PO Box 12546
Portland, OR 97212
Phone: (503) 459-7638
E-mail: rick@rickwilliamsconsulting.com

MEMORANDUM

TO: Bob Harrison, Yakima City Manager
FROM: Rick Williams, RWC
CC: Sarah Emmans, ECONW
DATE: July 20, 2022

RE: Summary Tech Memo: Downtown Parking Review (Pay-to-Park and Strategy Considerations)

I. BACKGROUND

Rick Williams Consulting (RWC), in partnership with ECONorthwest (ECONW), has assisted the City of Yakima in evaluating how its current public parking system is performing and the financial feasibility of a possible transition to pay-to-park operations within the public on- and off-street supplies.

Using the information gathered thus far by the consultant; **the City is now interested in exploring parking management strategies** that can move the parking program toward a financially self-sustaining platform, providing best practices approaches to parking management in a "Main Street" environment, reasonable funds for investment in parking and access improvements downtown, and support for anticipated economic growth.

In support of this effort, the following tasks have been completed:

a. Parking System Performance. An occupancy study to measure on- and off-street street parking performance over several operating days in April 2022. Performance was measured over a 10-hour operating day for weekday and Saturday samples.[1]

b. Revenue/Expense Modeling. RWC developed detailed revenue/expense forecasting models to evaluate parking revenue generation estimates over four hypothetical rate scenarios.[2] These revenue/expense models are informed by the on-the-ground data gathered from the occupancy/performance study.

[1] See: RWC, *City of Yakima Downtown Parking Occupancy Analysis*, June 2022 (v1)
[2] See: RWC, *City of Yakima Analysis: Revenue/Expense Scenarios - Downtown: On- and Off-street Paid Parking System* - June 15, 2022 (v2)

II. EXECUTIVE SUMMARY OF PARKING MANAGEMENT STRATEGIES FOR CONSIDERATION

Findings from the assessment of current parking performance would suggest the following parking management strategies for consideration for implementation in Downtown. A more detailed discussion of each strategy consideration is provided in **Section V** below.

