Week 20	\$810	\$1,750	\$1,965	<b>\$4,525</b>

**Community Impact Data Collection and Monitoring:** In addition to the payment reporting, parked car counts were conducted in the areas around the pilot program during at week 0 (baseline), week 4 (2nd week after transition from warnings to citations) and week 12 (half-way) to evaluate the pilot program to identify any unintended consequences. Below are the findings for each area surveyed.

**a. Downtown Free Parking Lots:** Free parking is provided east of Pomona Avenue and north of Chapman Avenue in a combination of five surface lots and two parking structures (Pomona and Plummer). The free parking at a slightly farther but reasonable walking distance provides an option for those wishing to avoid payment. Some notable observations from the parking count data in these lots / structures include:

- There was not a significant increase in the number of vehicles utilizing these free lots during the program. One conclusion that can be drawn from this is that the parking rate (\$5 flat rate) did not result in noticeable changes in parking behavior for the vast majority of parkers coming to Downtown. At this time the City is not recommending any changes in either the parking rate or number of lots / structures that charge for parking.

- The pilot program is likely drawing more cars to the Pomona structure and surface lot on the southeast corner of Santa Fe and Pomona Avenues, generally the closest free locations. It is unknown, however, if the increases are due to a lack of vacant paid parking spaces or if customers (and employees arriving after 9:00 p.m.) are opting to park in these lots to avoid paying for parking.

**b. Residential Streets Adjacent to Downtown:** There are several predominantly residential blocks abutting the pilot program boundaries surrounding downtown (Whiting, Wilshire, Amerige and Pomona avenues and Walnut and Truslow between Harbor and Highland) that have on-street parking. A review of the parking count data on these streets indicated that while this parking is used, there was not a marked increase in the total on street parking that could be attributable to the pilot program.

**c. City Hall Lots Near Downtown:** The lots on the north and south side of Amerige Avenue, west of Malden Avenue are underutilized when City Hall is closed. The employee lot on the north side of Amerige showed a slight increase on Friday and Saturday nights. These lots were not previously identified on the Fullerton Parking Guide website as available 'free' lots, and current signage in these lots does not explicitly indicate its availability as public parking. Going forward, these lots will be added to the Fullerton Parking Guide and new signage will be posted to clarify when spaces are available for free public parking to service downtown parking needs.

**Warnings and Citations:** FMC Section 8.48.060 was established in advance of the pilot program to provide local regulations and a corresponding fee associated with the failure to pay for parking. During week 1 and week 2 of the pilot program, the SP+ enforcement staff provided warnings and informational flyers to 118 cars that did not pay as required. Citations for failing to pay commenced in week 3. SP+ enforcement staff is able to interface directly with the City's citation vendor, Turbo Data, providing a seamless integration into the existing citation process.

Through week 20, 2,380 citations have been issued of which 263 (11%) have been appealed. Of the 263 appeals, 191 (73%) were denied (citation upheld), 49 (19%) were approved (citation dismissed), and 23 (8%) are still pending further review and decision according to Turbo Data.

The City receives \$40.86 of each citation paid after \$11 is paid to State and County fees and \$1.14 is paid for Turbo Data processing. According to Turbo Data, looking at all citation types over the last two years, approximately 85 percent of citations issued are ultimately paid. Based on the data of the pilot program through week 20, the City will receive its portion of the revenue from approximately 1,961 paid citations. The revenue from the parking citations is used to offset the costs associated with the enforcement costs of the paid parking program.

**Inquiries and Feedback:** Prior to the commencement of the pilot program, the City launched <https://fullerton.parkingguide.com>. In addition to information about the program, the website provides a Frequently Ask Question (FAQ) and a Contact Us section. The City mailed and emailed the Downtown stakeholders and used the City homepage, Fullerton Observer and "coming soon" parking lot signage to spread the word on the program in advance of its launch. All material directed people to the website for additional information and provided a staff contact for inquiries. City staff also accompanied SP+

during the first week of the program to observe the process and field any questions from Downtown patrons and / or employees.

To date, the majority of questions / concerns expressed to City staff have been related to employee and transit user parking. In nearly all cases, once the person was informed that parkers arriving prior to the start of the program (9:00 p.m.) are not subject to payment, they were satisfied. 72-hour parking is permitted in the SOCO structure on the top floor for Amtrak users and for commuters who store a car for use during the week. The FAQ section on the website has been periodically updated based on these common inquiries. These operating parameters are not proposed to be changed as part of the ongoing paid parking program.

A SP+ phone number is also published on the kiosk signage for those with parking questions. The phone number is answered by the pilot program Supervisor who reports that the majority of calls are from people inquiring about the 9:00 p.m. start time and if they need to pay if they previously arrived.

