

CITY OF LONG BEACH

H-2

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 3rd Floor Long Beach, CA 90802 Phone: 570.5237 Fax: 570.6215

December 15, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive the supporting documentation in the record, conclude the public hearing and adopt the resolutions modifying the parking fees at the Civic Center, CityPlace Mall, and Aquarium of the Pacific parking structures, as well as the surface lots located at Long Beach Boulevard and Broadway, and at Third and Cedar Avenue; and authorize the City Manager to establish event parking rates and an on-line monthly parking permit system. (Districts 1 and 2)

DISCUSSION:

In 2008, the City of Long Beach's (City) Parking Operations Division completed a Strategic Plan (Plan) for parking operations within the Downtown. The goal of the Plan was to identify short-term and long-term actions that would improve parking management and access throughout the city. Two key components of the Plan were a market rate study of the Downtown parking system and an assessment of the existing Downtown parking validation program. The Downtown parking validation program currently provides two hours of free parking with validation in the City's CityPlace (Structures A, B, and C) and Civic Center parking facilities; the City's Aquarium of the Pacific structure (also known as the Queensway Bay structure) has 90 minutes of free validated parking.

In an effort to meet existing operational demands, staff proposes to amend the current parking rate schedules for parking facilities at the Civic Center, CityPlace, and Aquarium of the Pacific (Aquarium), as well as at surface lots located at the northeast corner of Long Beach Boulevard and Broadway and the southwest corner of 3rd Street and Cedar Avenue. Furthermore, additional operational funds are needed to respond effectively to security concerns, to build a maintenance reserve fund for needed repairs, and to meet debt service and operational expenses. To address these issues, staff recommends the adoption of the proposed rates shown in Exhibit A, "Proposed Rate Adjustment for Downtown City-Owned Parking Facilities." The effects of the new rates are presented in Exhibit B, "Revenue and Expenses for City-Owned Parking Facilities in Downtown", and described below.

Broadway/Civic Center Parking Structure

The Broadway/Civic Center parking structure provides revenues to the Civic Center Fund. To reduce operating expenses, this parking facility is undergoing an automation project approved by the City Council in September 2008. Concurrent with the automation project, security cameras, emergency call boxes, and a vehicle inventory system, which alerts motorists of the number of parking spaces available per level, are being installed.

During Fiscal Year 2009 (FY 09), this facility generated revenue of \$783,216; expenses totaled \$542,919, with the difference used to fund a capital reserve. Adjusting parking rates to the recommended levels will increase income in the Civic Center Internal Service (IS 380) fund by approximately 8 percent, generating a projected \$843,288 annually. This rate adjustment will help to offset the cost of the above-mentioned facility improvements, allow staff to address deferred maintenance needs (e.g., elevators and stairs) and enhance revenues in the Civic Center fund to cover the full cost of providing parking services. Fiscal Year 2010 (FY 10) expenses are estimated at \$795,554, including the expenses related to the deferred maintenance. Approximately \$50,000 will be used to maintain an operating capital reserve.

CityPlace Parking Facilities

For several years, the CityPlace parking structures have operated at a significant deficit. This deficit can be attributed to the two-hour free parking validation program and the high volume of parkers who leave within the first two hours. Similar to the Civic Center, the entire facility is undergoing an automation project (approved by the City Council in June 2009). Additional improvements, such as new security features, are also included in the project.

During FY 09 this facility brought in \$938,136; while direct expenses totaled \$1,419,88. The result was a deficit of \$481,750. Adjusting parking rates to the recommended levels will increase income in the General Fund (GP) by approximately 6 percent, providing estimated revenue of \$1,088,694. This rate adjustment combined with the automation upgrade is anticipated to eliminate the operational deficit and generate approximately \$65,000 to cover the indirect costs associated with the CityPlace Structure. In addition, it will no longer be necessary to have a validation to park free for the first two hours.

