



AGENDA REPORT

Meeting Date: April 15, 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
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" Proposed Parking Meter Rates
3. Exhibit "B" Current Parking Enterprise Fund Worksheet
4. Exhibit "C" Estimated Parking Enterprise Fund Worksheet
5. Exhibit "D" Map of Meter Rate Adjustments

RECOMMENDATION

Staff recommends adoption of the ordinance relating to fees 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, repair, and improvement 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, and parking fees charged to facility customers. Almost two-thirds of the revenues generated by the Parking Enterprise Fund are related to the lease of the tenant spaces, and the City has retained a Real Estate and Property Manager to maximize revenues from this source.

In January of 2006, in an effort to increase revenues with the purpose of improving the condition of the parking facilities and creating stability within the Parking Enterprise Fund, the City adjusted the free parking period in five of the off-street parking facilities from two-hours free to one-hour free. In November of 2007, based on several community meetings, and with the support of the residential and business communities, the City Council directed staff to re-implement two-hours free parking in four of the five facilities previously converted. Based on usage statistics from January and February of

2008, approximately 64% of all City off-street parking customers park for free system wide and over 72% of users park for free when using a two-hour free parking facility.

Just over 6% of the expenses within the Parking Operations operating budget is under the direct authority of the Parking Operations Division. The remaining expenses are associated with labor agreements, internal services, and payment of debt service related to the construction of these facilities.

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 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 facilities, revenues from the parking meters were transferred to the Parking Enterprise Fund to support the debt incurred for the construction of the new parking facilities.

During the 2003/2004 budget planning process, the City experienced a large loss in sales tax and transient occupancy tax (TOT) revenues due to post September 11th economic conditions and transferred revenues generated from on-street parking meters back to the General Fund.

Staff worked with the Ad Hoc Parking Committee to propose methods for mitigating the current and projected on-going structural deficit created within the Parking Enterprise Fund, currently estimated at \$2.7 million for the current fiscal year and \$1.9 million for the 2008/2009 fiscal year, details of which are contained in Exhibit "B" attached hereto. The on-street parking rates proposed herein have received the recommendation of the Ad Hoc Parking Committee and were discussed by the entire City Council during the Formal meeting of November 13, 2007. The City Council reached consensus during the study session on January 8, 2008, and directed staff to bring the formal proposals forward amending the current Municipal Code(s) which establish the parking meter zones and fix the rates thereof.

The additional revenues generated by these fees will be allocated to the Parking Enterprise Fund while the baseline revenues will continue to be allocated to the General Fund. If the City Council chooses to allocate all revenues generated by on-street parking meters to the Parking Enterprise Fund additional revenues, current program reductions or an allocation of General Fund reserves will need to be considered to balance the General Fund.

DISCUSSION

Based on the discussions with Ad Hoc Parking Committee and the entire City Council, staff has been directed to propose new on-street parking meter rates. Best practices for on-street meter pricing suggest that on-street rates should be greater than off-street rates and should escalate in cost as the demand increases, thereby promoting the use of off-street parking facilities and greater turnover and availability of the higher demand on-street spaces. Furthermore, pricing meters based on this model will allow the City to realize additional revenues generated by the parking meter program, for use in stabilizing the Parking Enterprise Fund.

Staff recommends that the rate adjustments occur in \$0.25 increments to promote a customer friendly and easily understandable rate structure, as approximately three-quarters of the coins collected from meters are in \$0.25 denominations. In recognition of

customer convenience related to payment of the parking meters, staff does not recommend rates that exceed \$1.00 per hour for meters that have time-limits greater than 30 minutes until such time as the City can offer alternative payment methods, such as credit card, cash keys, or smart cards,. While the City of Beverly Hills, in conjunction with the City of West Hollywood, were the first City's in the United States to offer credit card payment at a single-space parking meter, a full deployment of this product will only be recommended once remaining equipment functionality, enforcement, and service requirements have been agreed upon.

