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To: Dave Ramsay, City Manager
From: Parking Advisory Board, Jack Wherry, Chair
Date: June 16, 2009
Subject: STATUS REPORT FROM PARKING ADVISORY BOARD

Issues

The purpose of this memo is to provide the Council an update on downtown parking issues. The Parking Advisory Board (PAB) reports on progress and seeks direction on: 1) development of a process to prepare a financing plan that would allow the City to partner with developers to build public parking, and 2) changes to ParkSmart regulations that will require employees working at new buildings that have adequate employee parking, to park at their worksites instead of the Library Garage.

The Downtown Kirkland Parking Study and Plan (October 2003) recommended the establishment of a Parking Advisory Board (p. 61) " .. made up of a representative cross section of downtown interests...(to:) 1) assist the Parking Coordinator/Manager in the implementation of the parking management plan, 2) review parking issues over ti, and 3) advise City Council on strategy implementation based on the Guiding Principles for parking management." This memo addresses all three of these charges. First, we discuss measuring the need for parking that led to the implementation of pay parking in evening hours. Second, we discuss issues related to possible amendments to ParkSmart and funding for new parking supply. Third, we offer advice for building new parking supply.

Background

Most observers feel that Kirkland has had a parking problem for many years, and this has hindered the development of a healthy downtown. Yet solutions to this parking problem have been elusive. Building a free-standing parking garage on publically owned parcels has been considered, but each possible site has problems. Integration of parking with new development is preferred. Yet public-private development efforts have floundered.

Downtown property owners and developers believe height limits and suburban-style parking requirements make redevelopment in downtown uneconomic, particularly on small parcels. This is compounded by a seasonal retail sector that is oriented to entertainment and discretionary goods rather than more stable consumer goods. As a result, the economic recession has hit downtown Kirkland very hard and new parking is not currently a high priority. However, we need to be ready when the economy

improves. Parking may be a necessary ingredient to transitioning downtown to be oriented more to consumer goods and more of a year around destination. Parking will be needed to support an increase in density to instill vibrancy and a stronger downtown.

As a result of density limitations and downtown character, the legacy buildings in the downtown core are not being redeveloped. Redevelopment at a low density does not yield a sufficient return to cover the investment in land, new construction, and parking, and the demand for new space is not strong. Even if these were to change, it is not reasonable to expect redevelopment of small parcels to provide parking on site. A shared parking strategy is needed.

In the past, a special assessment of legacy property owners provided needed parking at Lake and Central, and the City built a parking garage at the Library. We are at a point of decided where and how the next increment of public parking is to be added.

The need for more parking

Although it is widely perceived that more parking is needed at all times in downtown Kirkland, the quarterly occupancy studies show parking deficiencies occur primarily at noon times, the evening hours, and throughout the days in good weather. Another measure of parking need is to apply parking requirements as called for in the zoning code to downtown blocks containing legacy buildings. This is reported in the memo from stakeholders on financing new parking supply (Attachment 1). While this does not yield an exact estimate of parking that is needed, it does provide evidence to support the position that several hundred more parking stalls are needed downtown.

Priced parking in the evening

Attachment 2 describes the roll out of priced parking in evenings (5 to 9 PM) in city lots that was implemented on March 16. Making parking free during the daytime mitigated much of the opposition to pay parking in the evening hours. Interviews with 97 affected businesses in the downtown turned up only one business that felt they were not consulted or that the pay parking would affect their business negatively. Some of the ideas we heard will be implemented now such as a central place on the City website for receiving complaints and ideas, such as validation will be studied further. During the first two weeks of evening pay parking, warning tickets were issued, and staff and PAB members offered assistance to acquaint users with use of the pay stations. Generally, the introduction of evening pay parking went well and we have not received many complaints. However, more tickets are being written as learning of the change takes time.

Funding new parking supply

Attachment 1 reports on input from stakeholders on how to secure new parking supply. Following Council direction given at the Council/PAB study session in December of 2007

and in February of 2008, the PAB convened a group of downtown stakeholders¹ to help us move forward in the area of pay parking and in securing new parking supply.

The process of engaging stakeholders to enlarge the perspective of the PAB resulted in two recommendations: 1) do not price on-street parking until there is a firm commitment to construct new supply, and 2) partner with a developer rather than build a stand-alone garage. *This second recommendation calls for a commitment on the part of the city to be ready to partner by preparing a financing plan so that a developer is not delayed by the City.* Such a financing plan will likely involve a mix of: 1) expanding pay parking, 2) assessing nearby property owners by means of a Parking Benefit District, and 3) general revenue. Although the stakeholders are not ready to price on-street parking now, they realize financing and building new supply will require pricing of on-street parking. It may also require changes to ParkSmart and to the management of the Library Garage.

