



AGENDA REPORT

Meeting Date: December 2, 2008
Item Number: E-1
To: Honorable Mayor & City Council
From: Noel Marquis, Assistant Director of Administrative Services/Finance
Chad Lynn, Director of Parking Operations *CL*
Subject: AN ORDINANCE OF THE CITY OF BEVERLY HILLS RELATING TO
PARKING METER ZONES AND AMENDING THE BEVERLY HILLS
MUNICIPAL CODE
Attachments:
1. Ordinance
2. Exhibit "A" Current Parking Enterprise Fund Worksheet
3. Exhibit "B" Estimated Parking Enterprise Fund Worksheet

RECOMMENDATION

Staff recommends adoption of the ordinance relating to the hours of operation of the parking meter zones and amending the Beverly Hills Municipal Code.

INTRODUCTION

The Parking Enterprise Fund was established to finance the construction, operations, maintenance, repairs, and improvements of the City's 15 off-street parking facilities. Funding sources for parking operations include the lease of tenant spaces within the City owned parking facilities, interest earned from available fund balances, parking fees charged to facility customers and revenues from the on-street parking meters.

Over the course of the Funds operation, the revenues generated by the on-street parking meters have been allocated to both the General Fund and the Parking Enterprise Fund depending on the financial health of the respective funds. Parking meter revenue was originally established as part of the General Fund and during the 1980's, as the City began converting surface parking lots to multi-level parking structures, revenues from the parking meters were transferred to the Parking Enterprise Fund to support the debt service for the construction of the parking facilities. During the 2003/2004 budgeting process, as a result of a drop in sales tax and transient occupancy tax (TOT) revenues, revenues from on-street parking meters were transferred back to the General Fund. During the 2008/2009 budgeting process, in an effort to mitigate the

on-going structural budget deficit, parking meter revenues were returned to the Parking Enterprise Fund.

Staff worked with the City Council Ad Hoc Parking Committee to propose methods for mitigating the on-going structural deficits. Several recommendations, including those proposed herein, have been reviewed by the Ad Hoc Parking Committee and were discussed by the entire City Council on November 13, 2007. The City Council implemented some of the recommendations on January 8, 2008 and April 15, 2008 and directed staff to bring the remainder of the proposals forward at a future meeting.

To date the following programs have been approved:

Description	Brief Description	Budgeted
Contract Parking Rate Adjustment	Adjusted the contract or "monthly" parking fees while maintaining below market rates to encourage proper usage	\$360,000
Evening Parking Rate to \$3	Adjusted the current flat fee for parking after 6pm to \$3	\$684,000
Adjust 3 rd Hour Parking Rate	Adjusted the rate paid after the 2 hours of free parking from to \$2.00 per ½ hour	\$200,000
Daily Maximum \$16	Adjusted the daily maximum fee to \$16	\$100,000
SM5 to Multi-Space with Adjusted Rates	Started the conversion of SM5 meters to multi-space equipment allowing alternative payment methods such as Credit Card. Approved rates up to \$2.00 per hour. (Not Yet Implemented)	\$265,000
Parking Meters Rates Under \$1 Adjusted \$0.25	Meters rates are of \$1.00, \$0.75, and \$0.50 implemented.	\$311,000
Adjust All Meters on Major Streets to \$1.00	Wilshire, Olympic, Santa Monica, San Vicente, and Robertson meters have been adjusted to \$1.00	\$64,000
Parking Meters Currently at \$1.00 Adjusted to \$1.50	Approved parking meter rates of up to \$2.00 per hour with the intention of \$1.50 per hour w/ Credit Card Meters. (Not Yet Implemented)	\$122,000
Adjust 20 Min Meters to \$1.50	Adjusted the 20 Min Meter to \$1.50 per hour	\$22,000
Energy Savings	Utilities savings available by retrofitting facility lighting systems, upgrading HVAC fans, and the installation of power regulators (HVAC Completed / Lighting in Progress)	\$182,000
Reduction of On-Street Valet Budget	Upon successful conversion from the on-street valet parking to a subsidized validation program provided as part of the Montage construction project, the annual operating budget has been reduced to reflect the current cost of services	\$125,000
	TOTAL Adjustments to Date	<u>\$2,435,000</u>

The adjustments listed above have been included in the 2008/2009 budget. The deficit for fiscal year 2007/2008 was \$2 million dollars and the estimated deficit for the current fiscal year is \$2.4 million dollars, details of which are contained in Exhibit "A" attached hereto.

DISCUSSION

Based on the discussions with the Ad Hoc Parking Committee and the entire City Council, staff has been directed to propose new on-street parking meter operating hours. Best practices for on-street parking meter pricing suggests on-street rates should be greater than off-street rates and should escalate in cost in the various zones based on occupancy and demand. This pricing strategy promotes and supports the use of off-street parking facilities for longer term users along with greater on-street turnover, which creates availability of the more convenient on-street spaces and shorter term uses.

Staff recommends that the on-street parking meter hours of operation be adjusted from 8am – 6pm to 8am – 9pm without altering the days in which the meters operate, with the exception of anti-gridlock zones, which will continue to operate as they do today, typically from 10am – 3pm. Anti-gridlock zones are in place on major thoroughfares such as Wilshire and Olympic Boulevards, and convert parking lanes into travel lanes during peak commuting hours. Since the commuting period is generally from 3pm to 7pm, it will not be necessary to reinstate the parking meter regulations after those commuting hours.

The City currently charges a flat rate of \$3 for all vehicles entering the City's off-street parking facilities after 6pm. In contrast, the City stops charging for the more convenient and higher demand on-street parking at the same hour. The proposed hours of operation will capture additional revenue and will encourage long-term parkers, such as evening employees, to utilize alternate parking while providing available on-street parking during evening hours to visitors, customers and retail/restaurant patrons. The current system inadvertently provides free parking for long-term parking users from 4pm throughout the evening. A long-term parker may utilize off-street two-hour free parking from 4pm to 6pm and move their vehicle to a parking meter on-street at 6pm to obtain free parking directly in front or adjacent to their destination for the remainder of the evening.

Pursuant to Section 7-3-403 of the Beverly Hills Municipal Code, parking meters located on Le Doux Road between Gregory Way and Olympic Boulevard are programmed for operation from 6:00am to 9:00pm. While not currently operating during all of these hours, the policy for operating parking meters during these extended hours has already been established in our community. Several neighboring Cities have rates and hours of operations that exceed those in Beverly Hills. The City of Los Angeles, is currently implementing system-wide adjustments to their on-street parking meter rates and hours of operation. The City of Los Angeles has increased its on-street parking meter rates to a minimum of \$1.00 per hour and has rates as high as \$3 and \$4 per hour in Downtown and other locations. Hours of operation have been extended to 8pm City wide, except anti-gridlock zones, and to midnight on Fridays and Saturdays and in "entertainment" districts. The City has also established parking meter hours on Sundays from 11am to 8pm. The City of West Hollywood's parking meters on Sunset Boulevard operate until 2am daily, including Sundays. The City of Santa Monica has parking meters in the Main Street and other "entertainment" areas that operate 24 hours per day, 7 days per week.

Parking meter rates were established at the City Council meeting of April 15, 2008. The proposed ordinance establishes a new range of potential parking meter operating hours of 6am to 11:59pm on a daily basis. This ordinance allows the Director of Public Works and Transportation, or his designee, to establish the actual operating hours and days of operation. For the immediate implementation of this ordinance, staff is proposing the hours of operation as listed herein without change to the days of operation. If the meter is currently exempt on Saturday and Sunday, the meter will remain exempt as proposed. This range provides the flexibility to adjust various operating hours, earlier and/or later, or change the operating days based on occupancy, capacity, and/or at the direction of the City Council. Hours of operation for each individual parking meter is posted on the meter information plates, displayed electronically on the screen, and/or posted on street signs.

If the recommendations herein are adopted, implementation of the new ordinance will require a second reading of the Ordinance on December 2, 2008 and shall become eligible for implementation on January 3, 2009. Staff will plan implementation of the new hours of operations during the first quarter of 2009, which will include public outreach and education about available parking alternatives.

Staff will continue to work to establish and recommend methods for mitigating the deficit of the Parking Enterprise Fund.

FISCAL IMPACT

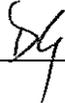
The implementation of the new on-street parking meter hours of operation will yield an estimated \$245,000 increase in annual revenues to the Parking Enterprise Fund.

The City Council may also consider implementing on-street parking meter hours of operations on Sundays from 12pm - 5pm which would generate an estimated \$100,000 in addition to that which is proposed herein.

The cumulative estimated benefits of the parking rate and citation adjustments are contained in Exhibit "B" the Estimated Parking Enterprise Fund Worksheet. Staff will continue to propose savings opportunities and new revenues to mitigate the remaining \$1.6 million deficit.



Scott Miller
Finance Approval



David Gustavson
Approved By

Attachment 1

Ordinance

ORDINANCE NO. 08-_____

AN ORDINANCE OF THE CITY OF BEVERLY HILLS RELATING TO
PARKING METER ZONES AND AMENDING THE BEVERLY HILLS
MUNICIPAL CODE

THE CITY COUNCIL OF THE CITY OF BEVERLY HILLS HEREBY ORDAINS AS
FOLLOWS:

Section 1. Paragraph "B" of Section 7-3-402 of Article 4 of Chapter 3 of Title 7 is hereby
amended to read as follows:

"B. The Director of Public Works and Transportation or his designee shall set the
hours of operation for parking meters for any period of time between the hours of six o'clock
(6:00) a.m. to the end of the same day (11:59 p.m.), seven days a week. At such time the parking
meters are in operation, the deposit of coins shall be required."

Section 2. Paragraph "B" of Section 7-3-403 of Article 4 of Chapter 3 of Title 7 is hereby
amended to read as follows:

"B. The Director of Public Works and Transportation or his designee shall set the
hours of operation for parking meters for any period of time between the hours of six o'clock
(6:00) a.m. to the end of the same day (11:59 p.m.), seven days a week. At such time the parking
meters are in operation, the deposit of coins shall be required."

Section 3. Paragraph "B" of Section 7-3-404 of Article 4 of Chapter 3 of Title 7 is hereby
amended to read as follows:

"B. The Director of Public Works and Transportation or his designee shall set the
hours of operation for parking meters for any period of time between the hours of six o'clock
(6:00) a.m. to the end of the same day (11:59 p.m.), seven days a week. At such time the parking
meters are in operation, the deposit of coins shall be required."

Section 4. Paragraph “B” of Section 7-3-406 of Article 4 of Chapter 3 of Title 7 is hereby amended to read as follows:

“B. The Director of Public Works and Transportation or his designee shall set the hours of operation for parking meters for any period of time between the hours of six o'clock (6:00) a.m. to the end of the same day (11:59 p.m.), seven days a week. At such time the parking meters are in operation, the deposit of coins shall be required.”

Section 5. Paragraph B of Section 7-3-407 of Article 4 of Chapter 3 of Title 7 is hereby amended to read as follows:

“B. The Director of Public Works and Transportation or his designee shall set the hours of operation for parking meters for any period of time between the hours of six o'clock (6:00) a.m. to the end of the same day (11:59 p.m.), seven days a week. At such time the parking meters are in operation, the deposit of coins shall be required.”

Section 6. The City Clerk shall cause this Ordinance to be published at least once in a newspaper of general circulation published and circulated in the City within fifteen (15) days after its passage, in accordance with Section 36933 of the Government Code; shall certify to the adoption of this Ordinance and shall cause this Ordinance and his certification, together with proof of publication, to be entered in the Book of Ordinances of the Council of this City.

Section 7. This Ordinance shall go into effect and be in full force and effect at 12:01 a.m. on the thirty-first (31st) day after its passage.

Adopted:
Effective:

BARRY BRUCKER
Mayor of the City of Beverly Hills,
California

[Signatures continue]

ATTEST:

(SEAL)

BYRON POPE
City Clerk

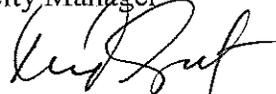
APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

RODERICK J. WOOD, CCM
City Manager



DAVID GUSTAVSON
Director of Public Works & Transportation

Attachment 2

Exhibit “A”

City of Beverly Hills

Fund 81 - Current Parking Enterprise Fund

	Historical					Actual Fiscal Year 07/08	Projected Fiscal Year 08/09	Projected Fiscal Year 09/10	Projected Fiscal Year 10/11	Projected Fiscal Year 11/12	Total of Years
	Actual Fiscal Year 04/05	Actual Fiscal Year 05/06	Actual Fiscal Year 06/07	Actual Fiscal Year 07/08	Projected Fiscal Year 08/09						
Current Revenues											
Service Charges											
Parking Facilities	4,683,424	5,794,185	6,397,326	6,231,130	6,477,110	6,606,652	6,738,785	6,873,561	6,873,561	32,927,238	
Parking Meters					2,800,570	2,856,581	2,913,713	2,971,987	2,971,987	11,542,852	
Unbudgeted Implementation											
Parking Meters Hours											
Parking Meters Sundays											
Parking Citations Match LA											
Parking Citations Over LA											
Parking Tax											
Rent of Property	6,202,737	6,963,346	8,845,035	9,415,777	9,378,041	9,565,602	9,756,914	9,952,052	9,952,052	48,068,986	
Interest Earnings	192,044	233,910	707,037	2,022,498	1,372,248	226,321	329,266	405,117	405,117	4,355,450	
Miscellaneous	41,749	49,821	35,226	35,306	36,012	36,732	37,467	38,216	38,216	183,733	
Current Revenues	11,119,954	13,041,263	15,984,623	17,704,710	20,063,981	19,291,889	19,776,145	20,240,934	20,240,934	97,077,659	
New Revenues - T-Lot											
Parking Revenues				417,836		1,671,345	1,721,485	1,773,130	1,773,130	5,583,797	
5% Premium				710,801		1,275,927	1,874,640	1,874,640	1,874,640	5,736,008	
Garden Building Revenues						2,000,000	2,000,000	2,070,000	2,070,000	6,070,000	
T-Lot Revenues				1,128,637		4,947,272	5,596,125	5,717,770	5,717,770	17,389,804	
Total Operating Revenues	11,119,954	13,041,263	15,984,623	17,704,710	21,192,618	24,239,161	25,372,271	25,958,703	25,958,703	114,467,463	
Current Expenses											
Personnel Services	2,111,257	2,081,798	2,181,545	2,396,384	3,209,170	3,305,445	3,404,608	3,506,747	3,506,747	15,822,354	
Materials and Supplies	8,976	26,702	88,967	23,548	132,509	136,484	140,579	144,796	144,796	577,918	
Contractual Services	642,076	724,272	471,914	437,446	911,190	938,526	966,681	995,682	995,682	4,249,525	
Internal Services	3,161,729	3,592,061	3,345,055	4,959,504	4,890,300	5,037,009	5,188,119	5,343,763	5,343,763	25,417,695	
Depreciation/Amrtzn - Building	4,090,735	4,110,647	3,954,932	3,854,201	3,402,631	3,402,631	3,402,631	3,402,631	3,402,631	17,464,724	
Depreciation/Amrtzn - Equipment				696,924		717,832		739,367	761,548	2,915,672	
Depreciation/Amrtzn - New Equipment											
Debt Service Interest GF Beverly Canon	846,858	820,478	792,648	763,286	732,310	699,631	665,153	628,780	628,780	3,489,161	
Debt Service Interest Montage T1								321,574	297,177	918,751	
Debt Service Interest	1,751,615	1,628,610	1,734,904	4,502,367	2,043,713	1,947,226	1,843,053	1,696,453	1,696,453	12,032,812	
Other Misc.			1,010	1,000	1,000	1,030	1,061	1,093	1,093	5,184	
Current Expenses	12,613,245	12,984,569	12,570,975	16,936,736	16,019,747	16,185,814	16,672,827	16,778,669	16,778,669	82,593,794	
New Expenses - T-Lot											
Operations & Maintenance					700,000	1,400,000	1,442,000	1,485,260	1,485,260	5,027,260	
Depreciation/Amrtzn - Building					280,000	560,000	560,000	560,000	560,000	1,960,000	
Depreciation/Amrtzn - Equipment					161,752	333,208	343,205	353,501	353,501	1,191,665	
Debt Service CA Fund					2,000,907	1,946,513	1,888,856	1,827,739	1,827,739	7,664,015	
Debt Service Other Fund					500,227	486,628	472,214	456,935	456,935	1,916,004	
T-Lot Expense					3,642,885	4,726,350	4,706,274	4,683,434	4,683,434	17,759,344	
Total Operating Expenses	12,613,245	12,984,569	12,570,975	16,936,736	19,662,632	20,912,164	21,379,102	21,462,104	21,462,104	100,352,738	
Net from Operations	(1,493,291)	56,694	3,413,648	767,974	1,529,986	3,326,997	3,993,169	4,496,600	4,496,600	14,114,725	
Less Debt Principal Payments:											
Debt Service Principal GF Beverly Canon	(479,630)	(506,010)	(533,841)	(563,202)	(594,178)	(626,858)	(661,335)	(697,708)	(697,708)	(3,143,281)	
Debt Service Principal GF Montage T1							(406,620)	(431,017)	(431,017)	(837,637)	
Debt Service Principal CA					(906,563)	(960,957)	(1,018,614)	(1,079,731)	(1,079,731)	(3,965,864)	
Debt Service Principal Other					(226,841)	(240,239)	(254,653)	(269,933)	(269,933)	(991,466)	
Debt Service Principal	(2,499,597)	(2,596,162)	(2,718,376)	(2,220,936)	(2,218,039)	(2,490,133)	(3,727,813)	(4,585,717)	(4,585,717)	(15,242,637)	
Net After Debt Principal Payments	(4,472,519)	(3,045,477)	161,432	(2,016,164)	(2,415,435)	(991,189)	(2,075,866)	(2,567,506)	(2,567,506)	(10,068,159)	
plus Beginning and Other Cash Contributions:											
Plus Beginning Cash	7,638,344	6,224,340	5,840,419	58,691,045	27,444,956	4,526,426	6,585,327	8,102,342	8,102,342	58,691,045	
Plus Funds from Debt Issue			16,307,056								
Plus Loan from General Fund					5,500,000					5,500,000	
Plus Loan from Capital Assets			28,000,000								
Plus Loan from Other Fund			7,000,000								
Plus Transfer from In-Lieu											
Capital Contribution	4,090,735	4,110,647	3,954,932	3,854,201	3,682,631	3,962,631	3,962,631	3,962,631	3,962,631	19,424,724	
Cash Available	7,256,560	7,289,509	61,263,840	60,529,082	34,212,152	7,497,867	8,472,092	9,497,466	9,497,466	73,549,609	
Less Capital Projects and Transfers:											
Capital Projects	(1,896,547)	(1,264,686)	(2,598,530)	(35,629,331)	(5,863,197)	(662,540)	(969,750)	(298,550)	(298,550)	(43,023,368)	
CP - PW Parking					(15,808,800)					(15,808,800)	
CP - Montage and Adjacent					(6,513,729)	(50,000)				(6,563,729)	
Transfer to General Fund					(1,500,000)					(1,500,000)	
General Ledger Adjustment	864,327	(184,405)	25,735	2,545,205						2,545,205	
Operating Reserves	6,224,340	5,840,419	58,691,045	27,444,956	4,526,426	6,585,327	8,102,342	9,198,916	9,198,916	9,198,916	
Operating Reserve				27,444,956	4,526,426	6,585,327	8,102,342	9,198,916	9,198,916	9,198,916	
Capital Equipment Replacement	6,224,340	5,840,419	58,691,045		858,676	1,909,716	2,992,288	4,107,337	4,107,337	4,107,337	
Total Cash on Hand:	6,224,340	5,840,419	58,691,045	27,444,956	5,385,102	8,495,043	11,094,630	13,306,253	13,306,253	13,306,253	

Attachment 3

Exhibit “B”

