

# Parking Lot/Structure Financing and Low Cost Parking TDM Measures

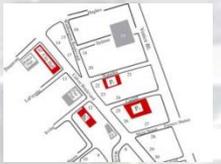
## Including a Case Study of Santa Monica

studies

consulting

restoration

design



*Presented to:*



**SOUTHERN CALIFORNIA  
ASSOCIATION of GOVERNMENTS**

*Presented by:*



**WALKER**  
PARKING CONSULTANTS

# Discussion Overview

- Types of Parking
- Economics of Demand
- Parking Management
- Transportation (Parking) Demand Management (TDM/PDM)
- Public-Private Partnerships
- Viability of Financing Structures
- A Case Study in Santa Monica

# How to Plan Parking: Lots or Structures



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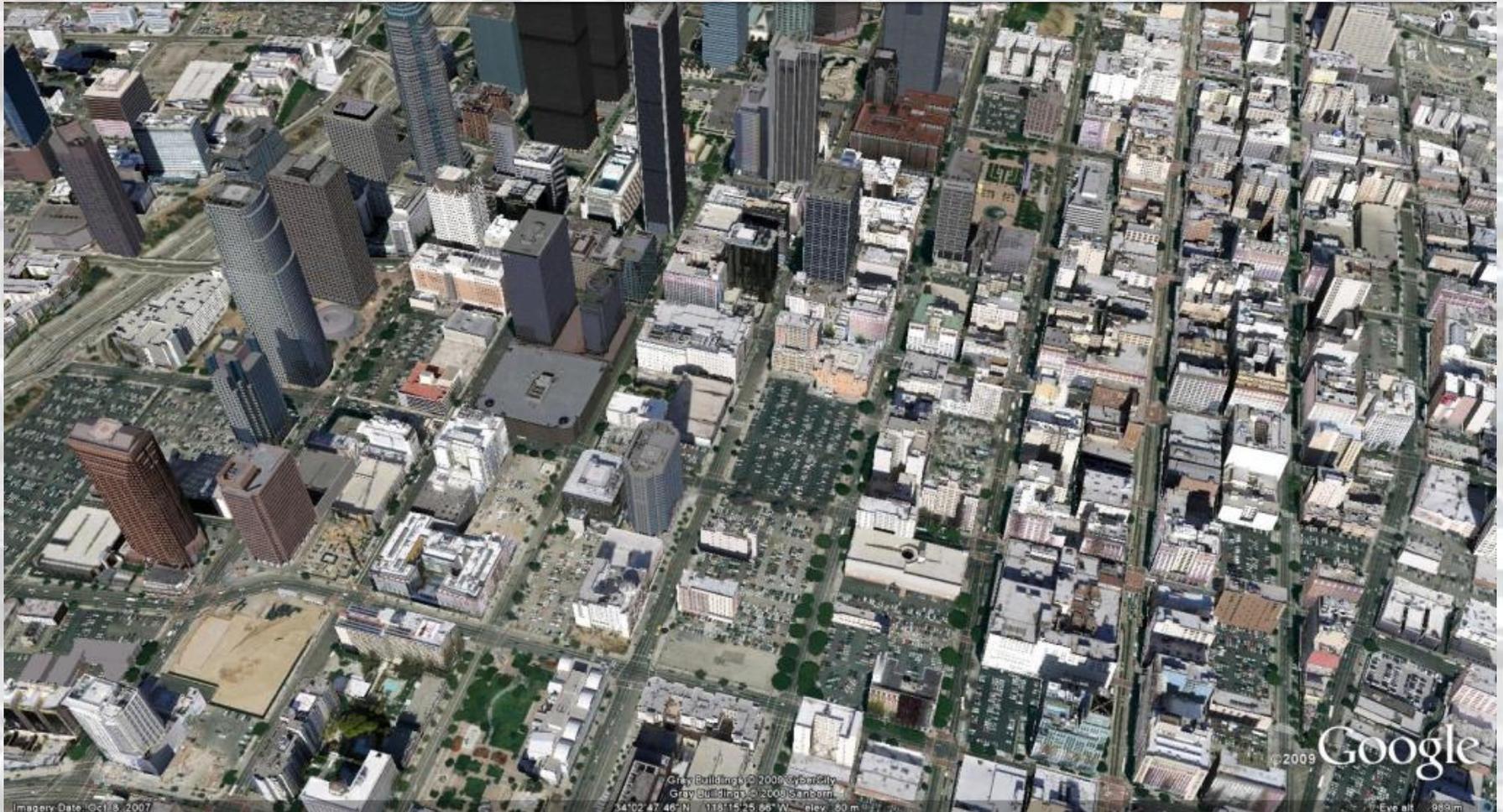
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# Parking Problem $\neq$ Parking Shortage