The proposed adjustment is consistent with the "Parking Rights Agreement" between the City, the Redevelopment Agency and the successor of Coventry Long Beach Plaza, LLC (Shooshani Developers, LLC), which allows rate increases sufficient to cover direct increases in operating expenses plus 1.5 percent.

Aquarium of the Pacific (Queensway Bay) Parking Structure

The Aquarium parking structure opened to the public in 1998. The parking rates have not been adjusted since May 1999. This structure incurs considerable expense due to old and outdated gate equipment and a poorly designed elevator system. A security camera system is currently being installed. In addition, the Aquarium shares in the revenues generated by the parking structure under existing contractual obligations with the City.

FY 09 Aquarium parking revenue amounted to \$3,607,657; while direct expenses for FY 09 came to \$3,232,657. Adjusting parking rates to the recommended levels will increase

income in the Aquarium Tidelands Fund (TF 411) by approximately 8 percent, generating a projected total of \$3,889,316 in revenue annually. The rate adjustment will offset expenses, fund additional security enhancements, and ensure that funds are available to meet the City's contractual obligations with the Aquarium.

On-line Sales and Special Events

Staff also recommends an on-line monthly parking system to improve the management of monthly parking permits. This system, already in use by the City for issuing special event and residential parking permits, will improve customer service and increase staff efficiencies by allowing all monthly permit holders to purchase their parking permits at any time of the day or night. Recommended fee amounts are listed on Exhibit A. Lastly, staff recommends authorizing the City Manager to establish special parking rates for special events at all of parking locations on a per event basis.

The Aquarium has reviewed the recommended rate adjustment and supports this action. On October 8, 2009, the Downtown Long Beach Associates (DLBA) Executive Committee reviewed the recommended rate adjustments and is also supportive of this action.

Resolutions granting permission to members of the public to park in the CityPlace, Civic Center and Aquarium parking facilities, and to revise fees with respect thereto, are attached.

This letter was reviewed by Chief Assistant City Attorney Heather A. Mahood on November 23, 2009 and by Budget and Performance Management Bureau Manager David Wodynski on November 30, 2009.

TIMING CONSIDERATIONS

City Council action on this matter is requested on December 15, 2009 to derive the most benefit from the rate increase and to coordinate rate increases with the automation of the Civic Center and CityPlace garages. Additionally, a rate increase at the Aquarium parking facility will assist in meeting the City's financial obligations to the Aquarium. The California Coastal Commission (CCC) must also act on the rate increases for the Aquarium parking structure before they can be implemented. The next available California Coastal Commission meeting is February 10, 2010.

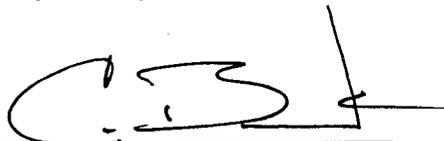
FISCAL IMPACT

Adjusting parking rates to the recommended levels is estimated to increase income in the Aquarium Tidelands (TF 411) fund by 8 percent to \$3,889,316 annually, increase income in the Civic Center Internal Service (IS 380) fund by 8 percent to \$843,288 annually, and increase income in the CityPlace General Fund (GP 100) by 6 percent to \$1,088,694 annually. This adjustment is estimated to increase revenues in all three funds by \$492,289 annually and will end existing City subsidies to the CityPlace garages and have the parking facilities operating without a loss.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CRAIG BECK
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:


PATRICK H. WEST
CITY MANAGER

CB:AJB:LM

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Attachments: Exhibit A - Proposed Rate Adjustment for Downtown City-Owned Parking Facilities
Exhibit B - Revenue and Expenses for Downtown and City-Owned Parking Facilities
Resolutions (4)

Exhibit A

Proposed Rate Adjustment For Downtown City-Owned Parking Facilities

Broadway/Civic Center Parking Structure (332 W. Broadway Ave.)