Two businesses raised concerns to the City about the program, both of which have been addressed as discussed below. A staff member from Branagan's Irish Pub was using the ParkMobile app and "bought" free parking prior to 9:00 p.m.. The app does not prevent people from doing this nor is this a requirement of the pilot program. This type of transaction has no associated fee. At the start of the pilot program, if you "bought" a free parking session, it expired at 8:59 p.m. when the paid portion of the program started. However, pursuant to the program, any car that is parked in the lot prior to 9:00 p.m. is free to remain in the lot without charge. After this idiosyncrasy was brought to the City's attention, Staff worked immediately with ParkMobile to modify the app to match the provisions of the pilot program. Now, any free parking "purchased" lasts until 2:00 a.m. when the parking facilities close. Similarly, while the pilot program ends at 1:00 a.m., any paid parking purchased also lasts until 2:00 a.m..

Fullerton Staff was contacted by the Old Spaghetti Factory (OSF) regarding a provision in their lease with the City for free non-exclusive customer parking in their adjacent parking lot (Lot C-4). OSF's operating hours overlap with the pilot program by 30 minutes on Thursday nights and 60 minutes on Friday and Saturday nights. Staff worked with OSF to design signage for the lot (C-4) to accommodate customers in compliance with the lease and SP+/ParkMobile created a functionality in the ParkMobile app for use by OSF employees to register customer vehicles parking after 9:00 p.m. to "validate" their parking when they enter the restaurant.

Lastly, confidential quarterly sales tax data was reviewed by city Staff for quick service restaurants, casual dining, fine dining and fast-casual restaurants in the downtown before and during the pilot program period (business specific sales tax data is exempt from public disclosure per Revenue and Taxation Code Section 7056). Data analysis included looking at quarterly trends for January through September 2019 as well as comparing the same period in 2018 (the quarter of July through September 2019 coincides with the first 2.5 months of the pilot program). Given the seasonal nature of business sales and the wide range of potential macro-economic variables, no obvious trend attributable to the pilot program was identified. Staff will continue to monitor and review future sales tax reports for any indications that the paid parking program is negatively impacting businesses downtown.

## DISCUSSION

The pilot program had two types of costs, initial costs required to start the program and those incurred on a weekly basis for on-going operations. Start-up costs for equipment delivery and installation, signage and staffing totaled \$36,281. Expenses for these initial investments were paid off in full during the pilot program.

The average weekly parking revenue was \$6,150 which included citation revenue. Recurring weekly costs averaged \$4,350 for equipment, operations and enforcement. The total weekly net income averaged \$1,800 during the pilot program.

Average weekly paid parking revenue*	\$6,150
<u>Ongoing weekly expenses**</u>	<u>-\$4,350</u>
Total Net income	\$1,800

Going forward, while no changes are proposed to the Downtown nighttime paid parking program operating parameters, several operational costs that were incurred by SP+ during the pilot program would begin to be passed on to the City as part of the ongoing program. These expenses increase the weekly costs to +/- \$4,850. Parking revenue, including citation revenue, would continue to be projected at \$6,150 weekly. This results in an estimated total net income of \$1,300 a week, or approximately \$67,000 annually.

Projected average weekly paid parking revenue*	\$6,150
<u>Ongoing weekly expenses**</u>	<u>-\$4,850</u>
Net estimated weekly income	\$1,300

\*includes citation revenue

\*\*includes enforcement costs

Going forward, it is recommended that the City Council approve of the continuation of the Nighttime Paid Parking Program to include the following operating parameters:

1. **LOCATION:** A nighttime paid parking program shall be conducted in the public parking lots (nine) and structures (two) generally bounded by Wilshire Avenue on the north, the railroad tracks on the south, Malden Avenue on the west and Pomona Avenue on the east and identified in Figure 1 (above, Page 3) as A-1, A-2, B-1, B-2, B-3, C-1, C-2, C-3, C-4, D-1 and D-2.
2. **DAYS AND TIMES:** The nighttime paid parking program shall occur Thursday, Friday and Saturday nights between 9:00 PM and 1:00 AM as follows:  
  
Thursday 9:00 PM through 1:00 AM Friday  
Friday 9:00 PM through 1:00 AM Saturday  
Saturday 9:00 PM through 1:00 AM Sunday
3. **FEES:** A flat fee for parking during the nighttime paid parking program shall be set at \$5.00 per vehicle, pursuant to Fullerton Municipal Code Section 8.48.020.
4. **ENFORCEMENT:** Payment of fees during the nighttime paid parking pilot program shall be enforced by SP+ (or designated contractor) with citation authority designated by the Chief of Police, pursuant to Fullerton Municipal Code Section 8.48.040.



5. **SHORT-TERM PARKING:** Short-term parking (no-fee) spaces for pick-up and delivery shall be signed in surface lots that abut businesses (A-1, A-2, B-2, B-3, C-1, C-4, and D-2) as well as on a portion of the 100 block of the south side of Commonwealth Avenue, east of Harbor Boulevard, providing a minimum of five short-term spaces, pursuant to Fullerton Municipal Code Sections 8.48.020 and 8.44.060.
6. **USE OF NET REVENUES:** Revenues from the nighttime paid parking pilot program shall be designated for reinvestment into the operations of the Downtown, generally including maintenance, enforcement, safety and security, and including funding for the preparation of an Assessment Engineer's Report to inform consideration of the formation of a Business Improvement District or other Landscape, Lighting or Maintenance District.

Attachment:

- Attachment 1 – Resolution No. 2019-XX