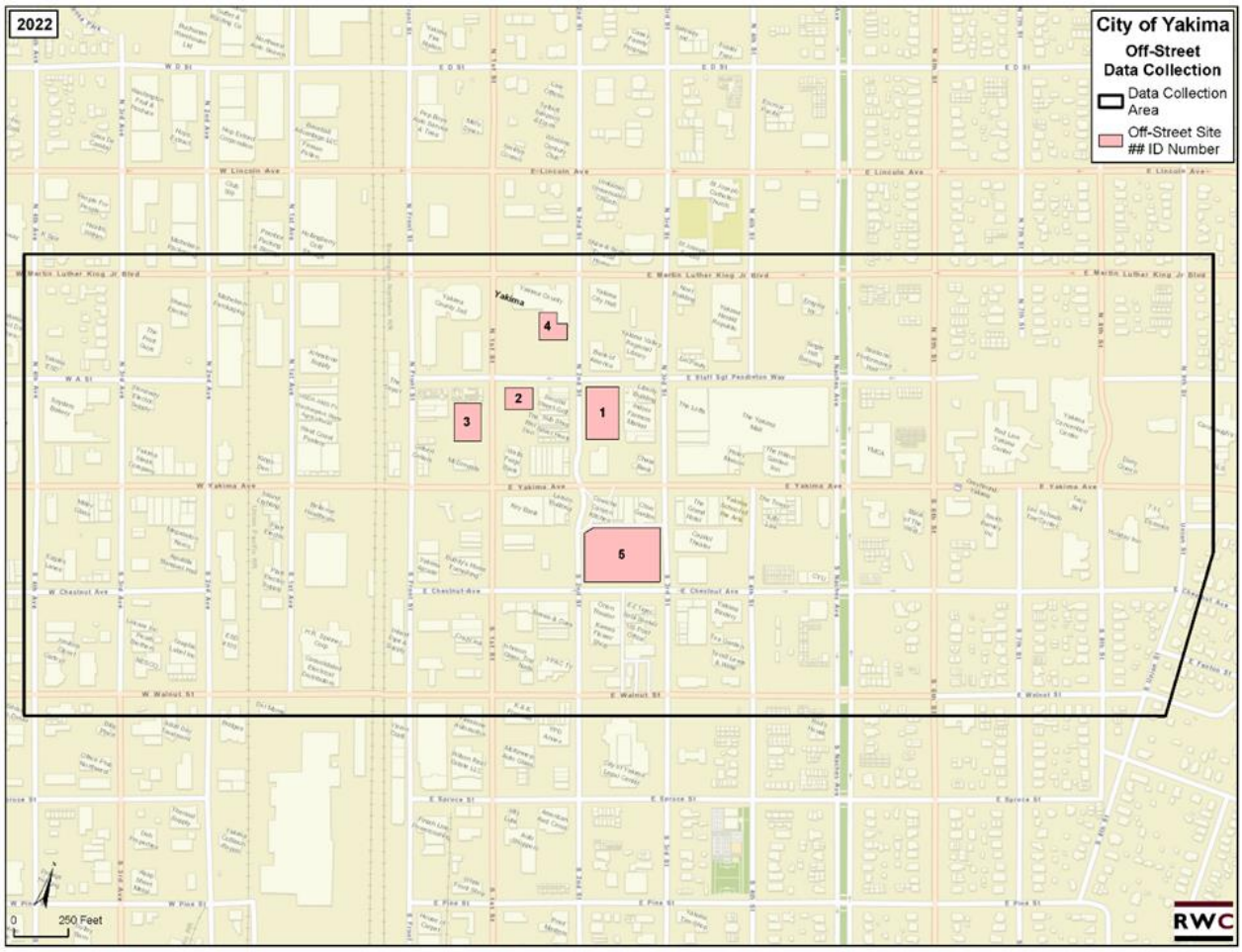
a. Eliminate No-Limit on-street parking stalls on commercial streets within the study area boundary. Replace with time limited stalls.
b. Establish Time Limit standards based on demand in "Parking Management Sub-Areas."
c. Create criteria and standards for allowing and locating high turnover or "specialty stalls in sub-areas with standard time limits.
d. Establish monthly parking permit rates to actual demand by off-street site.
e. Consider implementing pay-to-park on-street in sub-areas B (Core) and C (west)
f. With Strategy e, implement pay-to-park off-street in Lots 1 – 5, to allow visitor payment for use.
g. Establish Parking Services as an Enterprise Fund
h. Operate parking associated with the Convention Center as a separate business center within Convention Center operations.

III. STUDY AREA AND THE PUBLIC PARKING SUPPLY

All work has been focused within the "Downtown Study Area," which is represented in **Figure A.** The area is bounded by N 4th Avenue to the west, N 9th Street to the east, E Martin Luther King Jr Boulevard to the north, and E Walnut Street to the south. There are 1,926 *on-street stalls* within this boundary, and 429 *off-street stalls* distributed across five (5) City lots which include (and are identified on the **Figure A** map):

- Lot 1: Second Street Grill - Front: 122 stalls
- Lot 2: Second Street Grill - Behind: 39 stalls
- Lot 3: Crafted Restaurant: 61 stalls
- Lot 4: 114 N 2nd Street: 24 stalls
- Lot 5: Millennium Plaza City Lot: 183 stalls

Figure A: Study Area – Downtown Parking Review



IV. KEY FINDINGS OF COMPLETED TASKS

Below is a summary of key findings from the parking occupancy and revenue/expense analyses.

Occupancy/Performance

- Overall, parking within the study area operates at a low to moderate level (on- and off-street).
- The **overall occupancy numbers on-street are somewhat biased downward** given the low use of parking west of N/S Front Street.
- The parking system is much more robust in the sub-area of downtown located between N/S Front Street (west), N/S Natches Avenue (east), E. Walnut Street (south), and E. Martin Luther King, Jr., Blvd (north). On the weekday, **77% of all constrained block faces in the larger study area clustered in this sub-area.** Demand for parking is much stronger here than anywhere else in the downtown, coupled with moderate to efficient demand for use of the five public surface lots.
- Heat **maps indicate there are pockets of higher demand** (particularly on the weekday) when the downtown is viewed at a more granular level.