Staff is proposing a tiered rate structure which addresses civic/long-term needs, parking in commercial areas, and areas with premium parking demand. Civic/Long-term areas accommodate residents and visitors to civic facilities such as City parks and assist in promoting long-term users to use parking in specific areas such as Civic Center Drive between Burton Way and Beverly Blvd. Standard commercial areas represent business areas that are located just off main streets or areas with manageable demand, while premium parking areas have demand that surpasses the availability of parking resources.

Proposed On-Street Rate Adjustments:

General Location of the Zone	Current Rate (Per Hour)	Proposed Rate (Per Hour)	New Revenues
Civic Facilities, Parks and Long-Term Zones	\$0.25	\$0.50	\$311,000
Commercial Areas other than the Triangle and SoBev	\$0.50	\$0.75	
Robertson, La Cienega, San Vicente, Santa Monica and Wilshire Blvds	\$0.50	\$1.00	\$64,000
All Meters Under 1 Hour (<30 Min)	\$1.50	\$2.00	\$22,000

The ordinance attached hereto establishes a not to exceed on-street parking rate of \$2.00 per hour. For the purpose of clarity within the City's ordinance, staff has recommended establishing this not-to-exceed rate at the highest rate currently charged for on-street parking, which is the rate established for short-term parking meters. For the implementation of meter rates on the street, staff is proposing the adjustments as listed herein. The rate for each parking meter is individually posted on the rate plate or displayed electronically on the screen of the smart parking meters.

If staffs recommendations are adopted, implementation of the new ordinance will require a second reading on May 6, 2008, and shall become effective on June 6, 2008. Staff will plan for the new rates to become active on Monday, June 9, 2008.

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

FISCAL IMPACT

The implementation of the new on-street parking rates will yield an estimated \$397,000 increase in annual revenues to the Parking Enterprise Fund.

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Based on the consensus of the City Council at the study session of January 8, 2008, these revenues have been included in the budget projections for the 2008/2009 fiscal year and will need to be adjusted if these rates are not approved as proposed. The cumulative estimated benefit of the proposed on-street and off-street parking rate adjustments are contained in Exhibit "C" the Estimated Parking Enterprise Fund Worksheet.



Scott Miller
Finance Approval



David Gustavson
Approved By

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 “A” of Section 7-3-402 of Article 4 of Chapter 3 of Title 7 is hereby amended to read as follows:

“A. The Director of Public Works & Transportation or his designee shall set the parking meter rates for each meter located in parking meter zone A in an amount not to exceed \$2.00 per hour. If the meter is set for a time that is less than one hour, the meter rate shall not exceed \$2.00 for the maximum time on such meter.”

Section 2. The text “Oakhurst Drive, both sides, from the alley north of Wilshire Boulevard to the alley south of Wilshire Boulevard” set forth in Paragraph “D” of Section 7-3-402 of Article 4 of Chapter 3 of Title 7 is hereby amended to read as follows:

“Oakhurst Drive, both sides, from the alley north of Wilshire Boulevard.

Oakhurst Drive, both sides, from the alley south of Wilshire Boulevard.”

Section 3. Paragraph “A” of Section 7-3-403 of Article 4 of Chapter 3 of Title 7 is hereby amended to read as follows:

“A. The Director of Public Works & Transportation or his designee shall set the parking meter rates for each meter located in parking meter zone B in an amount not to exceed \$2.00 per hour. If the meter is set for a time that is less than one hour, the meter rate shall not exceed \$2.00 for the maximum time on such meter.”

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

“A. The Director of Public Works & Transportation or his designee shall set the parking meter rates for each meter located in parking meter zone C in an amount not to exceed \$2.00 per hour. If the meter is set for a time that is less than one hour, the meter rate shall not exceed \$2.00 for the maximum time on such meter.”

Section 5. Paragraph “A” of Section 7-3-406 of Article 4 of Chapter 3 of Title 7 is hereby amended to read as follows:

“A. The Director of Public Works & Transportation or his designee shall set the parking meter rates for each meter located in parking meter zone E/F in an amount not to exceed \$2.00 per hour. If the meter is set for a time that is less than one hour, the meter rate shall not exceed \$2.00 for the maximum time on such meter.”

