

MEMORANDUM

October 21, 2008

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Rodney Fong, Vice President
Hon. Michael Hardeman
Hon. Ann Lazarus
Hon. Stephanie Shakofsky

FROM: Monique Moyer
Executive Director

SUBJECT: Request Approval of the Port's Parking Meter Pricing Rates and Time Limit Ranges

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

Background

The Port operates approximately 1,000 electronic single space parking meters along 45 city blocks within its jurisdiction using in-house staff. These 1,000 meters were purchased and installed over a 5-year period beginning in 1992 and completed in 1997. The Port's meters are in effect from 7 a.m. to 7 p.m., 7 days a week, with some exceptions. The Port Commission raised the Port meter rates from \$1 per hour to \$2 per hour in 2003 and retained the existing two-hour time limit. The existing meters do not accept credit cards or the City's Smart Card. Annual parking meter revenue, based on the flat rate of \$2 per hour, is nearly \$1.4 million.

Port's Pilot On-Street Parking Study

In 2006, the Port initiated a study of its on-street parking program with the goal of (1) increasing Port parking meter revenues while promoting parking availability for Port tenants and their customers; and (2) managing the on-street parking resource under Port jurisdiction more effectively.

Port staff explored utilizing market-based parking rates to affect supply and demand, by introducing pricing strategies that could be supported by new technologies (smart meters, multi-space paystations, and sensors) that also provide customers with multiple convenient payment options. One multi-space paystation usually services between seven and ten parking spaces.

This Print Covers Calendar Item No. 9A

Phase I of the study focused on an overall assessment of the Port's on-street parking program which created baseline data. Phase II consisted of a pilot study of the capability of multi-space paystation technology to support a variety of parking management strategies, including coin and credit card payments and progressive pricing.

In Phase I, or the baseline study, the Port contracted with Streetline Networks to conduct a study to determine the actual demand for the Port's metered parking spaces. In July 2006, Streetline Networks deployed sensor technology adjacent to about 200 on-street parking spaces and has been continuously measuring occupancy and turnover. The data collected produced a baseline report which the Port used to measure the impact of the introduction of variables in Phase II, including new technology, rates, time limits and payment methods.

In Phase II, the Port extended a formal invitation to the parking vendor community to participate in a pilot study of their parking system solutions. In support of Phase II, the Port Commission adopted (1) a four hour parking limit, with the exception of Chestnut Street (no limit;) and (2) a progressive rate pricing strategy. The progressive parking rates -- First Hour \$3; Second Hour \$3; Third Hour \$4; Fourth Hour \$5 -- were intended to encourage one to two hour parking sessions with less reliance on enforcement, while adding flexibility for drivers, thereby generating turnover at on-street spaces and encouraging use of off-street garages.

The 90-day pilot study ended on February 28, 2007 and the data collected was analyzed. In summary, the general conclusions of the study were that (1) location and time of day are the biggest predictors of parking demand, (2) 41% of parking sessions were paid, 13% were used by vehicles displaying disabled placards (DPs), and 46% were unpaid, (3) across all blocks, revenue was up by 25% in the pilot study period over the baseline, (4) excluding the two blocks (1300 Battery Even and 000 Francisco Odd) which experienced paystation failures, the revenue increase was 37%, (4) enforcement was highly variable and overall quite low, and (5) drivers parked an average of 75 minutes both during the baseline and pilot study periods.

Conclusions and Next Steps from the Port's Pilot On-street Parking Study

Based on the results of this study, Port staff concluded that it could improve its management of on-street parking and revenues generated by parking meters by replacing its single space parking meters with multi-space paystations that accept coins, credit cards, and the City's Smart Card. In addition, Port staff decided that it should work with the San Francisco Municipal Transportation Agency (SFMTA) to have the same meter and related technology as the City, use SFMTA's staff and contractors to provide collection and meter repair service, and to set consistent meter rates and hours in areas where the City and Port have meters. In that way, the public will not be confused by potentially different meter technology and meters prices. In addition, the Port would be in a better position to optimally price its meters since the City's meters located in adjacent areas to the Port would be priced similarly.

To that end, at its May 13, 2008 meeting the Port Commission adopted Resolution 08-33 approving a Memorandum of Understanding (MOU) between the Port of San Francisco and the San Francisco Municipal Transportation Agency (SFMTA) to purchase and install multi-space paystations on Port property, maintain the multi-space paystations, and collect and count the coins from the Port's multi-space paystations. The SFMTA in turn, amended its contract with Serco to allow the Port and SFMTA to develop paystation specifications and then seek at least

three bids from multi-space paystation vendors. The Board of Supervisors approved the SFMTA’s amended contract with Serco the end of June 2008.