- This suggests **there are distinct occupancy sub-zones within the downtown**. These sub-zones can inform the format of parking management (e.g., variations in rate, allowed time limits, and days and hours of enforcement).

Revenue/Expense Scenarios

- Based on vehicle counts in April 2022, **on street parking east of Front Street is much more heavily utilized than the western portion of the boundary**. Off-street **Lots 3 and 5 are more heavily utilized than other municipal lots.**
- Rates of $0.75, $1.00, and $1.25 per hour **yield positive annual net revenue** in the first five years of operation, but **a rate of $0.50 per hour would yield negative revenue** (see **Table 1)**.

Table 1: Revenue Summary by Hourly Rate

Period	Rate	Estimated Annual Gross Revenue	Estimated Monthly Gross Per Stall	Estimated Annual Net Revenue	Average Monthly Net Per Stall
1- 5 YRS	$0.50	$968,258	$36	($265,988)	($10)
1- 5 YRS	$0.75	$1,429,347	$53	$195,101	$7
1- 5 YRS	$1.00	$1,890,436	$70	$656,190	$24
1- 5 YRS	$1.25	$2,363,659	$88	$1,013,534	$38
6 -20 YRS	$0.50	$968,258	$36	$399,985	$15
6 -20 YRS	$0.75	$1,429,347	$53	$861,074	$32
6 -20 YRS	$1.00	$1,890,436	$70	$1,322,163	$49
6 -20 YRS	$1.25	$2,363,659	$88	$1,679,507	$62

- **Expanding the study area east to 9th Avenue reduces net revenue by more than $100,000 per year (at a rate of $1 per hour**) compared to a previous model iteration of the study area which ended at S. 8th Ave (east).
- The financial model currently **does not incorporate metering on the three parking lots associated with the Yakima Convention Center**. The costs to implement would bring net revenue down further given what is known about utilization of those lots.
- Future iterations of this model could **consider a smaller pay-to-parking boundaries**, perhaps one that stops at Front Street.

V. STRATEGY DETAIL

Data derived from both the occupancy study and revenue/expense analysis suggest the following parking management strategies for consideration.

a. Eliminate No-Limit on-street parking stalls on commercial streets within the study area boundary.[3] Replace with timed stalls (either 2 or 3 Hours per (b) below.

[3] A commercial street is defined here as any block face frontage that is primarily in a business use (e.g., retail, restaurant, office, grocery, bank, etc.).

On-street parking located on any *commercial street* should be time limited to support visitor access and stall turnover. Exceptions to time limits (e.g., No Limit stalls, 15 Minute, 30 Minute, Loading Zones, ADA) would be made strategically, based on occupancy data, unique business types, and availability of off-street parking.

Currently, there are 1,926 on-street parking stalls. **Table 2** provides a summary of types of parking in place – the format of parking. Notably, 978 are "No Limit," allowing unlimited use of a stall (all days/all hours).[4] This represents nearly 50% of all on-street parking in the downtown.

This format is atypical of best practices for Main Street oriented downtowns - envisioned as vital areas serving and attracting visitor access. In addition, No Limit parking encourages employees to park all day to avoid permit pricing, which can conflict with visitor need.

Table 2: Yakima on-street parking supply by stall type and restriction

Stall Type	All	% Total	Time Limited	No Limit
On-Street Supply	**1,926**	**100%**	**908 (47%)**	**1,018 (53%)**
15 Minute	6	< 1%	6	-
30 Minute	19	1%	19	-
1 Hour	147	8%	147	-
2 Hour	736	38%	736	-
Electric Vehicle Only	2	< 1%	-	2
ADA accessible	38	2%	-	38
No Limit	978	51%	-	978

