



# Municipal Transportation Agency



DATE: February 1, 2005

TO: MTA Board of Directors  
 Cleopatra Vaughns, Chair  
 Michael Kasolas, Vice Chair  
 Shirley Breyer Black, Director  
 Wil Din, Director  
 Rev. Dr. James McCray, Jr., Director  
 Peter Mezey, Director

FROM: Michael T. Burns  
 Director of Transportation

RE: Staff Recommendations for Parking Fine, Rate and Fee Increases

At the January 4, 2005 Municipal Transportation Agency (MTA) Board of Directors' meeting, staff provided a status update on the Fiscal Year 2005 and Fiscal Year 2006 (FY 05 and FY 06) operating budgets for the Agency. At this meeting, staff was directed to develop specific proposals and recommendations to address the projected deficit. This memo addresses those proposals related to parking fines, parking meter rates, Residential Parking and Contractor permits and parking garage rates.

## Summary of Recommendations

Area	Description	Estimated Additional Revenue	Estimated Timeline for Approval & Implementation
<b>Parking Fine Increase</b>	Increase all base fines by \$5, various safety related violations (crosswalk, intersection, red zone, white zone) by \$25.	\$4.4 million	Legislative Approval (BOS) - 2 to 3 months
			Implementation - 30 days
			Total - 3 to 4 months
<b>Parking Meter Rates</b>	Increase rates city-wide by fifty-cents an hour (new range of rates - \$2.50/hour downtown to \$1.50/hour neighborhood commercial district).	\$4.4 million	Legislative Approval (BOS) - 2 to 3 months
			Implementation - 4 months
			Total - 6 to 7 months
<b>RPP &amp; Contractor permits</b>	Increase annual RPP permit fee from \$27 to \$50, Contractor fee from \$325 to \$500, corresponding adjustments to visitor, temporary and other permit fees.	\$2.1 million	Legislative Approval (BOS) - 2 to 3 months
			Implementation - 30 days
			Total - 3 to 4 months
<b>Parking Garage Rate Adjustments</b>	Incremental adjustments at various rates in city-owned garages	\$2.5 million	30 days after approval by MTA Board of Directors

**Total Estimated Additional Revenue \$13.4 million**

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Parking fines

The MTA receives most revenue from parking fines collected at levels existing prior to the adoption of Proposition E, with the exception of those issued on Port property. The MTA is required to pay a small portion of this revenue to the State of California. Any revenue generated from incremental increases to parking fine levels is split equally between the MTA and the City's General fund. All parking fine increases must be approved by the Board of Supervisors pursuant to the California Vehicle Code.

In 2001 and 2003, the Board of Supervisors adopted two separate fine increase packages. The first package, which focused on safety and mitigating traffic congestion, was estimated to generate \$2 million in FY 03 (new rates were implemented mid-year). Actual revenues for these increases were \$1.8 million in 2003, followed by \$4.9 million in FY 04. It is projected that these specific fine increases will yield approximately \$4.3 million in FY 05.

The second package of increases, approved by the Board of Supervisors in FY 03 and implemented in FY 04, included high issuance violation categories and late penalties. This increase was estimated to generate \$9.5 million in fines and \$10.8 million in late fees, for a total of \$20.3 million in revenue. The MTA met its projections for parking fines, however, late penalties fell short of projections by \$5.1 million. This shortfall has been attributed to an initial increase in compliance for payment deadlines. For FY 05, it is projected that fine revenue will remain constant and late penalty payments will increase by \$3 million, for a total of \$17.6 million.

Due to current budget considerations, staff recommends additional increases to parking fines for FY 06. The proposal includes raising all base fines by \$5. Safety related violations, including red zones, white zones and blocking crosswalks and intersections, are proposed to increase by \$25, bringing the total to \$75. The goal of this set of increases is to bring safety-related parking fines closer to the fine level of sidewalk parking, which was set at \$100 by the Board of Supervisors in 2004.

The additional revenue generated by this proposal is estimated at \$8.9 million which would be split between the MTA and the City's general fund (\$4.4 million each). The revenue estimate takes into consideration the City's current collection and estimated compliance rates. Please see Attachment 1 for a detailed analysis of this plan.

If recommended by the MTA Board of Directors, staff will submit legislation to the Board of Supervisors for their approval. The estimated timeline from introduction to implementation of rates is three months.

Parking Meters

The Municipal Transportation Agency receives all revenue generated from parking meters in the City, with the exception of those on Port property. In March of 2003, the Department of

Parking and Traffic completed the city-wide conversion of all parking meters from the outdated mechanical meters to more advanced electronic meters.

It was projected that the new electronic parking meters would increase our revenue by \$5.6 million annually based on increased reliability of these meters. In addition, during the final phase of conversion, the Board of Supervisors approved a city-wide hourly rate increase of fifty-cents which was estimated to generate an additional \$12 million in parking meter revenue. Actual revenue for FY 04 fell short of these estimates by approximately \$5.7 million. It is difficult to isolate the variable which had the most impact on this revenue shortfall due to the combined impact of the meter conversion, rate increase and economic downturn, however, a reduction in the utilization rates appears to be the most significant outcome of these combined factors.

MTA staff is recommending an additional fifty-cent increase to hourly parking meter rates city-wide. This proposal would increase the rate from \$1.00 to \$1.50 an hour in the neighborhood commercial districts and from \$2.00 to \$2.50 an hour in the downtown core. This increase is projected to generate approximately \$4.4 million in additional revenue for the MTA. Attachment 2 provides further detail of this revenue projection. Based on the historical unpredictability of meter revenue, staff has approached this analysis conservatively. The analysis assumes a 25% reduction in coin deposit and utilization based on actual variance from FY 04 projections.

If recommended by the MTA Board of Directors, staff will submit legislation to the Board of Supervisors for their approval, along with data establishing the costs of the program and the total estimated revenue increase from the proposed rate increases. The estimated timeline for approval is two to three months. Implementation is estimated at four months.

Staff is also considering more long-term proposals related to parking meters including:

- extending meter operating hours into the evening and Sundays
- increasing maximum time limit for standard meters from one hour to two hours city-wide
- replacing all sign regulated time limited restrictions with parking meters

These proposals will have significant impact on the City's existing parking management policies. As a result, extensive outreach to the residents and businesses in the affected areas will be necessary prior to recommendation. Additional up-front and ongoing costs will be associated with increasing the operational hours and number of meters. These costs must be weighed carefully against the perceived benefits of implementation.

#### Residential Parking & Contractor Permits

The charge for Residential Parking Permits is defined as a regulatory, or cost-recovery, fee to provide for the administration of a preferential parking program authorized under the California State Vehicle Code. In a cost-recovery model estimated actual revenue cannot exceed the estimated expense of administering the program. These costs are limited to processing of permit

areas and applications, sign installation and maintenance. The current annual fee is \$27 for a standard permit. This fee has not been raised since 1998.

Contractor permits are authorized under Section 202.C of the San Francisco Traffic Code at an annual fee of \$325. Permits issued under this section exempts holders from RPP time limits and from depositing coins into parking meters. Permit fees include processing costs associated with application for the permit and estimated lost parking meter revenue. This fee has not been raised since 1998.

Based on an analysis of current costs, MTA staff is recommending an increase to both RPP and Contractor permits to recover full costs. Annual RPP permits would increase from \$27 to \$50 based on increased administrative and maintenance costs and Contractor permits would increase from \$325 to \$500 a year based on increased revenue loss from new parking meter rates. Temporary, visitor and other miscellaneous permits would also be increased as part of this proposal. Attachment 3 summarizes the cost recovery model and proposed permit fee increases.

If recommended by the MTA Board of Directors, staff will submit legislation to the Board of Supervisors for their approval. Estimated timeline for approval and implementation is four months.

#### Parking Garage Rates

Parking Garage revenue is dedicated to the Parking Authority, Municipal Railway and Recreation and Park. The Municipal Transportation Agency Board of Directors, as the Parking Authority, has final approval over all rate adjustments. Staff has conducted an analysis of demand for transient and monthly parking and typical capacity in all city-owned garages. Each garage has a different potential for increased income, including several that cannot sustain a rate increase without a revenue loss resulting from decreased demand.

Exhibits A through S provides a detailed summary of the proposed parking rates for each garage. In addition, you have been provided a detailed revenue analysis for each garage. Staff estimates that these rate adjustments will result in approximately \$460,000 of additional revenue from the Parking Authority/Parking and Traffic garages, \$2 million from Municipal Railway garages and \$600,000 from garages on Recreation and Park property. It is also estimated that approximately \$830,000 additional parking tax revenue will be generated with these rate increases of which 40%, or \$330,000, is credited to Municipal Railway operations. The total additional revenue estimated for the MTA is \$2.5 million.

The proposed rate structures were developed considering not only maximizing immediate revenues, but also long term pricing planning when formulating parking rate increases. After extensive analysis, in conjunction with the garage management teams, three proposals of hourly rate increase were developed: 1) 25 cents 2) 50 cents 3) one dollar. These analyses projected transient vehicle volume decreases and revenue increases for each garage under each scenario. In general, staff is proposing a minimum 50 cent an hour increase this year, with an understanding that future year increases of 25 cents an hour would be the best case scenario in terms of sustainability.

Based on existing transient occupancy rates and projected revenue, it was determined that the Japan Center, Vallejo, North Beach and General Hospital garages cannot support a rate increase as it would reduce transient numbers to such that garage revenues would decline. As an alternative, we are proposing increasing monthly rates at these garages. On the other hand, it was determined that the Ellis O'Farrell and 5<sup>th</sup> & Mission Garages could support a one dollar an hour increase. The rate structures for the remaining garages vary depending on forecasting analysis conducted for different scenarios.

After receiving initial feedback from the Board of Directors and the public, staff will revise the proposal and bring an item back before the Board for final approval. New rates will go into effect approximately 30 days after approval.

**Municipal Transportation Agency  
Parking fine increase proposal FY 2006**

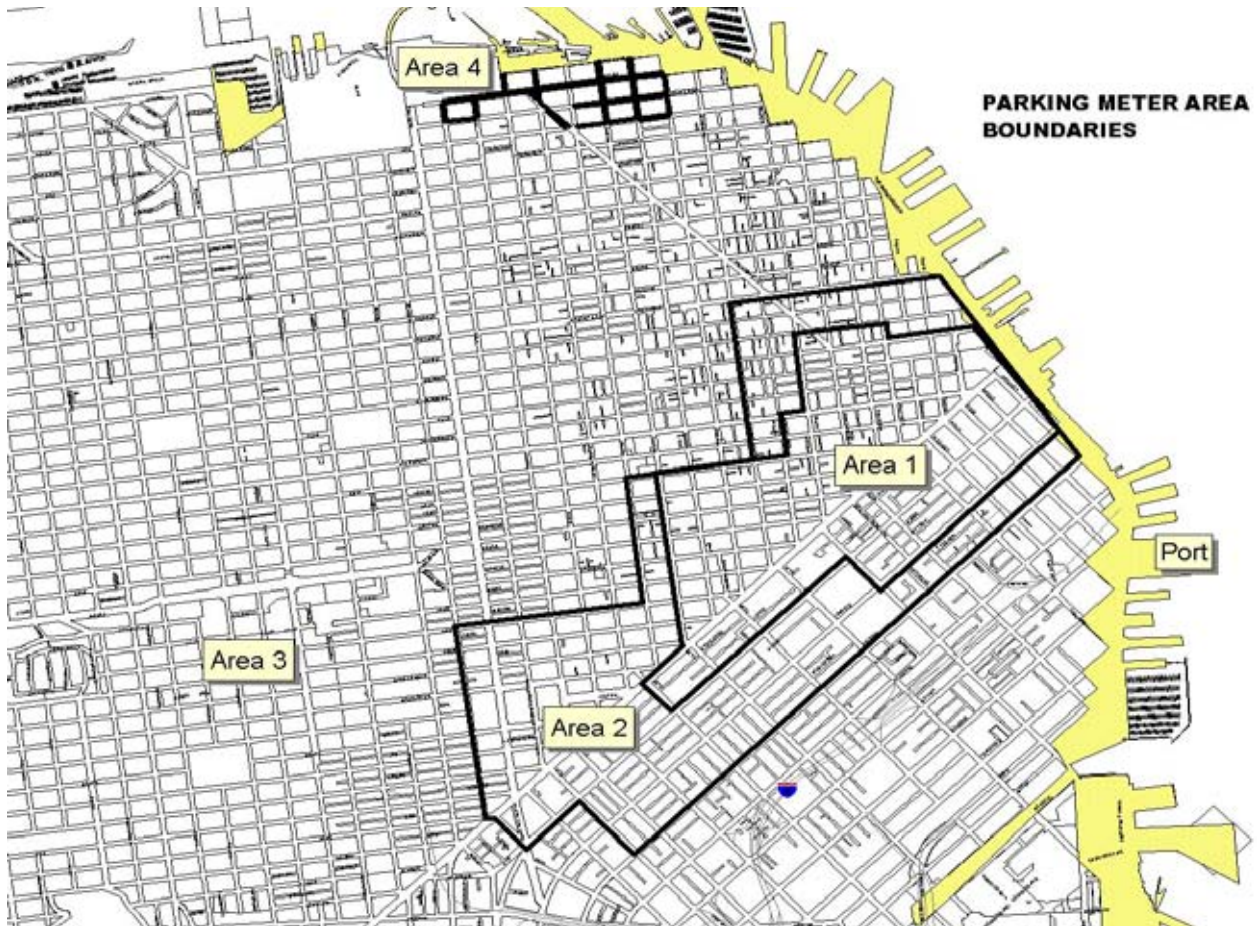
Common Name	2002-03 Issuance	2003-04 Issuance	Difference	% Change	Current Penalty	Proposed Increase	Proposed Penalty	Revenue Increase*
street cleaning	770,578	724,356	(46,222)	-6%	\$ 35	\$5	\$40	\$ 2,716,335
meter	460,456	503,177	42,721	9%	35	5	40	1,886,914
residential	228,830	232,696	3,866	2%	35	5	40	872,610
sidewalk	79,397	57,078	(22,319)	-28%	100	-	100	-
meter-downtown	107,938	120,557	12,619	12%	40	5	45	452,089
overtime parking	62,172	58,176	(3,996)	-6%	35	5	40	218,160
no parking	31,191	23,877	(7,314)	-23%	50	5	55	89,539
no stopping	44,696	46,237	1,541	3%	50	5	55	173,389
parking on grades	25,033	35,893	10,860	43%	25	5	30	134,599
truck loading zone	33,895	31,783	(2,112)	-6%	50	5	55	119,186
red zone	27,296	22,609	(4,687)	-17%	50	25	75	423,919
yellow zone	25,859	28,173	2,314	9%	50	5	55	105,649
yellow zone-downtown	20,233	19,206	(1,027)	-5%	50	5	55	72,023
driveway	34,125	33,481	(644)	-2%	75	5	80	125,554
crosswalk	16,934	13,281	(3,653)	-22%	50	25	75	249,019
no registration tabs	34,070	34,388	318	1%	50	5	55	128,955
hydrant	19,844	14,778	(5,066)	-26%	50	25	75	277,088
off-street meter	12,112	10,421	(1,691)	-14%	35	5	40	39,079
white zone	13,750	13,533	(217)	-2%	50	25	75	253,744
double parking	25,111	23,357	(1,754)	-7%	55	5	60	87,589
no stopping-downtown	21,847	23,489	1,642	8%	50	5	55	88,084
bus zone	6,247	6,215	(32)	-1%	250	-	250	-
3 ft. from ramp	2,314	1,848	(466)	-20%	275	-	275	-
all other violations	110,270	101,613	(8,657)	-8%	varies	5	varies	381,049
<b>TOTAL</b>	<b>2,214,198</b>	<b>2,180,222</b>	<b>(33,976)</b>	<b>-2%</b>				<b>\$8,894,569</b>

*\*Assumes 25% reduction based on collection and compliance*

**Municipal Transportation Agency  
Parking meter rate increase proposal FY 2006**

Proposed Rate Summary

	Rate Area	Meters	% of Revenue	Hourly Rates	Proposed Hourly Rates	Amt Increase	% Increase
A1	Downtown	2,897	8%	2.00	2.50	0.50	25%
A2	Ring around downtown	4,178	17%	1.50	2.00	0.50	33%
A3	All other areas	14,308	71%	1.00	1.50	0.50	50%
A4	Fishermans' Wharf	444	3%	1.50	2.00	0.50	33%



Attachment 2

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**Municipal Transportation Agency  
Residential Parking and Contractor permit fee increase proposal FY 2006**

	Current Fee	Proposed Fee	Projected Issuance FY 06	Projected Revenue FY 06
RPP Standard				
6 month	\$ 14	\$ 25	12,247	\$ 306,171
1 year	27	50	18,370	918,513
RPP Renewals	27	50	49,678	2,483,910
Teachers	27	50	979	48,960
Carpool	27	50	138	6,885
Farmers	27	50	22	1,080
Vanpool	27	50	141	7,065
Contractor				
6 month	163	250		
Annual	325	500	1,171	585,450
Renewal	325	500	1,289	644,400
Visitors				
2 weeks	10	20	656	13,122
4 weeks	20	30	457	13,716
6 weeks	30	40	119	4,752
8 weeks	40	50	545	27,270
Temporary				
1 week	10	20	1,778	35,550
4 weeks	\$ 20	\$ 40	2,364	\$ 94,572
Total			89,954	\$ 5,191,416
Additional Costs Recovered				<b>\$ 2,193,312</b>