Port staff worked with SFMTA and Serco staff to develop paystation specifications for the Port’s paystations that Serco issued as a bid package to paystation vendors. In August 2008, Serco received eight bids from paystation vendors. Serco, Port, and SFMTA staff rated the proposals and interviewed the top four vendors as follows:

		Cale/8D	Digital Pay Tech	Duncan	IPS	Mackay	Metric	Parkeon	Photo Violation Technology
Proposal	Port	1	4	3	8	5	6	2	7
	MTA	2	3	1	7	6	5	4	7
	Consultant	3	6	2	5	7	4	1	8
Interview	Port	1	4	3				2	
	MTA	3	4	2				1	
	Consultant	1	4	3				2	
	Scorer 4	2	4	1				3	
	Scorer 5	3	4	1				2	
References		1	4	3				2	

Based on that process, we jointly selected the team of 8D/Cale and have begun negotiations with them to purchase and install the Port’s multi-space paystations.

Meter Pricing Proposal

As previously discussed, Port staff wish to partner with the SFMTA to set parking meter pricing in the Port jurisdiction similar to the SFMTA’s meter prices in adjacent SFMTA managed parking meters. Meanwhile, the SFMTA received \$18.4 million in federal Urban Partnership Program grant funds to implement a pilot parking demand based pricing study using new parking management approaches and technology including multi-space paystations to manage parking supply and demand more intelligently. To implement the DOT grant funded parking project, the SFMTA developed a parking program called *SFpark* that will:

- Test various new meter, payment and sensor technology that work best to support the City’s parking and pricing policies;
- Test the use of demand responsive pricing to achieve overall goals for parking and the City’s transportation system;
- Focus on Parking Control Officer (PCO) deployment and enforcement strategies including testing of different hand-held equipment and sensor enforcement;
- Test how well pricing of parking reduces congestion and improves Muni’s on time performance;
- Establish a relationship between the price of off-street and on-street parking to eliminate the financial incentive of circling blocks to look for parking; and
- Allow the Port and SFMTA to work together to provide seamless parking management across the City.

As described in more detail below, SFMTA staff have developed pricing and time limit proposals for the SF*park* pilot project program that they will take to their Board in November 2008. Port staff propose that the Port Commission adopt the same pricing and time limit proposals as well as establish initial meter rates and time limits for specific areas in the Port's jurisdiction.

Price adjustments will be gradual and periodic to allow the public time to learn new parking prices and adjust their travel and modal choices.

As the next step in implementing the Port's multi-space paystations, staff requests that the Port Commission approve pricing rate and time limit ranges as well as the initial availability standards and targets that will be used in the SFMTA's SF*park* parking pilot projects, and to allow the Executive Director to implement rate and time limit changes within those ranges, to change the times and days when parking is metered, and to adjust the initial availability standards and targets.

Staff requests that the Port Commission approve the attached resolution which consists of establishing the parking meter pricing and time limit ranges and refining the parking occupancy and/or availability goals. The parking meter rates, rate structure options, and time limit ranges are summarized below:

- The rate structure for all parking meters can be either flat (same price per hour all day), or may be based on time of day (variable price by time of day), length of stay (variable price by how long a vehicle has been parked), or a combination of those structures.
- The rates for parking meters could vary between \$0.50 an hour and \$6.00 an hour and could vary by parking type, purpose, and location.
- Special Event Parking¹ rates would be between \$0.50 an hour and \$18.00 an hour during special events.
- Special Event parking rates could be imposed as early as four hours prior to the event. Following the event, rates would return to their pre-event amount.
- Parking price or rate changes for parking meters will be posted on the Port and SFMTA websites and at the specific location where price is changed no later than the commencement of operations or pricing the day of the price change.

Parking meter prices would be adjusted gradually and periodically based on parking availability and congestion targets. On-street metered parking prices would be adjusted up or down in increments of \$0.50/hour every four to six weeks for a specified geographical unit (whether block-to-block, two-block units, or other appropriate areas).

¹ Special events are large, well-publicized events that are expected to generate a significantly higher level of parking demand, including baseball games, concerts, fleet week, and other similar events.

The Port and SFMTA will utilize gradual and periodic adjustments in order to give people time to learn new parking prices and adjust their travel and modal choices. The alternative of more dynamic or frequent price changes would likely frustrate drivers and not allow them to learn prices over time and adjust modal choices accordingly.

One purpose of the SFpark pilot project is to test the effect of changing the hours when parking is metered. Currently, Port meters are in effect from 7:00 a.m. to 7:00 p.m. The Port Commission is requested to authorize changing the times when parking is metered. In some areas, this may include metering later into the evenings or earlier in the mornings depending on occupancy targets.