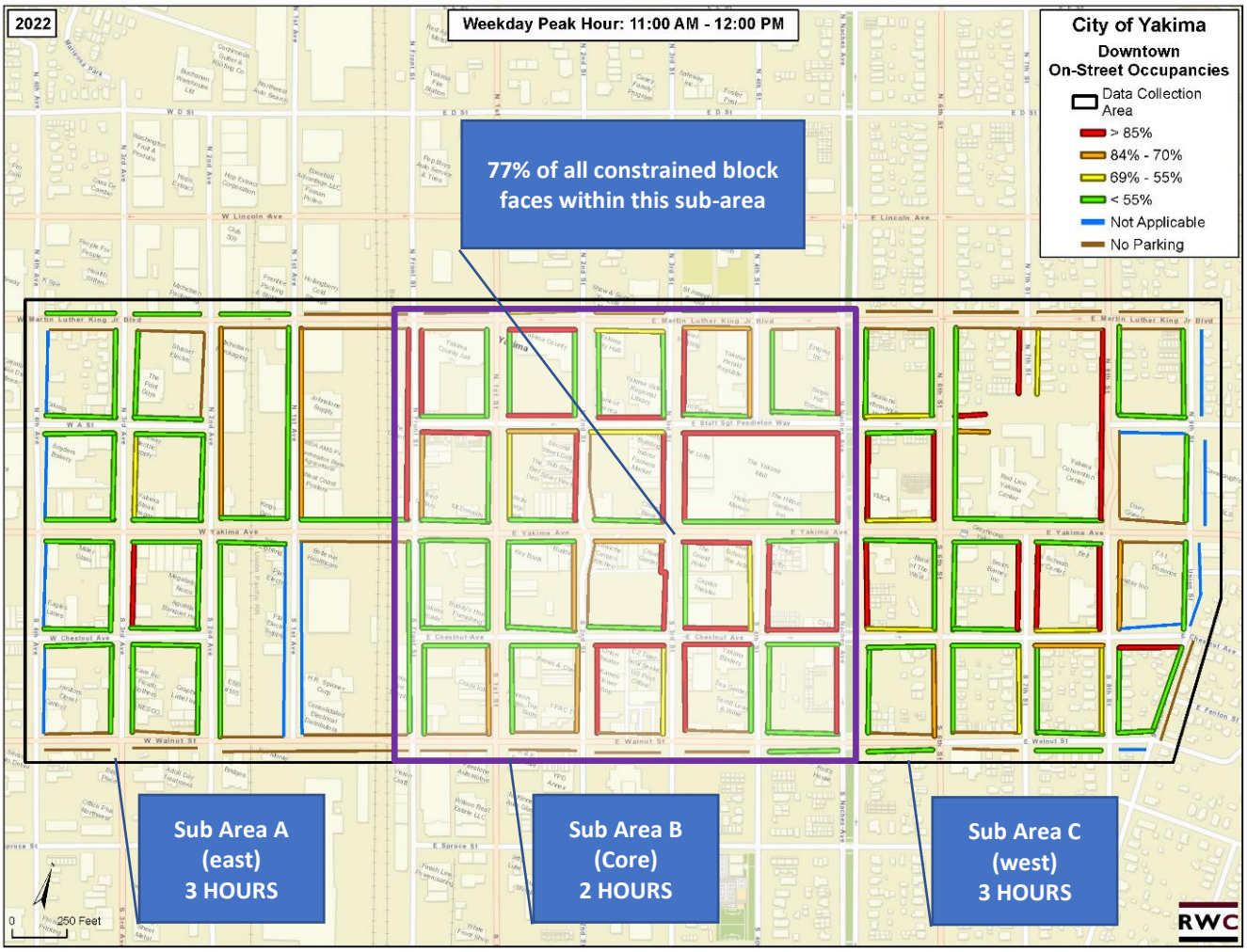
b. Establish Time Limit standards based on demand in "Parking Management Sub-Areas."

Provide a base standard of 2 Hours in the highest occupancy areas of the downtown, with 3 Hour parking in areas with lower occupancy use. This ensures reasonable turnover for visitors to the "core" of downtown sub-area, with an incentive to stay longer in areas with lower demand. As demand grows over time; ideally 3 hour sub-areas would transition to a 2 Hour base standard for the entire downtown parking management.

Data from the parking occupancy study clearly suggests a sub-area approach. As **Figure B** illustrates, use of on-street parking in the downtown functions differently in different areas of the larger study boundary.

[4] This excludes forty EV (2) and ADA (38) stalls, which allow unlimited stay, but for unique purposes consistent with policies related to ADA need and sustainability goals (EV).

Figure B: Possible Parking Management Sub-Areas



As the figure illustrates:

- 27 of the 35 constrained are clustered between the sub-area identified as "Sub-Area B" on the **Figure** B heat map. This sub-area is bounded by N/S Front Street (west), N/S Natches Avenue (east), E. Walnut Street (south), and E. Martin Luther King, Jr., Blvd (north). This area is shown bounded by a purple box on the figure.
- Seventy-seven (77) percent of all constrained block faces in the larger study area (85% or greater) are in this sub-area. Demand for parking is much stronger here than anywhere else in the downtown. This sub-area should be distinguished and managed as the "core" of the downtown, with 2 Hour time limits (an industry standard for higher demand commercial visitor areas, i.e., Main Street downtowns).
- Sub Area A on the figure, shows that only one block face is constrained in the entire area west of N/S Front Street. Similarly, Sub Area C on the map (west of N/S Natches Avenue) has moderate activity, but still less than the Sub Area B Core, the majority of parked block faces showing low peak hour use. These areas would be designated for 3 Hour parking time limits.

The 2 Hour time limit in the Core Sub-Area is appropriate and reasonable based on core area time stay limits observed in other Oregon and Washington cities. **Table 3** summarizes actual time stay studies conducted by RWC over the past five years. As the table indicates, all cities evaluated maintained durations of stay of less than 2 hours. This was supported by good compliance rates (through enforcement) and beneficial vehicle turnover complementing active street level businesses.

Table 3: Actual Core Area Findings: On-street duration of stay (Oregon, Washington cities)

City	Observed Duration of Stay
Albany, Oregon	1 hour / 33 minutes
Bainbridge Island, Washington	1 hour / 42minutes
Bend, Oregon	1 hour / 50 minutes
Everett, Washington	1 hour / 49 minutes
Hood River, Oregon	1 hour / 42 minutes
Kent, Washington	1 hour / 51 minutes
Kirkland, Washinton	1 hour / 24 minutes
Lake Oswego, Oregon	1 hour / 26 minutes
McMinnville, Oregon	1 hour / 34 minutes
Oregon City, Oregon	1 hour / 53 minutes
Redmond, Oregon	1 hour / 37 minutes
Redmond, Washington	1 hour / 46 minutes
Salem, Oregon	1 hour / 30 minutes
Tacoma, Washington	1 hour / 48 minutes
Wenatchee, Washington	1 hour / 35 minutes

c. <u>Create criteria and standards for allowing and locating high turnover or "specialty stalls in sub-areas with standard time limits</u>.

Based on unique business and access activities in a growing downtown, there are circumstances when specialty parking stall types are needed to serve unique purposes (e.g., loading zones, 5, 15, and 30 minute stalls, ADA spaces, and long-term parking permits[5]). Below is a synopsis of a framework exceptions process with assessment criteria for Yakima to consider.

Exceptions Process Assessment Criteria

The strength of base time standards in parking management areas (e.g., 2 or 3-Hours) is to simplify the on-street parking system for customers and visitors, providing a consistent message for how long they can park on-street in the downtown. However, a base standard may not always be the right time standard for certain types of businesses, particularly those that rely on high customer turnover. For these businesses, such as coffee shops, dry cleaners, and courier

[5] Another advantage of implementing time stay limits on all commercial blocks is that it then allows (through an exception process) the issuance of on-street parking permits (i.e., employee parking) in underutilized areas, where limited numbers of on-street permits does not conflict with visitor access. By eliminating No Limit stalls, with time limited stalls, the City can expand (strategically) its existing permit program at its off-street facilities. It is likely that many users of current No Limit stalls are employees avoiding permits rates at City and private parking facilities.

services, a shorter time stay may be necessary. An exceptions process for granting exceptions to the base standard is outlined below. Criteria for evaluating high turnover spaces (as exceptions to an area's base standard) would include:

- **Exception spaces will be located at ends of blocks (next to intersections)** to simplify signage and provide easy access (via convenient crosswalks) to all surrounding businesses.
- **Exception spaces will be used for specific types of business**. Business type must have a documented high percentage of short transactions. Examples are dry cleaners, banks, bakeries, one-hour photo, and ticket agents. A more detailed list of businesses that have such high turnover needs should be established through a collaborative process between the City and (possibly) with a Downtown Parking Working Group and be reflective of business types unique to downtown Yakima and business types as suggested above.
- **Exception spaces are not encouraged where private parking spaces are available.** Exception spaces will be limited or not approved for businesses that have adjacent off-street private parking lots or private garage spaces for short-term customers or employees.
- **High turnover exception spaces will be used where on-street parking occupancy exceeds 85%.** If utilization data show that occupancy exceeds 85% during the peak hour on block faces adjacent to business, justifying a reduced base time-stay standard.
- **Exceptions for Long-term Permit spaces will be used where on-street parking occupancy is below 60%, ensuring that visitor access is not adversely impacted.** If utilization data consistently falls below 60% occupancy and there are no available nearby off-street spaces available limited permit sales will be considered. All on-street permits will be treated as an interim program, adjusting (or eliminating) the number of permits allocated based on the 85% occupancy standard. Signage would be posted on allocated block faces as "2/3 Hour Limit or By Valid Permit." The City may consider pricing these types of exception permits at a premium, particularly if existing City off-street lots have unused capacity.

Clarify "rules of use" for 5, 15, 30-Minute, and Loading Zone stalls.

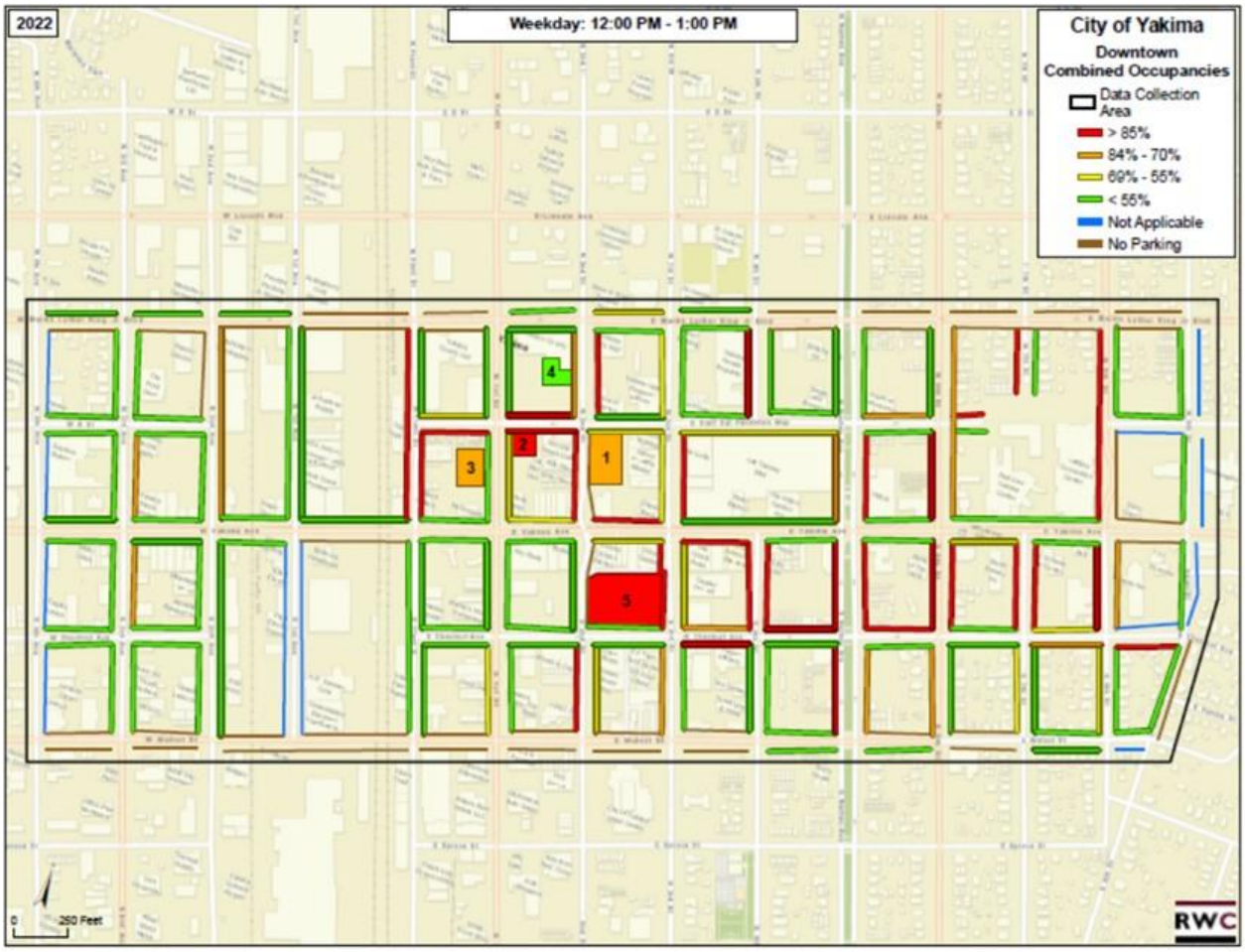
Ensure that signage used to designate these spaces note that the time limits are only in place during hours of enforcement (e.g., 8AM and 5PM Monday through Friday), or for specific times of the day and days of the week for Loading Zones. This will communicate to customers that these stalls would be available for longer term parking during any of the non-posted hours (i.e., evenings, weekends). The overall capacity of the on-street system will be optimized with this clarification.

d. Establish monthly parking permit rates to actual demand by off-street site.

Current permit rates to park in lots 1 – 5 are $40 per month. However, use of the lots varies by demand. Industry best practices would recommend that the fee for monthly parking be calibrated to the demand at each site, with higher rates charged at "constrained" lots and lower rates at lesser used facilities. As an example, and based on **Figure** C, the current $40 rate should be the base rate for Lot 4 (green on the map), permits at Lots 1 and 3 would be $50 (orange), and $60 on Lots 2 and 5 (red). Overall, the total number of permits allocated to any specific site

would be balanced with visitor need, targeting each lot to achieve a consistent occupancy of <84%.

Figure C: Use by public lot



e. <u>Consider implementing pay-to-park on-street in sub-areas B (Core) and C (west)</u>

Occupancies in both the Core Sub-Area and the West Sub-Area (see **Figure B**) should be considered for pay-to-park pricing. This would be accomplished through installation of "smart meters" at block faces within these two sub-areas. Findings from the revenue/expense analysis indicates the cost of purchasing and maintaining this type of system would result in surplus revenue generation that could be applied to downtown parking and access improvements (see Footnote 2).

An additional consideration related to this strategy would be to couple installation of meters with launching of a parking payment app. This

EX: Smart Multi-space parking meter

could result in a reduction in the total number of meters purchased, lowering initial capital costs, and optimizing net revenue.[6]

f. With Strategy e, implement pay-to-park off-street in Lots 1 – 5, to allow visitor payment for use.

With paid on-street parking, the City should install payment kiosks on its public lots, pricing at rates in place on-street (with potential app based options). The RWC expense/revenue analysis captured this expense and forecast revenue. Combined with permit rates, a complete pay-to-park format in off-street public lots also generates net surplus revenue in three of the four rate scenarios evaluated.

g. Establish Parking Services as an Enterprise Fund

Ideally, the City's parking system should be financially self-sustaining. All personnel costs (wages and salaries), maintenance and operations, capital improvements/equipment, and other system support services specific to Yakima Public Parking should be covered by revenue generated within the parking system. Surplus revenue should be harbored to cover future capital, infrastructure, administrative, technology, and communications growth. Surplus (net) revenue should be *prioritized* for expenditures most beneficial to the parking system and access downtown. As examples:

- Normal operations
- Debt service
- Equipment and Technology Replacement and Upgrades
- Marketing and Communications
- Transportation Demand Management programs
- Contributions to the City's General Fund
- New downtown parking supply or new transit, bike, walk infrastructure

Revenues and expenses should be allocated to the parking fund with overall revenue to expense surpluses or deficits tracked by unique line item. Three operating centers within the parking fund should be separately tracked, with a goal for each operating center to be self-sustaining through its own fee system(s). The operating centers would include:

- Off-street parking
  - Revenue
  - Expenses
  - Net cash flow (surplus/deficit)
- On-street parking (revenue/expenses)
  - Revenue

[6] The RWC expense/revenue analysis was very conservative, assuming a distribution of one multi-space meter per 10 on-street stalls (182 units). Collaborating with a vendor, and assuming a payment app, the City could likely reduce the number meter units needed, while assuring customer convenience in payment options.

  - Expenses
  - Net cash flow (surplus/deficit)

- Enforcement (expenses/citation revenue)
  - Revenue
  - Expenses
  - Net cash flow (surplus/deficit)

Managing the fund toward financial viability ensures that rate and fee decisions related to the "business of parking" are made within that system. In this manner, for instance, on-street fees are not subsidizing enforcement personnel, nor should enforcement citation surpluses be used to fund new parking facilities. To this end, decision making is truly market based, on-street fees represent the true market demand for hourly parking, off-street permit fees reflect necessary operating costs of off-street facilities. And citations cover enforcement and enforcement infrastructure at rates that sustain the system and ensure compliance. The purpose for the three operating centers is to prevent rates charged for parking being inconsistent with necessary operating costs for that cost center, or for rates in one cost center being inflated beyond market demand to cover deficits in another cost center.

Best practice cities that maintain parking enterprise funds, primarily structured as discussed here include Laguna Beach, Redwood City and San Mateo, CA; Portland, OR (with 5 separate parking districts), Tacoma and Vancouver, WA.

h. <u>Operate parking associated with the Convention Center as a separate business center within Convention Center operations.</u>

RWC was asked to evaluate the impact of incorporating pay-to-park options at current convention center lots. These lots comprise three sites (337 spaces) and are identified by the City as follows:

- North lot of the Convention Center = 34 Spaces.
- East side of the Convention Center and North of SSG Pendleton Way (NE corner of 8th St and SSG Pendleton Way) = 104 spaces.
- East side of the Convention Center and South of SSG Pendleton Way = 199 Spaces.

Initial model runs, based on demand data available, indicated that adding pay-to-park operations and infrastructure at these sites would not generate revenue sufficient to cover capital and operating costs. This, like pay-to-park in the assumed downtown sub-area A (east), negatively burdens the expense/revenue model for downtown for optimizing net revenue.

Convention Centers around the country include parking (ownership, expenses, and revenue) within their internal operations. This may be the result of how parking and the centers themselves are constructed (e.g., through bond measures, TIF districts, etc.). Consolidating Convention Center parking to the Convention Center would not necessarily mean that the

downtown enterprise fund could not (or would not) be able to contribute portions of surplus revenue to a Convention Center parking system. This is provided for (if it is the City's intent) in Strategy g. It would not, however, allow such investment outside of the priorities established in the downtown parking enterprise fund.

VI. SUMMARY

Initial analysis of Yakima's downtown parking system indicates that implementation of data based, and best practices parking management strategies could improve the performance of parking and move the system to financial sustainability. The strategies provided within this document will also provide the City with a parking system that is better structured to anticipate and respond to envisioned economic growth and increases in demand for access.

The strategies provided for consideration are at this time consultant based, offered for purposes of engaging City and stakeholder input, and providing a foundation for discussion. Revisions and improvements to this framework will likely occur and be welcomed.