Parking Program and Organizational Review

Prepared For:

City of Salinas
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**Kimley-Horn
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Memorandum

To: Mr. James Serrano, Transportation Manager, City of Salinas

From: Janis Rhodes, Project Manager

Date: December 5, 2012

Subject: Parking Organizational Analysis of City Provided Parking Services

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We are pleased to present our preliminary analysis and review of the City of Salinas' parking services. For this study, Kimley-Horn and Associates, Inc. (KHA) limited its review of services to how and where services are provided and not on the review of the services themselves or the effectiveness of those services.

Project Description

The City of Salinas has a long history of providing services in collaboration with the community for the downtown. During that long history a variety of services related to parking have also been provided. While the majority of those services have been provided in the downtown and civic center areas, other parking services have extended to the several areas within the City including the Salinas Valley Healthcare System campus and surrounding community area, area schools and community college campuses.

The City's parking services have included management and operations of the on-street spaces and off-street parking lots and management of the City's downtown parking structures, neighborhood enforcement programs and a residential permit parking program surrounding the Salinas Valley Healthcare System and hospital campus. Parking services have been provided by several City Departments and primarily have included enforcement services through the Police Department, maintenance of downtown lots/parking facility, parking lot collections, and other various field operations through the Environmental Maintenance unit of the Public Works Department, permit issuance, monthly permit sales and financial deposits/management through the Finance Department. Policy development and administration was provided through the Engineering and Transportation Division. The City's Community & Economic Development department provided services for development and financing of the parking structure through the former Redevelopment Agency and work in collaboration with the Oldtown Business Improvement and Parking District.

During the last few years the City has experienced, as has many other California cities, constraints on its staffing resources, budget resources and the economic downturn of the past 4-5 years. These

constraints have impacted the City's parking program including having parking enforcement staff all but disappear, which severely impacted not only parking citation revenues but also impacted parking revenues for parking lots and the success of the residential permit parking program. Without enforcement, parking patrons realize that they do not have to pay for parking or park where they are authorized, since there is no risk of receiving a parking citation.

Project Analysis

The existing parking program was reviewed in a comprehensive and thorough manner reviewing materials and data provided by City staff, conversations with City staff, previous work effort and knowledge of the City and field observations of use of on-street spaces, parking lots and facilities. The areas reviewed included policies, operations management, procedures, organizational structures, existing technologies, financial resources and condition of facilities. No field data was collected during the course of this study. Additionally, all information was reviewed and compared to industry standards, program benchmark performance and programs at similar cities.

This report presents a comprehensive and holistic approach in building a parking program for the City of Salinas, utilizing its existing assets, capitalizing on the potential of new technologies and techniques, providing a high degree of customer based services, and developing solutions that are tailored to the community's needs and vision for economic growth. Additionally, recommendations will be made regarding the phasing of the recommendations which serve as a tool and guide for successful implementation.

The recommendations are presented in a "Top Down" approach that begins with high level planning strategies and initiatives and continues through specific recommendations and solutions for each facet of the parking program. "Top Down" parking strategies are generally centered around thirteen key benchmark elements. Every well managed municipal parking program has been found to include the full development of these key strategies. They are:

"Top Down" Parking Management Strategy

1) **Vision Statement**
2) **Philosophy and Guiding Principles**
3) **Strategic Parking Planning and Management**
4) **Community Involvement and Outreach Structure**
5) **Parking Program Organizational Structure**
6) **Infrastructure and Maintenance Plans**
7) **Operational Efficiency**
8) **Structuring of Parking Rates**
9) **Leveraging Parking Technologies**

10) **Improving Wayfinding and Guidance**
11) **Communications Strategies**
12) **Parking Enforcement**
13) **On-Going Review of Parking Needs Assessment**

Vision Statement:

Prior to establishing new management priorities and strategies, it is important to define the overall objectives of a parking organization, including a consolidated vision statement and a specific mission statement, and action items to help achieve the vision and mission. Based on conversations with City staff, the following initial vision and mission statements are suggested for the City of Salinas Parking Program. The vision statement should be developed and adopted as primary directives for the parking program in the immediate short term. As the parking program progresses in its development and maturation, new assets, resources and needs will become available and unique parking issues will surface, the City should revisit these and adapt the vision statement accordingly.

Statement Vision:

Develop and operate a parking program that supports the overall growth and economic development of the City of Salinas Community. The parking program should enhance the downtown experience and provide support to the Salinas business community. The actions and steps of the parking program should be sustainable and ensure the health and vitality of the greater Salinas Community.

Philosophy and Guiding Principles

Concurrent with the development of the vision statement, the City should begin to redevelop its philosophy towards parking planning and management. In years past, many communities have viewed parking as a means to an end – simply a place for downtown patrons to warehouse their cars. However, progressive public agencies have begun to realize that the provision, management and operation of parking can be a vital catalyst that is needed to ensure successful growth and sustained economic success.

In line with the proposed vision statement, the City should begin to adopt the philosophy that the parking program is one of its key economic development tools, and develop guiding principles that mirror that new philosophy. An example of these new guiding principles is shown below. The City needs to formalize its guiding principles, prioritizing the list below, adding to the list or replacing items on the list to meet the City's needs. These guiding principles should serve to support the vision, mission, and philosophy of the parking system.

The Guiding Principles should give direction to the policies and actions of the Salinas Parking Program, leading the decisions, making and informing how the parking infrastructure is utilized, implementing technology, and devising how organization and operations are handled. Here are a couple of examples of some of these Guiding Principles:

Economic Development:

The Salinas Parking Program will assume a leadership role in developing public policies that support parking and access management as a key element of the downtown economic development strategy.

Organizational Leadership:

The parking system will be organized to be "vertically integrated" with responsibility for as many parking functions as possible within a single organizational entity (i.e. on-street parking, off-street parking, parking planning, and development). By consolidating the various parking functions under a single department, the City will have established a consolidated system that is action-oriented, responsive, and accountable with improved services, coordination and operating efficiencies.

Customer Service:

Parking will support the downtown as a desirable destination for businesses, shopping, dining, and recreation by making parking a positive element of the overall downtown experience. The parking system will strive to develop and operate parking facilities that are clean, convenient, safe, and secure for both the general public and their staff.

Guiding Principles would be developed for each of the areas that the City develops that is appropriate for its community. While numerous communities have developed guiding principles, and examples exist that are unique for each of those communities, it is recommended that the City of Salinas develop its own Guiding Principles which will be unique to its community needs. These Guiding Principles will assist the City in initiating and developing a successful parking organization and program.

> **Sample Guiding Principles:**
>
> - Economic Development
> - Organizational Leadership
> - Customer Services
> - Planning/Urban Design Policy
> - Effective Management
> - Leveraging Technology
> - Communications/Marketing/ Promotion
> - Accountability/Financial Management
> - Integrated Access/Mobility Management
> - Sustainability

Parking Program Organizational Structure

Over time, the organizational structure for parking management in most municipalities has grown into fragmented systems housed in numerous departments, with the best description of the structure as horizontally integrated. This fragmentation occurred over a number of years before

city planning and management bodies began to recognize the importance of a compact and holistic parking organization. Typically the fragmentation occurred for a number of reasons, including:

❖ Cities began to recognize the need to manage on-street parking assets. Logically, because Public Works already managed the street right-of-way, it seemed logical for that department to manage that component of the parking system.

❖ As parking infractions increased, enforcement became more of an issue, the need to establish an enforcement component logically fell to the Police Department, which was already handling citations for non-parking offenses.

❖ As new off-street surface lots and parking structures were developed, the need to plan and manage those assets became a function of the Community Development Department or Public Works, as those departments already planned and managed the City's real estate and infrastructure.

❖ As the parking system began to generate revenue, the Finance Division became involved in order to manage the money collected and the related expenses.

While housing all of those functions in different departments wasn't necessarily wrong, it did lead to a decision making process that often excluded key components of the parking program. Over the past few decades, many communities have begun to move in the direction of a more centrally located parking organization. While there may be several models to create a vertical organizational type that the City might consider, the following is the most suitable for the City of Salinas.

Vertically Integrated Department Model:

The vertically integrated parking management model is much like a typical City department. The group is led by a manager along with a group of small support staff. This unit would have complete responsibility for all aspects of the parking program system, including the following program elements:

❖ Off-street parking facilities
❖ On-street parking facilities
❖ Parking enforcement
❖ Parking system branding and marketing
❖ Implementation of and management of technology
❖ Parking facility maintenance programs
❖ Parking capital program development
❖ Parking ordinance and zoning regulation reviews
❖ Residential permit parking programs
❖ Community education and outreach
❖ Financial management including revenue collection and expense management
❖ Vehicular demand management programs, as they relate to the parking facilities

By vertically integrating the parking organization, the City is ensuring that all parking decisions are made in the context of the organization's vision statement, and are following the defined guiding principles. The City of Salinas could hire a new parking manager that oversees the parking system and helps to manage the various functions of the parking program. The parking manager could be supported with a small staff – an operations supervisor (manages the facilities and out of office parking systems), possibly

a program planner (who assists with branding, planning, program development and community communications), a parking enforcement supervisor, who oversees and manages the parking enforcement and towing functions, and a business manager (who assists with internal programs such as permit issuance, citation administration, revenue management and budgeting). Many of the City's services can continue to be contracted with various parking service providers allowing this small group of professionals to focus on policy, customer service and contract administration.

An example of a recommended organizational structure for the City of Salinas is shown below.

Proposed Parking Division

Public Works

Parking Management
and Operations
Parking Manager

Parking Business
Manager

Parking Operations
Manager

Parking Program
Planner

Parking Enforcement
Supervisor

Choosing the right organizational model for the City of Salinas isn't as easy as choosing an organizational chart. Choosing the right fit for the City will take some additional discussion and evaluation. As part of the evaluation and selection of the appropriate management structure, the City needs to assemble various city units with a vested interest in the development of the parking program and downtown

growth. Using this sounding board as the basis for making an informed choice, the City should ask the following questions about the organizational model:

- ❖ What model best supports economic development?
- ❖ Which model is most efficient/cost effective?
- ❖ Which model is most customer-friendly?
- ❖ Which model is most politically feasible?
- ❖ Which model is most focused on the vision?
- ❖ Which model is the easiest to achieve?
- ❖ Which model is the most responsive to businesses and stakeholders?
- ❖ Which model is most financially viable?
- ❖ Which model provides the most effective coordination?

The answers to these questions will help the City define its new organizational model and begin to reinvent the parking management organization.

In addition to choosing the right organizational model for the City, it is critical to the success of the program to insure that the program is high enough within the department to receive the appropriate attention and visibility for policies and program decisions to be made easily. Too often, cities believe that if they bury the parking program so far down into the organization, parking will just disappear and the organization will not have to hear or engage in the many issues and discussion items that arise from a parking program. In fact, the counter situation is what is desired. Developing the "Top Down" program approach and giving the program the attention, visibility, and level within the organization to solve problems, develop the vision which it implementable, creating the programs and policies is what allows the program to be responsible to the community and negative attention to the program to disappear.

An example of the appropriate level of where the parking program would fit is to include it as unit within the Public Works Department. Thus, it is allows appropriate communications with the community and with peer departments and provides the responsiveness for policy making and program implementation. An example of a potential departmental organization for the department is shown on the next page.

Proposed Public Works Organization Chart

Recommendations:

The City should implement the following recommendations:

Short-term/Immediate

- ❖ Identify a small group key personnel to develop a Vision Statement and Guiding Principles plan.
- ❖ Assemble all the interested parties of the City and seek agreement and development of a "Vertical" parking program organizational structure.
- ❖ Once the organization structure is identified, begin the process of selecting a Parking Manager to lead/develop the program. A Parking Manager can begin the process of organizing and structuring all the components of the parking program.
- ❖ **The most immediate and critical path for the parking program's success is to achieve a parking revenue source to support all the other elements of the program. The most immediate return of revenue for the City's parking program is through parking citation issuance.**

Mid-term/12-months – three years

❖ Complete a detailed parking study of the downtown which reviews the City's current supply/demand and how current parking inventories are being used and by whom. This study should also include a parking management plan which provides a comprehensive development plan for re-inventing the parking program for the downtown.
❖ Once the Comprehensive Parking Plan is completed and received, begin the implementation of the plan as soon as possible.
❖ Add the full complement of parking staff needed to support the program and implementation of the program along with the needed parking enforcement staff whether as an in-house program or an out-sourced program.

Potential Revenue

One of the issues that often occur when cities experience the kind of impacts and changes that the City of Salinas has experienced over the last few years, is the change to parking services provided and the lack of revenues realized. Salinas is not unique in the impacts to its parking program, they occur with each agency who has to make the kind of changes that have been made. The good news is that changes can be made and implemented in most cases that are more effective and result in services and revenues that are even greater than they were before the program and services were discontinued or dissolved.

What happens during the downward trend is that not only is there the deterioration of services and customer amenities to the program, there is a reduction of revenues that continues to exacerbate over time. Due to program cuts resulting in budget cuts and staff reductions, facilities and equipment repairs and replacement are deferred; if there is reduced enforcement, parking citation income continues to reduce; employee and customer parkers realize that there is reduced enforcement, so there is no incentive to purchase permits or pay daily parking rates. Over time the costs to re-engineer, re-start and re-invent a new programs becomes more costly because it requires more than just replacing staff positions which were eliminated.

The point is that successful parking programs are achieved when there is a balanced program with all amenities, services and functions continuously being provided in a cost effective and efficient manner. To achieve a balanced program again, it will take time and a comprehensive commitment of all departments for the program to be successful and for the City, its residents and its visitors to realize a balanced parking program is once again in place providing all the services needed for a successful program.

If recommendations are implemented and a comprehensive parking study is completed and implemented, the City could realize a return to a positive cash flow for the parking program within a short period of time. However, achieving a fully balanced program will take approximately 2 – 4 years to achieve.

Based on similar sized cities with similar parking program components, the City's parking program could return to a level of $5 – 7 million in gross revenues. Net revenues could return to the $3.5 – 5 million range depending on operational costs and collection ratios. This is a cautious projection and is contingent upon the City following through with implementing the above recommendations and re-inventing its parking program. It will however, take 3 – 5 years to return to this level and will require a constant review and response to improving the parking management program, and its management and operational procedures. Over time, and with the complete implementation of a highly successful program, the City will realize even higher parking revenues.