Another purpose of the SFpark pilot project is to combine changes to parking pricing with changes to time limits currently used to regulate parking. This will allow staff to evaluate the effectiveness of using parking prices rather than time limits as the primary means to achieve availability targets. Therefore, the Port Commission is requested to authorize Port staff to change time limits for parking. Currently, Port meters allow for two hour parking stays. Under the Port's jurisdiction in the SFpark pilot project, time limits for metered parking would be allowed for two hours to 12 hours depending on availability targets.

The parking availability standards and targets will be measured during the SFpark pilot project and used to adjust the price of parking upwards or downwards. The availability standard defines the optimal level of availability for different types of parking, while the availability target defines how much of the time the availability standards are met. Expressing the availability standard for different types of parking as a range rather than a single number (such as 85 percent) allows for more effective parking management and helps prevent "over management" of parking to achieve a narrowly defined goal.

The Port Commission is requested to approve the following initial availability standards for the Port's parking meter spaces:

- 10 percent to 35 percent for metered on-street parking;
- No less than 50 percent for metered on-street commercial loading parking (yellow zones);
- No less than 50 percent for metered on-street short-term parking (green zones); and

The Port Commission is requested to approve an initial availability target of 80%, which means that the availability standards are met 80% of the time that parking is priced. An availability target of 80 percent acknowledges that while a higher target of 95 percent or 99 percent is theoretically possible, it would likely cause undesirable consequences. Because parking demand naturally varies both day-to-day and hour-to-hour, achieving a "perfect" adherence to an availability standard would require management toward the 99th percentile of parking demand. This would result in parking prices being adjusted to meet parking demand for the 99th percentile day, the "peak of the peak" of parking demand that could risk driving vehicles away from commercial areas.

Initial Changes to the Port's Parking Meter Rates

The methodology described above would allow Port staff to adjust parking meter rates to achieve

desired parking availability goals. However, based on the City’s current parking meter rates in areas adjacent to the Port as well as information Port staff have about current utilization of the Port’s on-street metered parking, we recommend establishing the following initial parking meter rates and time limits for some of the areas within the Port’s jurisdiction:

	<u>Current Hourly Rate</u>	<u>Proposed Hourly Rate</u>	<u>Proposed Time Limit</u>
Fisherman’s Wharf Area:			
North Point to Hyde Streets	\$2.00	\$2.50	2 hrs
Ferry Building Area:			
Broadway to Harrison Streets	\$2.00	\$3.00	2 hrs
Embarcadero Roadway (South)*:			
Harrison to Townsend Streets	\$2.00	\$1.00	12 hrs
Terry Francois Blvd Area*:			
Berry to Mariposa Streets	\$2.00	\$1.00	12 hrs

* Note that pricing would be higher for special events.

The proposed hourly rates for the Fisherman’s Wharf and Ferry Building areas are the same as the City’s hourly rates on adjacent City streets. We will adjust these rates based on the parameters discussed earlier. We propose to initially keep the Port’s existing two hour limit based on the experience of the Port’s Pilot On-street Parking Study that indicated the majority of drivers parked two hours or less even when the time limit was four hours.

The proposed \$1.00 hourly rate for the South Embarcadero Roadway and Terry Francois Blvd areas reflects the significantly low current demand for short-term on-street parking in that area unless there is a special event. On non-event days, Port staff propose to extend the time limit from two hours to 12 hours, from 7:00 a.m. to 7:00 p.m., to allow all-day parking. Thus, parkers could pay up to \$12.00 a day to park along the South Embarcadero Roadway and Terry Francois Blvd. The parking lots near these areas currently charge \$13.00 daily rates. With respect to parking for special events, Port and SFMTA staff will be analyzing appropriate pricing rates and time limits in the coming months.

Recommendation

It is recommended that the Port Commission approve the attached resolution authorizing pricing ranges and time limits for Port parking meters, establishing initial occupancy and availability targets, and authorizing the Executive Director or her designee to implement and adjust rates, enforcement times, time limits and availability standards and targets within those ranges.