Section 6. Section 7-3-406 of Article 4 of Chapter 3 of Title 7 is hereby amended by adding a new paragraph E to read as follows:

“E. The following area is included within parking meter zone E/F:

From Wilshire Boulevard south to Charleville at South Spalding, South Linden, South Roxbury, South Bedford, South Peck, South Camden, South Rodeo, South El Camino.”

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

“A. The Director of Public Works & Transportation or his designee shall set the parking meter rates for each meter located in the municipal off street parking meter zone in an amount not to exceed \$2.00 per hour. If the meter is set for a time less than one hour, the meter rate shall not exceed \$2.00 for the maximum time on such meter.”

Section 8. The following text shall be added to the end of paragraph "D" of Section 7-3-407 of Article 4 of Chapter 3 of Title 7 to read as follows:

"The Alley west of and adjacent to Roxbury Park in the recessed parking stalls between Roxbury Drive and Spalding Drive (P-Lot)

Section 9. 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 10. 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:

BARRY BRUCKER
Mayor of the City of Beverly Hills

ATTEST:

(SEAL)
BYRON POPE
City Clerk

Approved as to form:



LAURENCE S. WIENER
City Attorney

Approved as to content:

RODERICK J. WOOD
City Manager


DAVID GUSTAVSON
Director of Public Works & Transportation

EXHIBIT A

Parking Meter Rates Comparison		
Duration (rates per hour)	Current Rates	07-08 Rate Adjustments
All 20 minute parking meters	1.50	2.00
All 3 hour parking meters	0.25	0.50
All 4 hour parking meters	0.25	0.50
All 4 hour parking meters	0.25	0.50
All 10 hour parking meters	0.25	0.50
All 4 hour parking meters	0.50	0.75
All 5 hour parking meters	0.50	0.75
All 10 hour parking meters	0.50	0.75
Parking Meters along Robertson Blvd, LaCienega, San Vicente, Santa Monica and Wilshire Boulevard: (rates per hour)		
All 1 hour parking meters	0.50	1.00
All 2 hour parking meters	0.50	1.00