Current Rates:

30 min. free
 \$1.25 ea. 20 min thereafter
 \$7.50 max/lost ticket
 \$1.25 for first 2 hrs. with library validation
 \$50 monthly parking permit
 \$6 - \$15 flat rate for events (rate to be determined by the City Manager on a per event basis)

Proposed Rates:

30 min. free
 \$1.75 ea. 20 min. thereafter
 \$10 max/lost ticket
 \$1.75 for first 2 hrs. with library validation
 \$60 monthly parking permit
 \$6 - \$20 flat rate for events (rate to be determined by the City Manager on a per event basis)

CityPlace Parking Structures A-C (50 E. 3rd St., 50 E. 5th St., 50 E 6th St.)

Current Rates:

2 hours free with validation
 \$2.00 per hr thereafter
 \$8.00 max/lost ticket
 \$45 monthly parking permit (non-City Place merchants/employees)
 \$10 monthly parking permit (City Place merchants/employees)
 \$6 - \$15 flat rate for events (rate to be determined by the City Manager on a per event basis)
 \$41.40 City Place residents
 Open Gate Days: Rates and changes thereto shall be consistent with Instrument No. 02895080

Proposed Rates:

2 hours free (no validation needed)
 \$2 for 2 hours 1 second to 2 hours 20 minutes; \$0.75 per additional 20 minutes
 \$4 at 3 hours 1 second and \$1 per 20 minutes starting at 3 hours 20 minutes
 \$12 max/lost ticket
 \$55 monthly parking permit (non-City Place merchants/employees)
 \$15 monthly parking permit (City Place merchants/employees)
 \$6 - \$20 flat rate for events (rate to be determined by the City Manager on a per event basis)
 \$43.50 City Place Residents
 Open Gate Days: Rates and changes thereto shall be consistent with Instrument No. 02895080

Aquarium Parking Structure (99 Aquarium Way)

Current Rates:

\$1.50 for each 30 min.
 \$7 flat rate for events
 \$12 max/lost ticket
 With Validation: First 90 min. free, 91 min. - 3 hrs. \$2.00, 3-4 hrs. \$3.00, each additional 30 min. \$1.50, Cinemark 3 hrs. free
 \$6 flat rate for Aquarium and Pierpoint guests
 \$60 monthly permit rate
 \$3 employee daily rate
 \$15 aquarium members (5 visits)

Proposed Rates:

\$2.75 for each 30 min.
 \$6 - \$20 flat rate for events (rate to be determined by the City Manager on a per event basis)
 \$15max/lost ticket
 With Validation: First 90 min. free, 91 min. - 3 hrs. \$3.50, 3-4 hrs. \$5.25, each additional 30 min. \$2.75, Cinemark 3 hrs. free
 \$8 flat rate for Aquarium and Pierpoint guests.
 \$70 monthly permit rate
 \$4 employee daily rate
 \$20 Aquarium members (5 visits)

State Office Building Lot (230 W. 3rd St.)

Current Rates:

\$25 monthly parking permit
 \$6 - \$15 flat rate for events (rate to be determined by the City Manager on a per event basis)

Proposed Rates:

\$35 monthly parking permit
 \$6 - \$20 flat rate for events (rate to be determined by the City Manager on a per event basis)

Broadway Block (City East) (335 E. Broadway Ave.)

Current Rates:

\$4 flat rate per day
 \$35 monthly parking permit - transient
 \$25 monthly parking permit - resident (limited use)
 \$8 - \$15 flat rate for events (rate to be determined by the City Manager on a per event basis)

Proposed Rates:

\$5 flat rate per day
 \$45 monthly parking permit - transient
 \$35 monthly parking permit - residential (limited use)
 \$6 - \$20 flat rate for events (rate to be determined by the City Manager on a per event basis)

On-line Sales Fee (Collected by On-line Sales Vendor)

Current Rates:

(system not yet implemented)

Proposed Rates:

Monthly Permits:
 \$6.95 one time registration fee
 \$ 0.98 monthly transaction fee + 3% monthly credit card fee
Event Sales:
 \$0.98 - \$2.98 transaction fee based on event