Readiness means working through a process with stakeholders consisting of downtown businesses and property owners, and Kirkland residents. Stakeholders need to be reconvened to develop an efficient and equitable financing plan to increase parking supply. In particular, formation of a parking benefit district to allocate a portion of the cost of shared parking among benefited properties within walking distance needs to be carefully considered by those impacted. For example, a process is needed to study options for cost allocation, such as assessed value and/or floor area, with reductions for on-site parking. Similarly, how to include new development into the benefit district needs to be considered, and whether traffic impact fees in the downtown core to reflect an already built roadway system.

The stakeholders will also need to study what portion of the cost of new parking ought to be borne by the general public to reflect park users, special event users, and other non-retail visitors to downtown. Finally, what portion of the cost of new parking ought to be borne by users by means of parking charges. The existing parking revenue stream is insufficient to cover the full cost. On-street parking charges may be needed to generate a sufficient revenue stream to satisfy holders of parking revenue bonds.

ParkSmart

Although we are moving to market-based pricing of off street parking, we still rely on regulations to manage on-street parking, by a two-hour time limit and prohibition of employee parking in the downtown core (ParkSmart). Attachment 3 is a draft ordinance that proposes two changes to ParkSmart. One prohibits free employee parking in the Library garage for employees of new buildings that meet parking requirements. These employees still cannot park on downtown streets, they are expected to park in the facilities that are provided for them at their worksite. The second allows a penalty to be assessed to employers who do not keep their ParkSmart records up-to-date.

¹ Stakeholders included representatives from Downtown Commercial Property owners, KDA, Chamber, Restaurant operators, Gallery owners, Park Board, Downtown Condo Owners and Moss Bay Neighborhood Association

We considered an additional penalty of fining employers for employees who are chronic violators of ParkSmart, but we do not propose it at this time. Nevertheless, we are concerned that ParkSmart regulations do not work well. Employees do not have an incentive to register with ParkSmart unless they want to park in the Library garage. Many prefer not to be registered and hide on the street. It is difficult to regulate unregistered employee cars. Now that business license fees increase with increasing numbers of employees, it appears that some employers are under reporting their employees. Getting employers to update the data on employees and their autos is problematic. High employee and auto turnover makes it difficult for employers to update the City's data on employees and their autos and for the City to monitor the data. Increasingly, it is difficult to find parking in the employee section of the library garage so the incentive of a permit is of less value. For these reasons there are an increasing number of unregistered employees and unregistered cars hiding on street. If in the long term, we were to price parking on street there would be less need for ParkSmart to manage employee parking by regulation.

Unless ParkSmart can be made more efficient, equitable and accepted, we recommend it be eliminated when on-street parking is priced. It is a costly program to administer. Half of one parking enforcement officer is spent in the office updating records. We estimate ParkSmart costs \$95,000 per year to administer. This includes time spent by the parking coordinator (\$3000), parking enforcement (\$60,000), and Municipal Court costs (\$32,000). In addition, one half of the debt service for the Library Garage amounts to over \$200,000 and one half of the parking garage maintenance and operations costs \$77,000. This is a substantial cost to provide free parking for downtown employees.

A Stated Preference Parking Survey

Attachment 4 is a report of results of a parking survey that employed a methodology called Stated Preference (SP).² Respondents were asked to make a choice among parking options (on street, off-street lots, a new parking garage, and a free but distant on-street location). Characteristics of parking (price, walk distance, search time, time limit, and parking fine) were systematically varied. Asking respondents to make a choice yields better data than the more traditional "importance" ratings. The results of the SP parking survey show the extent to which pricing parking on street will result in spillover to neighborhood/distant but free parking. The SP parking survey results indicate who will oppose pricing and who will support it. Younger, working persons are less receptive to pricing and will walk to avoid paying, whereas older retired persons are willing to pay for parking if it makes it more available. The parking survey also indicated how usage of a new garage varies by location. The analysis shows why people are more inclined to drive and search for parking than they are to park farther and walk. On average, respondents felt that a 1200-foot walk is equal to a parking cost of \$0.95 while a search time of five minutes is equal to a parking cost of \$0.45. Although

² Ken Dueker enlisted the assistance, at a very low cost, of a leading group of researchers in Stated Preference methods at the University of Technology in Sydney Australia.

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walking 1200 feet takes nearly five minutes, it is perceived as twice as costly as a search time of 5 minutes.

Summary and Conclusions

Pay parking in City lots in the evening hours began on March 16 and seems to be working as planned. Further evaluation will be done.

Amendments to ParkSmart are proposed for your consideration. We do not want to allow employees of new buildings that meet parking requirements to park in the Library garage. While we propose improvements to make ParkSmart work better, we feel that it should be phased out when it is timely to charge for on-street parking.

The City needs to exhibit a readiness to partner with developers to build new supply. This readiness includes a financing plan and pricing of on-street parking. The financing plan may require a parking item in the capital improvement plan, the formation of a parking benefit district, and issuance of parking revenue bonds. We seek Council concurrence that stakeholders be reconvened to develop a parking finance plan.

This approach to securing new parking supply differs from prior recommendations from downtown interests to build new parking supply as a necessary first step for downtown revitalization (a "build it and shoppers will come" approach). But it will be more effective.