City of Beverly Hills
Current Parking Enterprise Fund Worksheet

EXHIBIT B

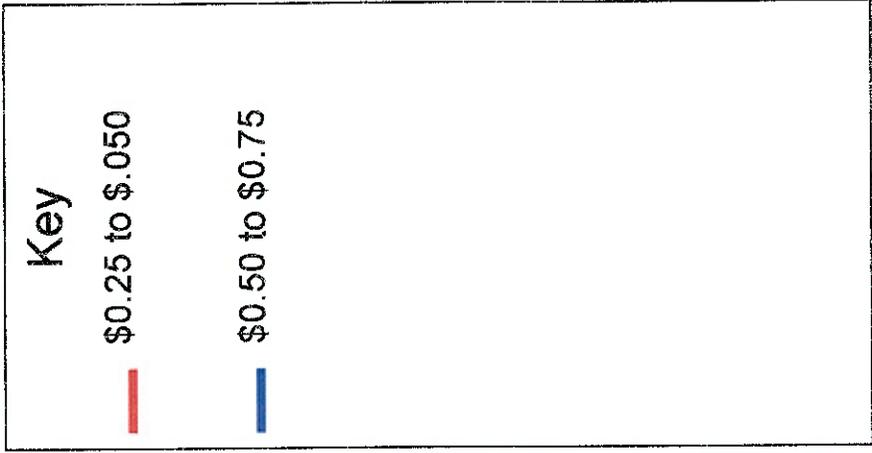
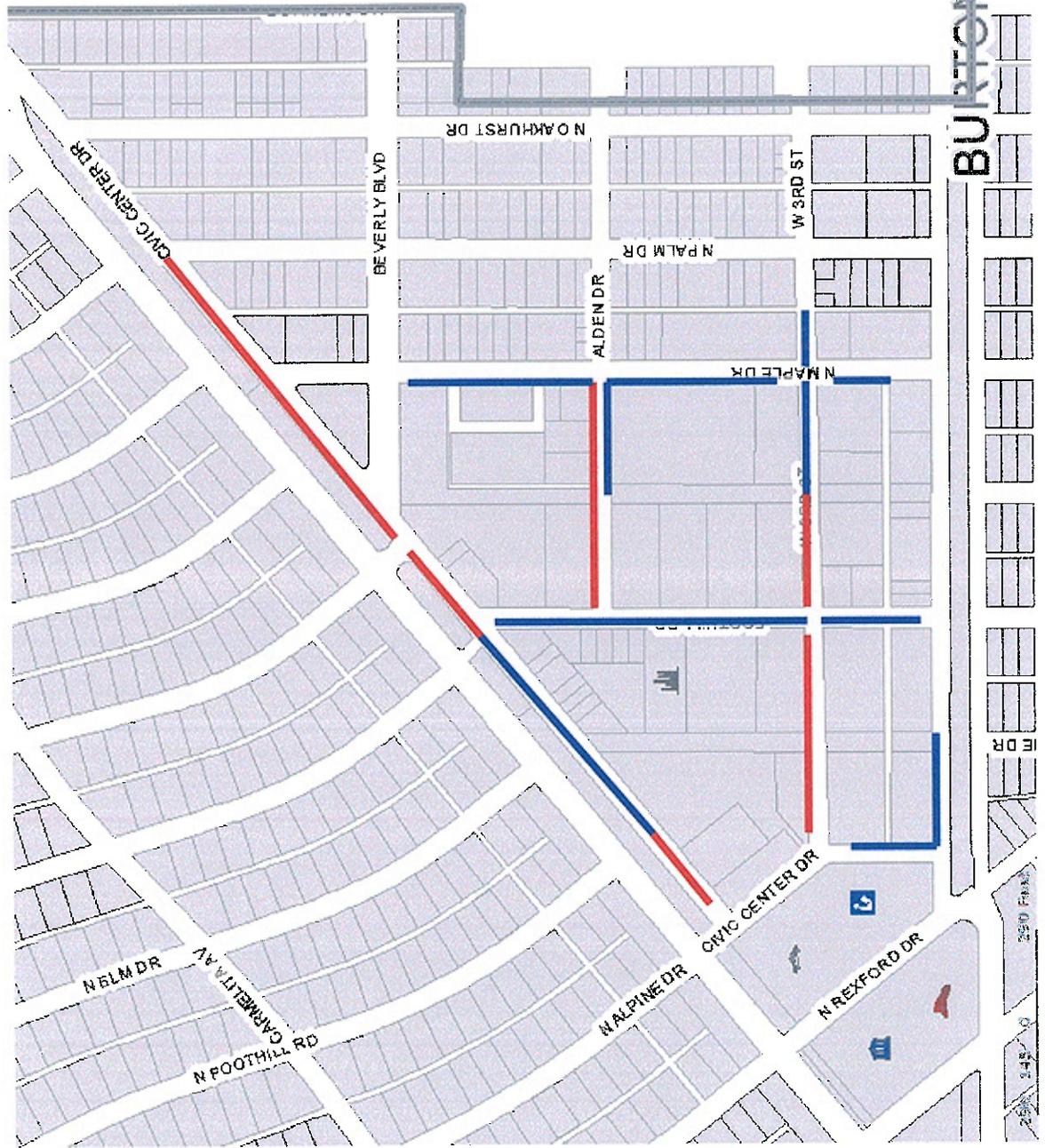
	Projected Fiscal Year 07/08	Projected Fiscal Year 08/09	Projected Fiscal Year 09/10	Projected Fiscal Year 10/11	Projected Fiscal Year 11/12	Total of Years
Current Revenues						
Service Charges						
Parking Facilities	4,432,402	4,521,050	4,611,471	4,703,700	4,797,774	23,066,398
Parking Meters	-	2,957,570	3,016,721	3,077,056	3,138,597	12,189,944
1 Contract Parking Adj	-	-	-	-	-	-
3 Evening Rate Adj	-	-	-	-	-	-
4 Daily Maximum Adj	-	-	-	-	-	-
6 SM5 Meter Adj	-	-	-	-	-	-
7 Meters Under \$1 Adj	-	-	-	-	-	-
8 New Credit Card Meter	-	-	-	-	-	-
Rent of Property	8,623,367	8,795,834	8,971,751	9,151,186	9,334,210	44,876,348
Interest Earnings	208,000	425,901	-	-	-	633,901
Miscellaneous	-	-	-	-	-	-
Current Revenues	13,263,769	16,700,355	16,599,943	16,931,942	17,270,581	80,766,591
New Revenues - T Lot						
Parking Revenues	-	835,673	1,671,345	1,721,485	1,773,130	6,001,633
5% Premium	-	1,421,602	1,701,236	1,874,640	1,874,640	6,872,118
Garden Building Revenues	-	1,000,000	2,000,000	2,000,000	2,070,000	7,070,000
T Lot Revenues	-	3,257,275	5,372,581	5,596,125	5,717,770	19,943,751
Total Operating Revenues	13,263,769	19,957,630	21,972,524	22,528,068	22,988,351	100,710,342
Current Expenses						
Personnel Services	2,531,190	3,216,928	3,313,436	3,412,839	3,515,224	15,989,618
Materials and Supplies	101,625	135,556	139,623	143,812	148,126	668,742