Exhibit B

Revenue and Expenses for Downtown City-Owned Parking Facilities			
Broadway/Civic Center Parking Structure (332 W. Broadway Ave.)			
FY 09		FY 10 (projected)	
Revenues	\$ 783,216	Revenues	\$ 843,288
Expenses ^a	<u>\$ 542,919</u>	Expenses ^b	<u>\$ 795,554</u>
Difference	\$ 240,297	Difference	\$ 47,734
CityPlace Parking Structures A-C (50 E. 3rd St., 50 E. 5th St., 50 E 6th St.)			
FY 09		FY 10 (projected)	
Revenues	\$ 938,136	Revenues	\$ 1,088,694
Expenses	<u>\$ 1,419,885</u>	Expenses	<u>\$ 1,022,885</u>
Difference	\$ (481,750)	Difference	\$ 65,809
Aquarium Parking Structure (99 Aquarium Way)			
FY 09		FY 10 (projected)	
Revenues	\$ 3,607,657	Revenues	\$ 3,889,316
Expenses	<u>\$ 3,232,657</u>	Expenses	<u>\$ 3,478,006</u>
Difference ^c	\$ 375,000	Difference ^c	\$ 411,310
State Office Building Lot (230 W. 3rd St.)			
FY 09		FY 10 (projected)	
Revenues	Incorporated in Civic Center figures	Revenues	Incorporated in Civic Center figures
Expenses		Expenses	
Difference		Difference	
Broadway Block (City East) (335 E. Broadway Ave.)			
FY 09		FY 10 (projected)	
Revenues	\$ 109,887	Revenues	\$ 135,345
Expenses	<u>\$ 48,068</u>	Expenses	<u>\$ 48,068</u>
Difference	\$ 61,820	Difference	\$ 87,277
On-line Sales Fee (Collected by On-line Sales Vendor)			
FY 09		FY 10 (projected)	
No data - system not yet implemented		No data - system not yet implemented	

^aIncludes costs for State-mandated employee environmental survey.

^bIncludes costs for State-mandated employee environmental survey and deferred maintenance costs (e.g. stair and elevator renovations) estimated at \$150,000.

^cRevenue beyond expenses is depreciation calculated per agreement with the Aquarium of the Pacific.

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH, CALIFORNIA, GRANTING
PERMISSION TO MEMBERS OF THE PUBLIC TO PARK
IN THE CITY OWNED PARKING LOTS LOCATED ON
BROADWAY BETWEEN LONG BEACH BOULEVARD AND
ELM AVENUE AND ESTABLISHING FEES WITH
RESPECT THERETO

WHEREAS, Section 21113 of the California Vehicle Code prohibits any
person from parking any vehicle upon the property under the direct control of the City,
except with the permission of, and subject to such conditions and regulations as may be
imposed by the City; and

WHEREAS, on October 4, 2005, the City Council adopted Resolution No.
RES-05-0107, which established parking fees for the City owned lots located at
Broadway between Long Beach Boulevard and Elm Avenue; and

WHEREAS, the City now desires to modify such fees; and

WHEREAS, the City gave public notice of the proposed fees for parking on
City owner lots located at Broadway between Long Beach Boulevard and Elm Avenue,
and a public hearing was held on December 15, 2009, concerning such fees;

NOW, THEREFORE, the City Council of the City of Long Beach resolves as
follows:

Section 1. Any person may park a vehicle on the City owned lots located
at Broadway between Long Beach Boulevard and Elm Avenue, subject to the following
fees:

1. Basic Rate: \$5.00 per day every day of the week.
2. Residential (limited use) Monthly Parking Rates: \$35.00 per month.

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- 3. Transient Monthly Parking Rates: \$45.00 per month.
- 4. \$6 - \$20 for Special Events (rate to be determined by City Manager)
- 5. On-line Sales Fee (Collected by On-line Sales Vendor)

Monthly Permits:

\$6.95 one time registration fee

\$0.98 monthly transaction fee +3% monthly credit card fee

Event Sales:

\$0.98 - \$2.98 transaction fee based on event

Section 2. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2009 by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk