



DATE: February 28, 2017

CATEGORY: New Business

DEPT.: Community Development

TITLE: **Downtown Parking – Ride-Sharing Credit and Valet Parking Pilot Programs**

RECOMMENDATION

1. Approve the proposed ride-sharing credit and valet parking pilot programs.
2. Appropriate \$165,000 in the Parking District operating fund for the implementation of ride-sharing credit and valet parking pilot programs. (Five votes required)
3. Appropriate \$30,000 in the Parking District operating fund for Economic Development Division staffing of the pilot programs. (Five votes required)

BACKGROUND

Downtown Mountain View is supported by 11 public parking facilities—2 parking structures and 9 surface parking lots with approximately 1,584 off-street parking spaces (Attachment 1—Downtown Mountain View Parking Map). These off-street parking spaces have timed parking restrictions from Monday through Friday, 8:00 a.m. to 5:00 p.m. To help manage daytime parking demands between long-term parkers (i.e., employees) and short-term parkers (i.e., retail/restaurant patrons), the City administers a Downtown Parking Permit Program for property owners, businesses, and residents within the Parking Maintenance and Operations Assessment District (Parking District) and they are eligible to purchase parking permits.

The management and operations of the public parking facilities are funded by the Parking District. The City's General Fund does not contribute to the Parking District. The Parking District generates revenue through a parking permit program, property owner assessments, and property taxes. The Parking In-Lieu Fee is a separate fee associated with the Parking District and is paid by developers in lieu of constructing parking on-site. The fee revenue is used for the creation of new public parking.

On October 18, 2016, City Council held a Study Session (Attachment 2 – Study Session Memo) to discuss current downtown parking conditions and future parking demands. Current parking conditions illustrate strong demand for parking in downtown during two parking peaks at the lunch and dinner hours on Thursday and Friday and on average, the City would need between 87 and 153 net new parking spaces to reach an 85 percent occupancy goal. Practical capacity is typically defined as 85 percent when it becomes difficult for a driver to find a parking space without having to “cruise” for parking. In addition, staff identified the cost of constructing a parking space (in an above-grade parking structure) in downtown Mountain View as \$55,000 to \$64,000 in 2016 dollars.

The City Council also discussed and provided input on options to accommodate parking demands in downtown Mountain View. Staff presented short-term and long-term options to help support the downtown public parking system. The short-term options—ride-sharing credit pilot program and valet parking pilot program—address the more immediate parking demands and the long-term options focus on shared parking agreements, the feasibility of a third parking structure, and studying paid parking. City Council directed staff to further explore the two short-term pilot programs—ride-sharing credit and valet parking, and two long-term options—shared parking agreements and a paid parking study.

ANALYSIS

Based on the input City Council provided at the October 18, 2016 Study Session, staff developed a work plan for a ride-sharing credit pilot program and valet parking pilot program, including a scope of services, timeline, and budget. The goal of the two pilot programs, if successful, is to increase public parking capacity within the existing public parking system and reduce public parking demand without having to build a new parking structure. The ride-sharing credit pilot program is anticipated to encourage drivers to use ride sharing as an alternative mode of transportation instead of driving to downtown Mountain View. Meanwhile, valet parking is anticipated to increase parking capacity within an existing parking lot without having to create new parking spaces. Staff will return at a future City Council meeting with recommendations for shared parking agreements and a paid parking study.

Ride-Sharing Credit Pilot Program

Staff is recommending a ride-sharing credit to help incentivize the Mountain View community to ride share rather than drive and park in the downtown. The pilot program will be available to people coming and going from downtown Mountain View to another Mountain View location. The City will partner with two transportation

network companies—Lyft and Uber—on a six-month pilot program. Staff recommends a six-month pilot program so staff can study the impacts ride sharing has on the downtown and how it affects parking demand. The credit will be a 50 percent discount on the ride, not to exceed a \$5.00 total credit.

The program will only apply to Mountain View-based rides and the number of rides will also be limited to 10 rides per month per user. The program will operate Monday through Sunday and 24 hours a day. There will also be drop-off and pick-up zones on the side streets—Villa Street, West Dana Street, California Street, and Mercy Street between Bryant and Hope Streets—to help alleviate ride-sharing related traffic congestion (i.e., double parking). On-street parking spaces will be identified as loading zones for the services. The program will begin second quarter of 2017.

Ride sharing typically involves a transportation network company like Lyft and Uber to coordinate rides between a driver and a passenger through a mobile application. The driver agrees to pick up one or more passengers at the home, office, or other public location and the passenger pays a fee for the service. The companies will use geofencing (a virtual geographic boundary) to identify the City's boundaries and the downtown zone. To help track the program usage, general data sharing will be provided from both Lyft and Uber to help staff monitor ride-sharing program usage. In addition, staff will track off-street public parking demands by collecting parking occupancy counts in all the public parking facilities.

Valet Parking Pilot Program

Staff is recommending an attendant-assist valet parking pilot program at a designated public parking lot to help increase the efficiency of a parking lot by providing additional parking spaces. The pilot program will be implemented at Parking Lot 11 (Franklin Street at Villa Street) during the lunch and dinner hours under the following days and hours: Thursday through Saturday from 11:00 a.m. to 2:00 p.m. and 5:00 p.m. to 12:00 midnight. The program will be available for any driver parking in downtown Mountain View during those time frames. Staff recommends a yearlong program to allow the program to run through the holiday season. The City will contract with a parking management company to operate and manage the valet service, but staff will work closely with the company to monitor program usage. No fee would be charged during the pilot program to encourage drivers to use the program and provide support to the downtown business community. If the pilot program is successful, staff will explore long-term options, including mechanisms for cost recovery. The program is anticipated to begin second quarter 2017.