Prepared by: Tina Olson, Deputy Director
Finance and Administration

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 08-68

- WHEREAS, Charter Section B3.581 grants the Port Commission the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and
- WHEREAS, Under the Burton Act and Transfer Agreement the State transferred its interest in San Francisco's tidelands to the City and County of San Francisco to be held in trust for navigation, commerce, and fisheries; and
- WHEREAS, Section 4 of the Burton Act, Section V of the Transfer Agreement, and Section B6.406 of the City's Charter require all revenues generated on trust property to be deposited into a trust fund for the Port's benefit, which include revenues from parking meters attributable to parking spaces on Port property belonging to the Port; and
- WHEREAS, Port Commission Resolution 08-33 authorized the Port Executive Director to enter into an MOU with the SFMTA that authorized the SFMTA to, on the Port's behalf, purchase up to 150 multi-space paystations, procure coin collection and counting services, and transfer management and maintenance of the Port's paystations to the SFMTA; and
- WHEREAS, Port staff wish to achieve uniformity in the City by partnering with the SFMTA to set similar parking meter prices and time limits in adjacent geographic areas as part of the SFMTA's *SFpark* Program; and
- WHEREAS, The SFMTA staff have developed pricing ranges and strategies as well as occupancy standards for use in association with the SFMTA's *SFpark* Program that Port staff propose to use; and
- WHEREAS, Port staff propose to initially set the Port's parking meter rates in the Fisherman's Wharf and Ferry Building areas at \$2.50 and \$3.00 per hour respectively; the same as the SFMTA's current parking meter rates in adjacent areas; and
- WHEREAS, Port staff propose to initially set parking meter rates of \$1.00 per hour in the South of Market and Terry Francois Blvd areas to reflect the significantly low current demand for on-street parking spaces in those areas; and
- WHEREAS, Port staff also propose to initially set 12 hour time limits, from 7:00 a.m. to 7:00 p.m., in the South of Market and Terry Francois Blvd areas to allow all-day parking; and

- WHEREAS, The availability standard for this program is the optimal level of availability for different types of parking, and Port staff believes the initial availability standards for Port parking meter spaces are: (1) 10 to 30 percent for metered on-street parking; (2) no less than 50 percent for metered on-street commercial loading parking; and (3) no less than 50 percent for metered on-street short-term parking; and
- WHEREAS, The availability target for this program is the measure of how often the availability standards are met, and Port staff believes the initial availability target should be 80 percent; and
- WHEREAS, The SFMTA's *SFpark* pilot program received environmental clearance under the California Environmental Quality Act as a Class 6 Categorical Exemption from the San Francisco Planning Department on May 19, 2008; now, therefore, be it
- RESOLVED, That the Port Commission authorizes the Port Executive Director to set parking meter rates to better match demand for on-street parking spaces; and, be it further
- RESOLVED, That effective February 1, 2009 the hourly rates for on-street parking meters in the Port's jurisdiction between and including North Point and Hyde Streets will be \$2.50; and, be it further
- RESOLVED, That effective February 1, 2009 the hourly rates for on-street parking meters in the Port jurisdiction between Broadway and Harrison Streets will be \$3.00; and, be it further
- RESOLVED, That effective February 1, 2009 the hourly rates for on-street parking meters in the Port jurisdiction from Harrison Street and to and including Townsend Streets will be \$1.00; and, be it further
- RESOLVED, That effective February 1, 2009 the hourly rates for on-street parking meters in the Port jurisdiction between and including Berry and Mariposa Streets will be \$1.00; and, be it further
- RESOLVED, That effective February 1, 2009 the time limit for parking meters on streets in the Port jurisdiction between and including Harrison and Townsend Streets and Berry and Mariposa Streets will be 12 hours, from 7:00 a.m. to 7:00 p.m.; and, be it further
- RESOLVED, That the Port Commission authorizes the Port Executive Director to adjust parking meter rates (to a minimum of \$0.50 and a maximum of \$6.00 per hour) as often as every 30 days to better match demand for on-street parking spaces; and, be it further
- RESOLVED, That the Port Commission authorizes the Port Executive Director to adjust metered parking rates in increments of no more than \$0.50/hour; and, be it further

RESOLVED, That the rate structure for all parking meters may be either flat rates (same price per hour all day), or may be based on time of day (variable price by time of day), length of stay (variable price by how long a vehicle has been parked), or a combination of those structures; and, be it further

RESOLVED, That for the parking meter rates for special events the Port Executive Director is authorized to determine rates between \$0.50 an hour and \$18.00 an hour during or up to four hours before special events; and, be it further

RESOLVED, That the Port Executive Director is authorized to change the time limits for metered parking of between two hours and 12 hours as well as change the times and days when parking is metered; and, be it further

RESOLVED, That any parking price or rate changes for the Port's parking meters that are within the ranges specified in this resolution must be posted on the Port and SFMTA websites and at the specific location where price is changed no later than the commencement of operations or pricing the day of the price change; and, be it further

RESOLVED, That the initial availability standards for the Port's parking meter spaces are 10 to 35 percent with the goal to achieve those availability standards 80 percent of the time that metered parking is priced.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 28, 2008.

Secretary