Contractual Services	1,120,148	1,172,813	1,207,997	1,244,237	1,281,565	6,026,760
15 Savings from Valet	-	-	-	-	-	-
Credit Card Meter Costs	-	120,780	366,000	366,000	366,000	1,218,780
Internal Services	5,069,733	5,447,429	5,610,851	5,779,177	5,952,552	27,859,742
14 Energy Upgrades	-	-	-	-	-	-
Depreciation/Amrtzn - Building	3,667,235	3,667,235	3,667,235	3,667,235	3,667,235	18,336,177
Depreciation/Amrtzn - Equipment	621,848	640,503	659,718	679,510	699,895	3,301,473
Depreciation/Amrtzn - New Equipment	-	-	-	600,499	618,514	1,219,013
Debt Service Interest GF Beverly Cannon	763,286	732,310	699,631	665,153	628,780	3,489,161
Debt Service Interest Montage T1	-	-	-	321,574	297,177	618,751
Debt Service Interest	2,125,793	2,525,513	1,947,226	1,843,053	1,696,453	10,138,038
Other Misc.	1,000	156,956	161,665	166,515	171,510	657,645
Current Expenses	16,001,858	17,816,024	17,773,383	18,889,605	19,043,032	89,523,901
Parking Meter O&M added to existing O&M for 08/09 through 11/12						
New Expenses - T-Lot						
Operations & Maintenance	-	700,000	1,400,000	1,442,000	1,485,260	5,027,260
Depreciation/Amrtzn - Building	-	560,000	560,000	560,000	560,000	2,240,000
Depreciation/Amrtzn - Equipment	-	323,503	333,208	343,205	353,501	1,353,417
Debt Service CA Fund	-	2,000,907	1,946,513	1,888,856	1,827,739	7,664,015
Debt Service Other Fund	-	500,227	486,628	472,214	456,935	1,916,004
T-Lot Expense	-	4,084,637	4,726,350	4,706,274	4,683,434	18,200,695
Total Operating Expenses	16,001,858	21,900,661	22,499,733	23,595,879	23,726,466	107,724,596
Net from Operations	(2,738,089)	(1,943,031)	(527,209)	(1,067,811)	(738,115)	(7,014,254)
Plus Beginning Cash	58,691,045	8,518,020	(1,680,351)	(3,311,051)	(6,690,411)	58,691,045
Plus Funds from Debt Issue	-	-	-	-	-	-
Plus Loan from General Fund	-	4,500,000	-	-	-	4,500,000
Plus Loan from Capital Assets	-	-	-	-	-	-
Plus Loan from Other Fund	-	-	-	-	-	-
Plus Transfer from In-Lieu	1,000,000	-	-	-	-	1,000,000
Capital Contribution	3,667,235	4,227,235	4,227,235	4,227,235	4,227,235	20,576,177
Cash Available	60,620,191	15,302,225	2,019,676	(151,626)	(3,201,291)	77,752,968
Capital Projects	3,611,545	2,847,100	962,540	469,750	398,550	8,289,485
CP - PW Parking	12,454,000	3,853,056	-	-	-	16,307,056
CP - Montage Adjacent	33,252,549	5,837,000	50,000	-	-	39,139,549
Debt Service Principal GF Beverly Cannon	563,202	594,178	626,858	661,335	697,708	3,143,281
Debt Service Principal GF Montage T1	-	-	-	406,620	431,017	837,637
Debt Service Principal CA	-	906,563	980,957	1,018,614	1,079,731	3,965,864
Debt Service Principal Other	-	226,641	240,239	254,653	269,933	991,466
Debt Service Principal	2,220,875	2,218,039	2,490,133	3,727,813	4,585,717	15,242,577
Transfer to General Fund	-	500,000	-	-	-	500,000
General Ledger Adjustment	-	-	-	-	-	-
Operating Reserves	8,518,020	(1,680,351)	(3,311,051)	(6,690,411)	(10,663,946)	(10,663,946)
Operating Revenue	8,518,020	(1,680,351)	(3,311,051)	(6,690,411)	(10,663,946)	(10,663,946)
Capital Equipment Replacement	621,848	1,585,854	2,578,780	4,201,994	5,873,903	5,873,903
Total Cash on Hand:	9,139,868	(94,497)	(732,270)	(2,488,418)	(4,790,043)	(4,790,043)

City of Beverly Hills
Estimated Parking Enterprise Fund Worksheet

	Projected 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
Current Revenues						
Service Charges						
Parking Facilities	4,432,402	4,521,050	4,611,471	4,703,700	4,797,774	23,066,398
Parking Meters	-	2,579,570	2,631,161	2,683,785	2,737,460	10,631,976
1 Contract Parking Adj	28,800	360,000	367,200	374,544	382,035	1,512,579
3 Evening Rate Adj	116,280	684,000	684,000	684,000	684,000	2,852,280
4 Daily Maximum Adj	8,500	50,000	50,000	50,000	50,000	208,500
6 SMS Meter Adj	-	123,250	246,500	246,500	246,500	862,750
7 Meters Under \$1 Adj	30,240	378,000	378,000	378,000	378,000	1,542,240
8 New Credit Card Meter	-	161,040	480,000	480,000	480,000	1,601,040
Rent of Property	8,623,367	8,795,834	8,971,751	9,151,186	9,334,210	44,876,348
Interest Earnings	208,000	441,342	12,360	33,850	-	695,552
Miscellaneous	-	-	-	-	-	-
Current Revenues	13,447,589	18,094,086	18,432,443	18,785,565	19,089,979	87,849,663
New Revenues - T Lot						
Parking Revenues	-	835,673	1,671,345	1,721,485	1,773,130	6,001,633
5% Premium	-	1,421,602	1,701,236	1,874,640	1,874,640	6,872,118
Garden Building Revenues	-	1,000,000	2,000,000	2,000,000	2,070,000	7,070,000
T Lot Revenues	-	3,257,275	5,372,581	5,596,125	5,717,770	19,943,751
Total Operating Revenues	13,447,589	21,351,361	23,805,024	24,381,691	24,807,749	107,793,414
Current Expenses						
Personnel Services	2,531,190	3,216,928	3,313,436	3,412,839	3,515,224	15,989,618
Materials and Supplies	101,625	135,556	139,623	143,812	148,126	668,742
Contractual Services	1,120,148	1,172,813	1,207,997	1,244,237	1,281,565	6,026,760
15 Savings from Valet	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(625,000)
Credit Card Meter Costs	-	120,780	366,000	366,000	366,000	1,218,780
Internal Services	5,089,733	5,447,429	5,610,851	5,779,177	5,952,552	27,859,742
14 Energy Upgrades	-	(100,000)	(103,000)	(106,090)	(109,273)	(418,363)
Depreciation/Amrtzn - Building	3,667,235	3,667,235	3,667,235	3,667,235	3,667,235	18,336,177
Depreciation/Amrtzn - Equipment	621,848	640,503	659,718	679,510	699,895	3,301,473
Depreciation/Amrtzn - New Equipment	-	-	-	600,499	618,514	1,219,013
Debt Service Interest GF Beverly Cannon	763,286	732,310	699,631	665,153	628,780	3,489,161
Debt Service Interest Mortgage TI	-	-	-	321,574	297,177	618,751
Debt Service Interest	2,125,793	2,525,513	1,947,226	1,843,053	1,696,453	10,138,038
Other Misc.	1,000	156,956	161,665	166,515	171,510	657,645
Current Expenses	15,876,858	17,591,024	17,545,383	18,658,515	18,808,759	88,480,538
Parking Meter O&M added to existing O&M for 08/09 through 11/12						
New Expenses - T-Lot						
Operations & Maintenance	-	700,000	1,400,000	1,442,000	1,485,260	5,027,260
Depreciation/Amrtzn - Building	-	560,000	560,000	560,000	560,000	2,240,000
Depreciation/Amrtzn - Equipment	-	323,503	333,208	343,205	353,501	1,353,417
Debt Service CA Fund	-	2,000,907	1,946,513	1,888,856	1,827,739	7,664,015
Debt Service Other Fund	-	500,227	486,628	472,214	456,935	1,916,004
T-Lot Expense	-	4,084,837	4,726,350	4,706,274	4,683,434	18,200,695
Total Operating Expenses	15,876,858	21,675,861	22,271,733	23,364,789	23,492,193	106,681,233
Net from Operations	(2,429,269)	(324,300)	1,533,291	1,016,902	1,315,556	1,112,181
Plus Beginning Cash	58,691,045	8,826,840	247,200	677,000	(617,647)	58,691,045
Plus Funds from Debt Issue	-	-	-	-	-	-
Plus Loan from General Fund	-	4,500,000	-	-	-	4,500,000
Plus Loan from Capital Assets	-	-	-	-	-	-
Plus Loan from Other Fund	-	-	-	-	-	-
Plus Transfer from In-Lieu	1,000,000	-	-	-	-	1,000,000
Capital Contribution	3,667,235	4,227,235	4,227,235	4,227,235	4,227,235	20,576,177
Cash Available	60,929,011	17,229,776	6,007,727	5,921,137	4,925,144	85,879,402
Capital Projects	3,611,545	2,847,100	962,540	469,750	398,550	8,289,485
CP - PW Parking	12,454,000	3,853,056	-	-	-	16,307,056
CP - Montage Adjacent	33,252,549	5,837,000	50,000	-	-	39,139,549
Debt Service Principal GF Beverly Cannon	563,202	594,178	626,858	661,335	697,708	3,143,281
Debt Service Principal GF Mortgage TI	-	-	-	406,620	431,017	837,637
Debt Service Principal CA	-	906,563	960,957	1,018,614	1,079,731	3,965,864
Debt Service Principal Other	-	226,641	240,239	254,653	269,933	991,466
Debt Service Principal	2,220,875	2,218,039	2,490,133	3,727,813	4,585,717	16,242,577
Transfer to General Fund	-	500,000	-	-	-	500,000
General Ledger Adjustment	-	-	-	-	-	-
Operating Reserves	8,826,840	247,200	677,000	(617,647)	(2,537,512)	(2,537,512)
Operating Reserve	8,826,840	247,200	677,000	(617,647)	(2,537,512)	(2,537,512)
Capital Equipment Replacement	621,848	1,585,854	2,578,780	4,201,994	5,873,903	5,873,903
Total Cash on Hand:	9,448,688	1,833,054	3,255,781	3,584,346	3,336,392	3,336,392

Exhibit "D"

Map of Meter Rate Adjustments

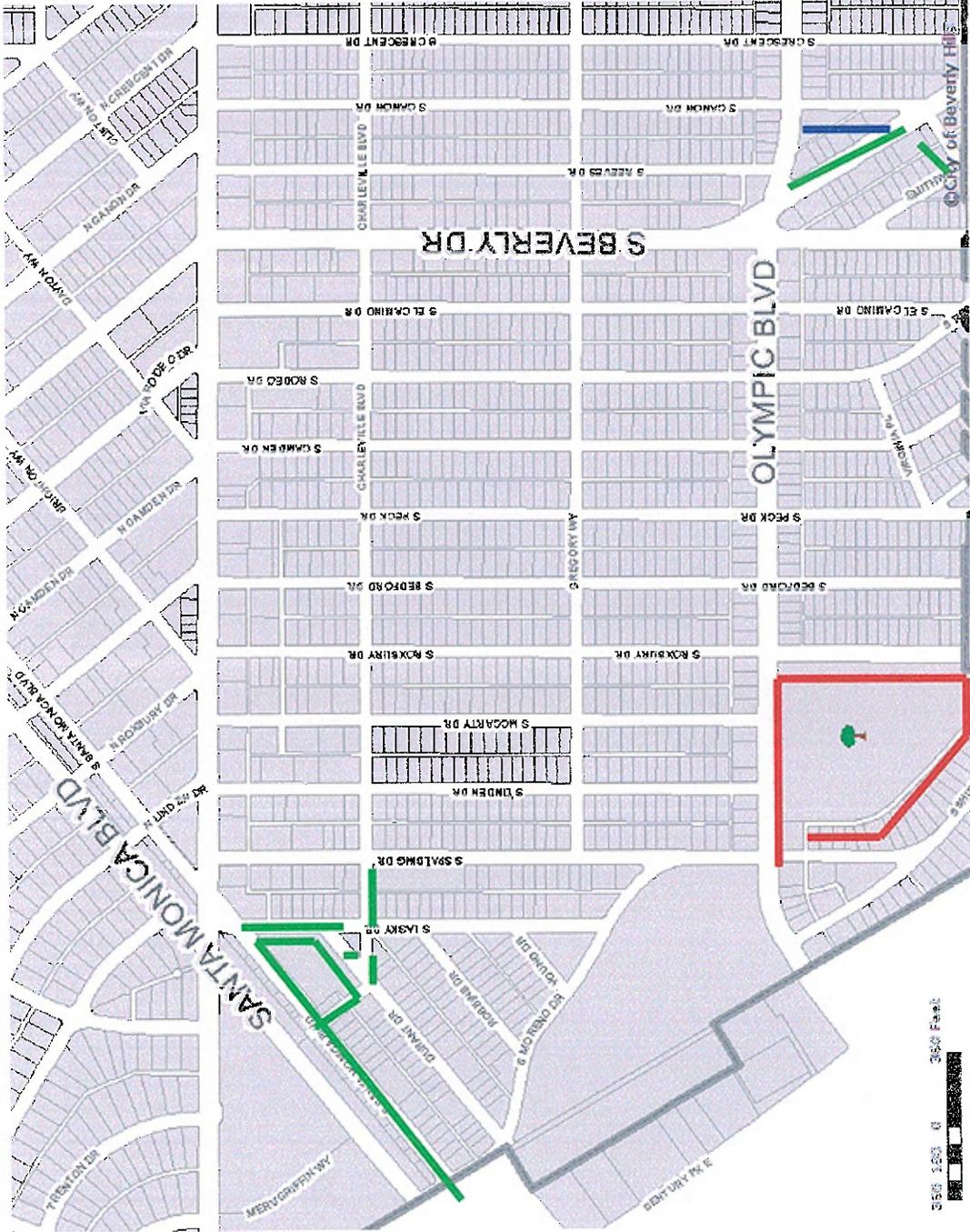


Key

\$0.25 to \$0.50

\$0.50 to \$0.75

\$0.50 to \$1.00



300 Feet