- If you think you have a parking problem, you're right
- If you think you have a parking *shortage*, you *may* not
- Additional parking supply may or may not be part of the parking solution
- Parking management is necessary whether you need additional spaces or not
- Free parking is not free to everyone it's just buried/shifted/bundled



# Parking Shortage...Not Really

All things being equal, most people want to:

- Park as close to their destination as possible
- Park free
- Drive alone (in the case of employees)

But all things are *not* equal:

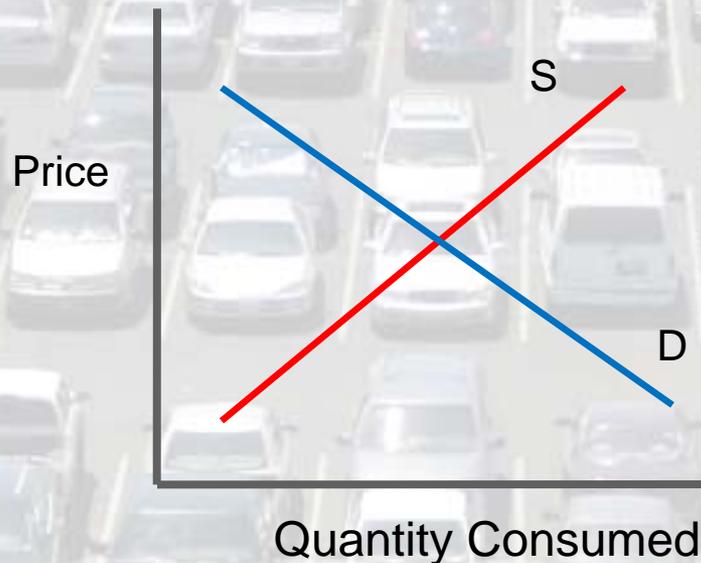
- Number of spaces is limited by cost to provide
- Limited by physical/spatial constraints
- Some spaces are in higher demand than others

*Parking a solo driver is the most convenient yet most expensive way to provide access to a location*



# Economics: Supply/Demand\*

- Supply schedule represents the amount of some good that producers are willing to provide at various prices
- Demand schedule represents the amount of some good that buyers are willing to purchase at various prices



- If parking is free, demand is unrestrained
- Parking is not necessarily a “normal” good
- A lot of substitutes (PDM)

\* Alfred Marshall

# Parking Costs and Preferences

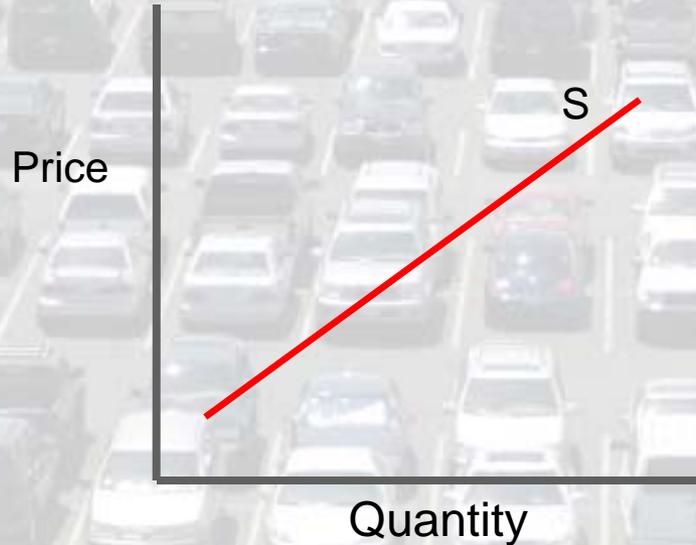
## Costs:

- Underground (\$22,000 - \$30,000 or more)
- Structure (\$14,000 - \$20,000 average for unadorned)
- Lot (\$2,500 - \$3,500)
- On-street (<\$1,000)



# Supply

- The higher the price the more producers are willing to supply



# Parking is a Means to an End

Ensuring a well-functioning parking system is not an end in itself but instead is crucial for a viable city and ensures:

- A positive customer service experience for the visitors and residents who use it.
- Businesses to serve their customers and for their employees to earn a living.
- The economic health and development of the destinations which the parking system serves.

For the sake of all the users of the parking and transportation system, customers must have convenient access to the land uses they wish to patronize.



# Different Way To Solve Parking Issues

If possible, Increase Supply;

Decrease the Demand

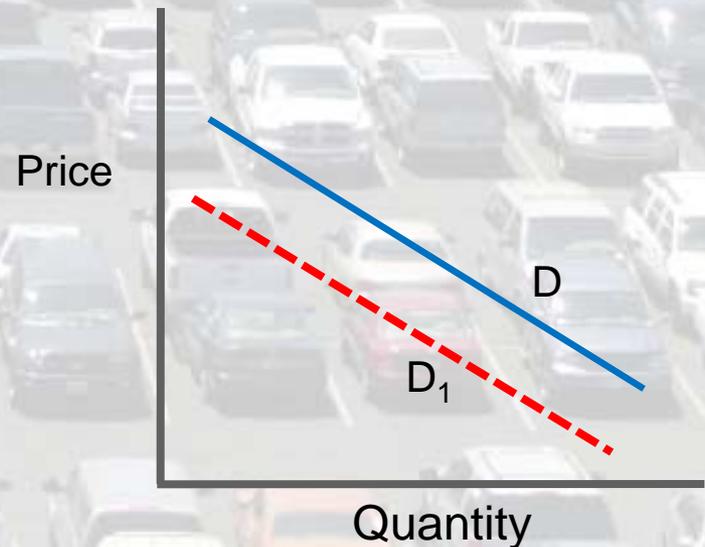


# Demand

TDM = PDM

T/PDM refers to various strategies that change travel behavior (how, when and where people travel) in order to increase system efficiency and achieve specific planning objectives.

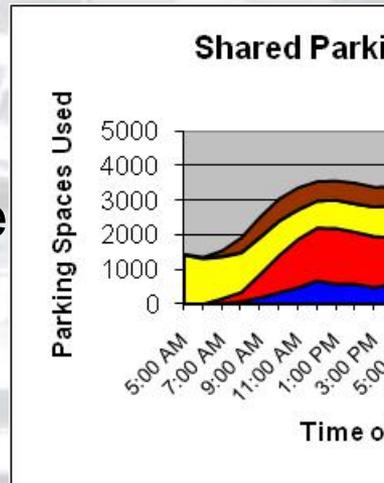
Parking is the terminal end of all vehicle trips: managing transportation = manage parking.



# TDM/PDM

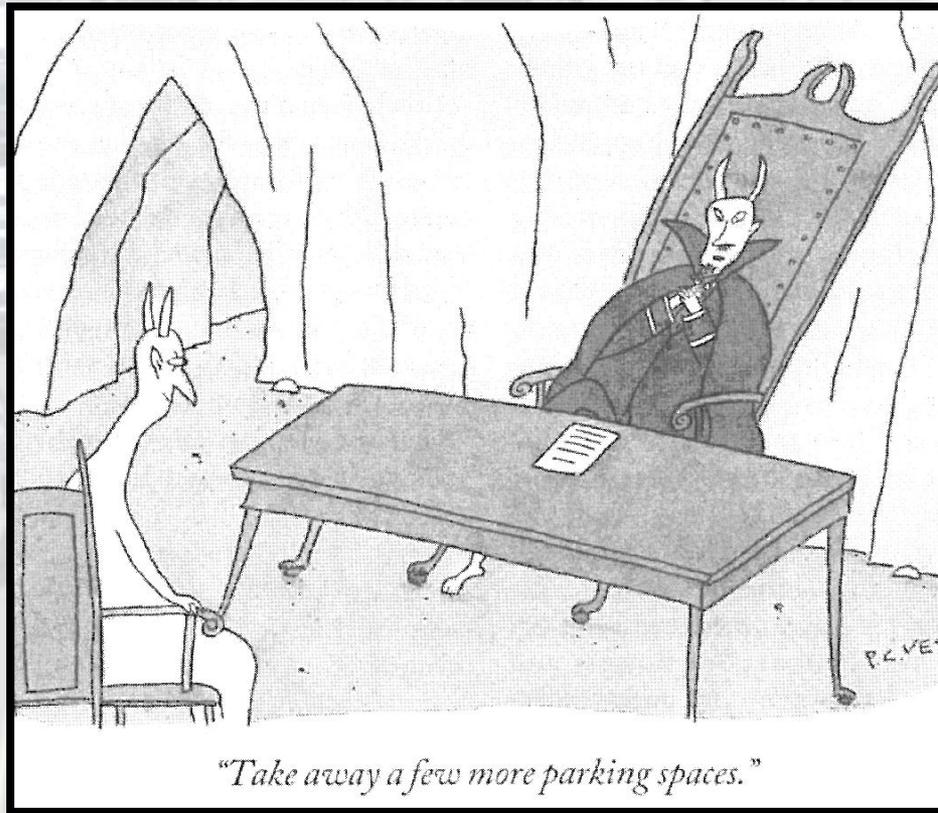
Improve Transportation Options and Alternatives:

- Transit improvements
- Non-motorized (bike/ped) improvements
- Bike/transit integration
- Shift Peak – Shared Parking
- Guaranteed ride home
- Car sharing
- Tele-work
- Taxi Service
- Cash out
- Pricing



# Alternative Modes

Parking management and the use of alternative modes is *not* about forcing people out of their cars or raising revenue.



# Alternative Modes

The goal of parking management and encouraging alternative modes is to:

- Have users of the parking system park in the most efficient location in the parking system
- Encourage people to use alternatives other than driving when viable alternatives are available



# Financing



- Economic incentives are essential to direct visitors to various parking alternatives
- Economic cues provide incentives to drivers and parkers
- Looking at how the parking system interacts with the transportation system is critical to managing parking assets
- Direct fees are not likely to cover the cost of building vertical parking facilities

# Financing for Parking Assets

Rarely are parking fees in the structure sufficient to cover cost of building and operating a structure.

- Parking Revenue Bonds
- Parking Assessment District Bonds
- Valet Parking Lease and Franchise Programs
- Tax Increment Financing (formation of redev. area)
- Public-Private Partnerships
- In-Lieu Parking Fees
- Special Grants and Funding Programs
- Transient Occupancy Tax

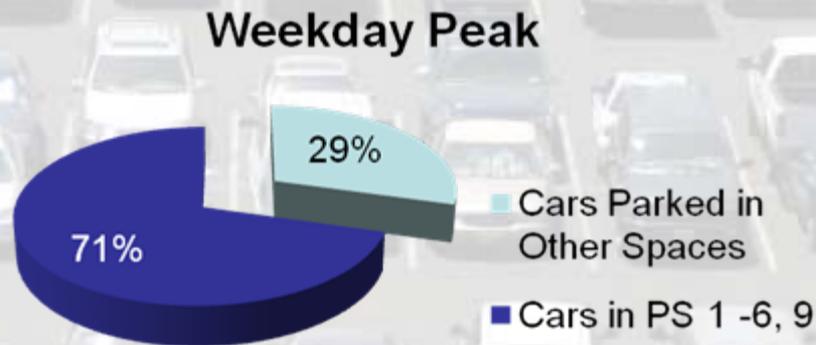
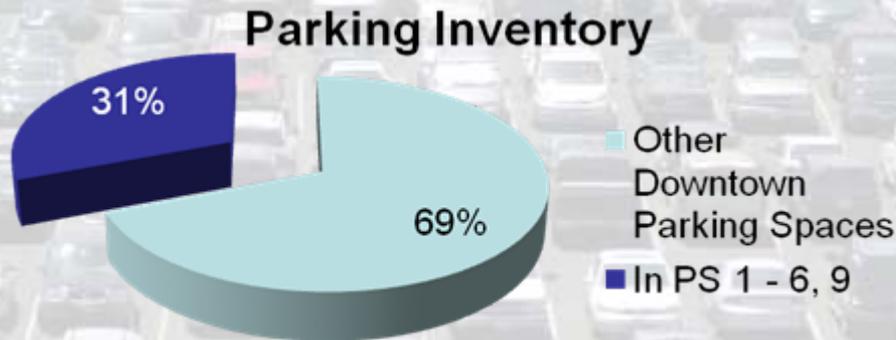


# Santa Monica Case Study



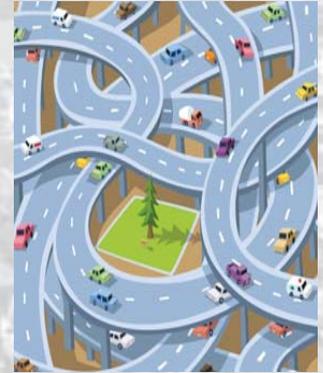
- The Challenge: Previous Studies recommended the construction of two new additional parking structures containing 1,000 new spaces.
- Finding: Redistribution of the parking demand would eliminate the need to build new structures and encourage more sustainable transportation options.
- Solutions: Management and technical solutions to redistribute the peak demand for parking into peripheral parking locations and alternative modes of transportation.

# Parking Occupancy Santa Monica Case Study



# Approach

- The transportation system provides residents, tourists and employees with *access* to destinations.
- Parking is just one component of a comprehensive transportation system, one way to access a location.
- The parking system has different components.
- Is parking the best way to provide access to everyone for a given location?



# Specific Measures

## Santa Monica Case Study

### For the underutilized spaces:

- Lower the relative cost and increase the convenience of parking at these locations.
- Increase the convenience of parking in peripheral spaces.
- Create wayfinding and signage to lead visitors to available spaces.
- Develop shuttle operations for employees, and visitors during busy periods.
- Use valet services and technology to make inconvenient spaces premium spaces.



# Specific Measures Santa Monica Case Study

For the impacted spaces:

- Charge premium and tiered rates to ensure parking ability, particularly during peak times and seasons;
- Increase enforcement to address habitual violators;
- Create wayfinding and signage to direct visitors to available spaces.

# Specific Measures

## Santa Monica Case Study

Implement cost effective alternatives to building more parking:

- Bicycle parking/stations and more bike lanes;
- Street/sidewalk improvements to enhance pedestrian activity;
- Parking “cash out” and transit pass programs for employees;
- Shared parking including between private and public uses.



# Outreach is Crucial: Media, Government and Business Support

## Park quickly, or park free?

Santa Monica to test new pricing model in hopes of changing the very psychology of urban vehicle storage.

MARTHA GROVES

Embracing a bold experiment to alter human behavior, Santa Monica is poised to raise parking rates on the city's most coveted downtown spots to dis-

courage some motorists from using them.

The idea is to get people out of their cars and end what city leaders deem an ill-advised subsidy for public parking.

By boosting rates, officials intend to make the parking closest to the congested Third Street Promenade expensive enough that some visitors will instead walk, take the bus or park in more-distant garages. If it works, the city would benefit from smoother traffic flow, reduced pollution as fewer people cruise for spaces and a bet-

ter return on land developed for public parking.

"What we're saying is: 'Parking's not free in Santa Monica anymore,'" said Councilman Bobby Shriver, who advocates changing the parking rules.

Santa Monica is one of several cities — including Los Angeles, San Francisco and Washington, D.C. — turning to market-based pricing in an effort to keep parking lots busy with paying customers while making alternatives such as walking, cycling or taking public transit more appealing.

But critics contend the proposed changes might chase customers away, a risky prospect in a city that depends heavily on sales tax dollars.

"Because of the economic climate, any reason to choose another place is one too many," said Kathleen Rawson, chief executive of the Bayside District Corp., the public-private partnership that manages the downtown business district.

Proponents of the pricing strategy say the opposite is more likely: higher rates will mean more open parking spots, which would appeal to rushed customers. Moreover, the motorist willing to pay higher rates is probably also willing to spend more in stores or leave bigger tips.

Santa Monica arrived at the market-based pricing idea when consultants hired to evaluate the need for additional downtown parking discovered something unexpected: The city actually had plenty. The problem was that visitors and employees were vying for the most convenient spots as hundreds or thousands of other outlying or privately owned spaces sat empty.

"We don't really need more parking downtown," said Santa Monica Mayor Ken Genser. "It's the way the parking is being used that's a problem."

The study found that downtown employees were parking and reparking in structures on 2nd and 4th streets near the promenade to take advantage of the two-hours-free policy, taking away spaces from potential customers. To Shriver, the study's key revelation was that municipal structures had essentially become subsidized parking for private-sector employees.

"The city policy in its public structures can't be that every-



LUIS SINCO / Los Angeles Times

**TRANSIT:** Riders wait for a bus at Broadway and Third Street. A consulting company found many promenade employees parking and reparking in the city's 2-hour-free lots instead of using public transit or more distant garages.

### Parking cost may rise

Proposed fee increases for parking in the city of Santa Monica

Parking area	Old rate	New rate
Maximum daily fee in city garages	\$7.00	\$9.00
Flat fee for evening parking	\$3.00	\$5.00
Monthly parking garage permits	\$82.50	\$121.00
Fee for the second hour in city garages	Free*	\$1.00
1 hour of street meter parking**	\$1.00	\$1.50

\*Currently the first two hours are free.

\*\*Hours of operation would also extend to 10 p.m. from 6 p.m.

Sources: City of Santa Monica, Walker Parking Consultants

Los Angeles Times

many spaces in this area sit empty even during the busiest times of the week."

Cities indeed pay dearly to create and maintain free or inexpensive parking and devote a tremendous amount of land to it. Parking experts say the cost of building above-ground parking can range from \$15,000 to \$30,000 per space. Subterranean spaces can cost \$25,000 to \$70,000 each.

"We grow up thinking that somebody else should pay for

per hour. Under an agreement with the Bayside District Co the city also will explore a comprehensive program to improve better use of private parking lots, a centralized valet system, public-transit incentives, shuttles to and from outlying garages. Rates at the Main Library and Civic Center lots might be reduced.

Santa Monica's discussion reflects a vexing reality — parking has an "unbelievable" cost to share and dis-

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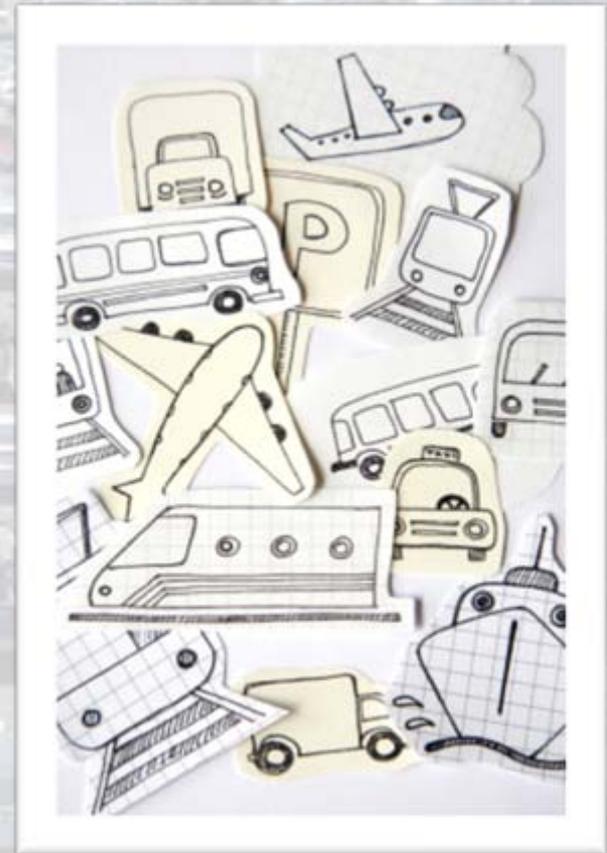
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# Approach

## Access is multifaceted:

- Drive and Park;
- Carpool and Drop-off;
- Public Transportation;
- Non-motorized modes;
  - Bicycle
  - Walk
- Other modes;



We focus on the most cost-effective way to access a site and believe that providing a choice of modes is cost effective and desirable.

# Approach

Parking is multifaceted. All spaces are *not* created equal:

- On-street or Off-street Spaces
  - Free, Time-restricted, Paid, a Combination?
- Public or Private
  - On-site, Adjacent or Peripheral
    - Walking
    - Shuttle
  - Shared or Exclusive
  - Parking Guidance
- Valet/Attendant Assist
- Carpool
- Other



# Approach

The goal is to maximize the efficiency of the existing parking and transportation system by:

- Redistributing parking demand away from premium parking locations to ensure that customers find spaces.
- Increasing the use of underutilized parking spaces and transportation modes in part by providing employees with low cost alternatives.
- Taking the pressure off highly impacted parking facilities and ensuring that there are always spaces available for customers.

# Conclusion

- Whether or not you add more spaces you will likely have to improve the management of your supply.
- Variety of funding mechanisms exist to fund new parking.
- When parking finances itself, the system tends to become more efficient.
- Some parking spaces will subsidize others.
- The more expensive new parking is to build, the more alternatives become realistic.
- Weigh the benefits of building new spaces with the costs.