On average, an attendant-assist program will add approximately one additional parking space for every three marked stalls. Compared to a traditional valet parking system, attendant-assist valet parking requires less operational space since there is no single point of drop-off/pick-up for the vehicles or on-street valet stands. Instead, two parking attendants will be stationed throughout the facility to help vehicles coming and going. Parkers using the valet service will self-park their vehicles into a parking space as directed by a parking attendant. Once all of the parking spaces are occupied, an attendant will direct drivers to park in the drive aisle blocking the other parked vehicles. This allows the attendants to begin utilizing the drive aisles and create additional unmarked parking spaces. The driver will release their vehicle and vehicle keys to the parking attendant and receive a claim ticket. This will allow the attendants to move vehicles as needed to allow drivers whose vehicles are blocked by other vehicles to exit. When a driver comes back to retrieve their vehicle, the attendants will help the drivers with the process and if necessary, move vehicles.

Valet Parking Location Analysis

Staff narrowed down the potential location for the pilot program to Parking Lot 2 (Bryant Street between Villa Street and West Dana Street) or Lot 11 (Franklin Street at Villa Street). Staff reached out to several parking management companies who operate valet parking systems in other cities to help provide additional information on the location options. Parking Lot 2 has capacity for 104 cars, but with an attendant-assist program, can add an additional 25 cars for a 24 percent increase in parking lot capacity. The location is close to Castro Street and will be convenient for drivers using the pilot program, but limits the amount of available parking for businesses directly adjacent to the lot. Also, the parking lot configuration may be challenging to maintain an easy traffic flow. The parking lot is currently at 100 percent capacity during the lunch and dinner hours.

In comparison, Parking Lot 11 has capacity for 77 cars and an attendant-assist program would add an additional 21 cars for a 27 percent increase in parking lot capacity. This does not include the surface lot the City acquired from the 250 Bryant Street (former Dunn Automotive site) property owner, but use of that lot could potentially increase the parking capacity. There would be no impacts to adjoining property owners. While Lot 11 is further from Castro Street (1.5 blocks), the parking lot is better suited for a valet parking service due to the wider drive aisles and shape of the parking lot. Like Lot 2, Lot 11 is currently at 100 percent capacity during the lunch and dinner hours.

Outreach and Communications

Staff has presented details of the parking pilot programs to the Downtown Committee, Central Business Association (CBA), and Chamber of Commerce (Chamber). The Downtown Committee provided input on both pilot programs. The Committee is supportive of both programs, but would like to see the programs focus on supporting the downtown restaurant and retail business community. Meanwhile, staff will partner with the CBA and Chamber of Commerce to promote the pilot programs. As the pilot programs progress, staff will continue to provide updates to the Downtown Committee and work with the CBA and Chamber to ensure businesses and the community are aware of the pilot programs.

FISCAL IMPACT

The two pilot programs are estimated to cost approximately \$150,000 with an additional \$15,000 for administrative costs—marketing costs, parking data collection, and contingency. The programs will be funded through the Parking District. The current adopted budget for Fiscal Year 2016-17 is \$667,000 with estimated revenue of \$1.25 million and an estimated ending balance of \$5.1 million. The balance does not include the Parking In-Lieu fee balance.

Based upon conversations with the transportation network companies—Lyft and Uber—staff is recommending \$50,000 for the ride-sharing pilot program (or \$25,000 per company). In addition, staff had preliminary discussions with several parking management companies and recommend \$100,000 for the valet parking pilot program. If either or both programs are successful, staff would come back with recommendations for a long-term program, including cost recovery options (i.e., charging a fee or partnering with the downtown businesses). The administrative costs will support marketing efforts and tracking public parking demands during the implementation of both pilot programs and a contingency amount.

A summary of estimated costs for the pilot programs as follows:

Valet Parking Credit Pilot Program	\$100,000
Ride-Sharing Credit Pilot Program	50,000
Marketing	5,000
Parking Occupancy Data Collection	5,000
Contingency	<u>5,000</u>
Total Estimated Costs	<u>\$165,000</u>

In addition, staff is also recommending a budget of \$30,000 for the current fiscal year (Fiscal Year 2016-17) to help support the management of the programs while staff is on maternity leave.

CONCLUSION

Mountain View has a thriving downtown with a diverse mix of retailers, restaurants, and companies. The overall management of the downtown public parking system helps support these businesses by providing efficient and convenient public parking. Implementation of the ride-sharing credit and valet parking pilot programs are anticipated to provide solutions to the current parking demands and make the existing public parking system more efficient without having to create new parking spaces. Staff will return to City Council with program results and if successful, long-term recommendations.

ALTERNATIVES

1. Modify the proposed programming for the ride-sharing credit pilot program.
2. Modify the proposed operations—location, days of the week, and hours—for the valet parking pilot program.
3. Do not implement the valet parking pilot program, but implement ride-sharing credit pilot program.
4. Do not implement the ride-sharing credit pilot program, but implement the valet parking pilot program.
5. Do not implement either program and provide other direction.

PUBLIC NOTICING

Agenda posting and a copy of the report was sent to the Central Business Association, Chamber of Commerce, and Downtown Committee. In addition, notices were mailed to property owners within the Parking District.

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TC-AA/7/CAM
822-02-28-17CR-E

Attachments: 1. Downtown Mountain View Parking Map
2. October 18, 2016 Study Session Memo