

Downtown Parking Program Financial Report

March 3, 2022



Status Update

The Parking Program is not generating enough revenue to sustain upfront and ongoing costs.

- 88% of parking sessions are occurring within the free 2-hour period.
- Some employees continue to park on-street, and inconsistent enforcement coverage enables abuse of the program.
- Paid parking rates are not escalated during special events.
- The Senior Parking Permit Program was costly to administer.

Changes to the rate structure are needed to make the program sustainable.

- Options evaluated include reducing or eliminating the amount of free time.
 - The 2018 Parking Action Plan (PAP) did not recommend a free period of parking. Instead, flat hourly, tiered, or escalating rate structures could be considered.
 - The PAP estimated it would cost \$1.1 million for year one and up to \$560,000 per year thereafter.
- Additional revenue could later be utilized to pursue other strategies within the PAP such as a shuttle program, valet program, or future parking structure.

Senior Permit Program Overview

Initial Program:

- Annual program approved: March 16, 2021
 - Qualifying seniors must be 65 or older at the time of permit purchase.
 - Permits cost \$5 each.
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- On November 10, 2021, DPAC reviewed and made recommendations for City Council.
 - On February 1, 2022, CC approved a motion to table the terms & conditions for future senior permits until further financial analysis is completed.

Moving Forward:

- According to the City Attorney, to limit eligibility, the City must offer permits only to seniors within the Paso Robles city limits.
- If a cap on the number of permits is defined, staff can implement a streamlined process for distributing permits. It is important to minimize staff support time.
- A policy will be needed to discourage abuse.
- The price of permits should be balanced with the cost of employee permits and hourly parking.

Parking Program Intent

What challenge are we trying to solve?

- Previous parking studies identified that **the main challenge to address is employees parking on-street.**
 - Paid parking was an opportunity to **improve on-street availability for visitors and customers.**
 - The intent was to aim for an **85% occupancy target.**

What are the program goals?

- Manage on-street demand to maintain occupancy rates.
- Use technology to improve the parking experience.
- Create an employee parking program.
- ***Create a sustainable program that will be cost-neutral by year 5.***



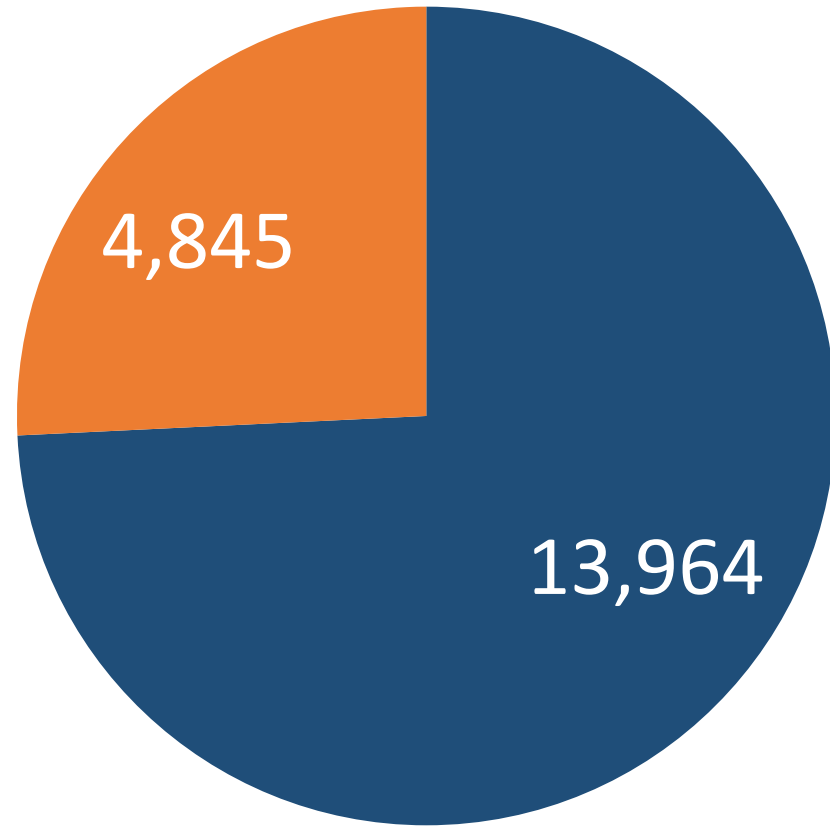
Utilization Statistics

	Total Parking Sessions	Free Transactions	Paid Transactions
Total Parking Sessions (August 2019 – December 2021)	690,214	608,693	81,821

	Free Transactions	Paid Transactions
% of All Parking Sessions	88%	12%

	Total Parking Sessions	Free Transactions	% Transactions
2021	420,780	363,733	86%
2020	166,602	150,880	91%
2019	102,832	90,524	88%

Warnings and Citations Issued



■ Warnings ■ Citations

Goal = Compliance

Consistent enforcement coverage is critical

Parking Rates

Paso Robles is charging below market rate based on nearby cities:

San Luis Obispo	Pismo Beach	Monterey
Tier 1: \$2.00/hour Tier 2: \$1.75/hour Tier 3: \$1.25/hour	Rate varies by block: \$2.00/hour to \$5.00/hour	Ranges by zone: \$1.50/hour - \$2.00/hour

Financial Data

	FY 2019-20 Actual	FY 2020-21 YTD Actual	FY 2021-22 QTR 1 (Jul-Sept)	FY 2021-22 QTR 2 (Oct-Dec)	FY 2021-22 QTR 3 (Jan-Mar)	FY 2021-22 YTD	FY 2021-22 BUDGET	
REVENUES								
47115	Permits	13,785	17,366	2,650	2,940	6,965	12,555	14,000
47116	Fees	26,088	64,863	31,846	33,406	7,669	72,921	100,000
44030	Fines	10,213	13,661	18,458	2,661	27,480	48,599	125,000
Total Revenues		50,086	95,890	52,954	39,007	42,114	134,075	239,000
EXPENDITURES								
51	Personnel Services	73,490	120,971	31,930	41,358	11,227	84,515	137,000
52 53	Operating Expenses	163,746	115,453	26,842	34,698	22,954	84,493	140,000
54	Debt Service	8,188	8,651	-	-	-	-	-
55	Capital Outlay	390,874	-	-	435	-	435	5,000
Total Expenditures		636,298	245,075	58,771	76,491	34,180	169,443	282,000
General Fund Loan Balance		490,958	644,310	667,051	715,617	735,651	735,651	687,310

Financial Projections

A variety of scenarios were evaluated to project program sustainability:

	Existing Program	2 hr free + \$2/hr	90 min free + \$1/hr	90 min free + \$2/hr	1 hr free + \$1/hr	1 hr free + \$2/hr	\$1/hr	\$2/hr	\$3/hr
Annual Revenue	\$101,545	\$155,505	\$113,096	\$171,511	\$261,775	\$399,729	\$732,072	\$1,458,145	\$2,184,217
Annual Expense	\$282,000	\$282,000	\$282,000	\$282,000	\$282,000	\$282,000	\$282,000	\$282,000	\$282,000
Gross Gain/Loss	-\$180,455	-\$126,495	-\$168,904	-\$110,489	-\$20,225	\$117,729	\$450,072	\$1,176,145	\$1,902,217
General Fund Balance	\$754,050	\$754,050	\$754,050	\$754,050	\$754,050	\$754,050	\$754,050	\$754,050	\$754,050
Year 1	-\$934,505	-\$880,545	-\$922,954	-\$864,539	-\$774,275	-\$636,321	-\$303,978	\$422,095	\$1,148,167
Year 2	-\$1,114,960	-\$1,007,040	-\$1,091,858	-\$975,028	-\$794,500	-\$518,592	\$146,094	\$1,598,240	\$3,050,384
Year 3	-\$1,295,415	-\$1,133,535	-\$1,260,762	-\$1,085,517	-\$814,725	-\$400,863	\$596,166	\$2,774,385	\$4,952,601
Year 4	-\$1,475,870	-\$1,260,030	-\$1,429,666	-\$1,196,006	-\$834,950	-\$283,134	\$1,046,238	\$3,950,530	\$6,854,818
Year 5	-\$1,656,325	-\$1,386,525	-\$1,598,570	-\$1,306,495	-\$855,175	-\$165,405	\$1,496,310	\$5,126,675	\$8,757,035
Year 6	-\$1,836,780	-\$1,513,020	-\$1,767,474	-\$1,416,984	-\$875,400	-\$47,676	\$1,946,382	\$6,302,820	\$10,659,252
Year 7	-\$2,017,235	-\$1,639,515	-\$1,936,378	-\$1,527,473	-\$895,625	\$70,053	\$2,396,454	\$7,478,965	\$12,561,469
Year 8	-\$2,197,690	-\$1,766,010	-\$2,105,282	-\$1,637,962	-\$915,850	\$187,782	\$2,846,526	\$8,655,110	\$14,463,686
Year 9	-\$2,378,145	-\$1,892,505	-\$2,274,186	-\$1,748,451	-\$936,075	\$305,511	\$3,296,598	\$9,831,255	\$16,365,903
Year 10	-\$2,558,600	-\$2,019,000	-\$2,443,090	-\$1,858,940	-\$956,300	\$423,240	\$3,746,670	\$11,007,400	\$18,268,120



The existing approach will not become cost-neutral.



If the free parking period is reduced, most sessions may still occur within the free period, and the increase in turnover may be disadvantageous for customer/visitor parking.



Removing free time is the most effective option.

Options to Improve Program Sustainability

1) Charge a flat hourly rate of \$1, \$2, or \$3 per hour

2) Offer tiered hourly rates where perimeter areas cost less per hour than the core

- The core could be \$2 per hour
- Other areas could be \$1 per hour

3) Charge extra for parking during special events

Considerations:

- Free parking would still be an option for some customers through the merchant validation program.
- Paid parking boundaries could be expanded to encourage more employees to participate in the permit program.
- Consistent enforcement will improve compliance and therefore increase parking meter revenue.
- Additional revenue could enable the City's future objectives (e.g., a parking structure and/or shuttle program).

Contact

Please direct any comments, suggestions,
concerns, and questions to:

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Thank you!