



City of Del Mar Staff Report



TO: Honorable City Council Members

FROM: Mark Delin, Assistant City Manager
Via Scott W. Huth, City Manager

DATE: April 21, 2014

SUBJECT: Report on Potential Paid Parking Revenues in the Downtown Area for
Parking Structure Financing

REQUESTED ACTION/RECOMMENDATION:

Receive the report on potential parking revenues to finance a downtown parking structure, and provide direction if desired.

DISCUSSION/ANALYSIS:

Proposals for the City Hall site have considered the development of a parking garage. Possible parking programs have ranged from as few as 70 spaces, which would support a City Hall and Town Hall and could be accomplished as surface parking, to over 200 spaces which could support a combined City Hall, Town Hall and additional uses such as restaurant/café, retail/office, housing, and/or supply additional parking to the existing Downtown area for both employees and patrons.

It is anticipated that the parking structure would be financed with the assistance of a combination of parking revenues and in-lieu fees.

Parking Meter Fees

Parking meter revenues are a common way to help finance parking improvements. Within the Village area, parking meters currently are located in the L'Auberge Del Mar parking garage and along Maiden Lane at St. Peter's Episcopal Church. These meters have been returning an average of approximately \$3.50 per day per meter. Parking meters at the beach return an average of about \$20 per day per meter. To be conservative, the lower number is being used as a minimal parking meter return. At the \$3.50/day rate, placing meters on the 177 existing free-parking spaces in the Downtown area that front Camino del Mar & 15th Street only could generate approximately \$226,000 in gross annual revenues that could support financing for a substantial portion of the garage. A more detailed analysis could support a somewhat higher figure. The

City Council Action:

table below looks at the number of spaces per block and approximate occupancy rates that can be estimated based upon the Walker Parking Consultants Study from October 16, 2013 (<http://www.delmar.ca.us/349/Downtown-Parking-Management-Plan>) which was contracted by the City. This analysis only considers the spaces fronting either Camino del Mar (between 11th Street and just north of 15th Street) or on 15th Street, and assumes a five-month summer season, and utilization from 11 a.m. to 7 p.m. daily, or eight hours per day, and sets most parking meter rates at \$2/hour for prime locations, and \$1/hour for less desirable locations.

Utilization in the seven month winter season is projected at half of summer utilization, and all meter rates are dropped to \$1/hour. Combined summer and winter annual parking revenues are projected to be approximately \$435,000 based upon these assumptions.

Summer						
Camino del Mar	# Spaces	Occupancy	Hours/Day	Days/Year	Rate/Hr.	
North of 15th (East)	9	80%	8	150	\$ 1.00	\$ 8,640
13th-15th (West)	30	90%	8	150	\$ 2.00	64,800
13th-14th (East)	16	80%	8	150	\$ 2.00	30,720
12th-13th (West)	16	90%	8	150	\$ 2.00	34,560
12th-13th (East)	12	90%	8	150	\$ 2.00	25,920
11th-12th (East)	23	80%	8	150	\$ 1.00	22,080
11th-12th (West)	31	90%	8	150	\$ 1.00	33,480
15th Street						
Stratford to CDM (North)	15	80%	8	150	\$ 2.00	28,800
Stratford to CDM (South)	12	90%	8	150	\$ 2.00	25,920
Stratford to Coast (South)	<u>13</u>	90%	8	150	\$ 2.00	<u>28,080</u>
	177					\$ 303,000
Winter						
Camino del Mar	# Spaces	Occupancy	Hours/Day	Days/Year	Rate/Hr.	
North of 15th (East)	9	40%	8	215	\$ 1.00	\$ 6,192.00
13th-15th (West)	30	45%	8	215	\$ 1.00	23,220
13th-14th (East)	16	40%	8	215	\$ 1.00	11,008
12th-13th (West)	16	45%	8	215	\$ 1.00	12,384
12th-13th (East)	12	45%	8	215	\$ 1.00	9,288
11th-12th (East)	23	40%	8	215	\$ 1.00	15,824
11th-12th (West)	31	45%	8	215	\$ 1.00	23,994
15th Street						
Stratford to CDM (North)	15	40%	8	215	\$ 1.00	10,320
Stratford to CDM (South)	12	45%	8	215	\$ 1.00	9,288
Stratford to Coast (South)	<u>13</u>	45%	8	215	\$ 1.00	<u>10,062</u>
	177					\$ 131,580

The rates in this analysis are consistent with typical rates in the City as indicated in the table below.

City of Del Mar Parking Rates		
Area	Season	Off-Season
St. Peters Church	\$1/hour	\$1/hour
L'Auberge	\$2/hour	\$1/hour
Coast Blvd.	\$3/hour	\$3/hour
Park Pay & Display – SD Bridge to Via de la Valle	\$3/hour	\$3/hour
Park Pay & Display – Border Road	\$1.50/hour	\$1.50/hour
Park Pay & Display – CDM Near Carmel Valley	\$1.50/hour	\$1.50/hour

Parking Structure Revenues

Revenues from the parking structure can consist of parking meter revenues, in-lieu fees, or both.

Assuming that a 200-car structure is built, and 70 spaces are allocated to free parking for the City Hall, the remaining 130 spaces are available for metered parking. These spaces would be likely to be priced at \$1/hour to increase utilization for downtown business employee parking, and also to reflect that at the present time, that there is less business activity at the south end of downtown. Similarly, parking space occupancy rates are also projected to be lower, at least in the immediate future. Annual revenues are projected as follows:

Potential Parking Garage Revenue - All Available Spaces Are Metered						
	# Spaces	Occupancy	Hours/Day	Days/Year	Rate/Hr.	
Summer	130	70%	8	150	\$ 1.00	\$ 109,200
Winter	130	35%	8	215	\$ 1.00	78,260
						\$ 187,460

In-Lieu Fees

Chapter 30.80 of the Del Mar Municipal Code allows the establishment of In-lieu fees for partial satisfaction of on-site parking requirements within the Central Commercial Zone. In-lieu fees are set by Council, but may not exceed the actual cost of developing the required parking. Present estimates for such costs range from \$25,000 to \$35,000 per space. In the larger potential garage configurations, in-lieu fees may provide funding from anywhere from 30 to 50 spaces. At the revenue midpoint, 40 spaces at \$30,000 each would generate \$1,200,000 in revenue.

Summary

The total revenue estimated to be available from street parking, garage parking, and garage parking with in-lieu fees, as well as the amount of debt that the parking revenue could support, is indicated in the table below. Revenues from metered street parking and garage parking should support a bond issue of \$9,500,000, or alternately,

\$9,875,000 could be available for a parking structure through combined parking meter revenues and in-lieu fees.

<u>Scenario 1 - 200 Space Garage - No In-Lieu Spaces</u>			
	<u>Revenues</u>	<u>Bond Issue Size</u>	
Street Parking	\$ 434,580		
Garage Parking (No In-Lieu Spaces)	<u>187,460</u>		
Total	\$ 622,040	\$9,562,279	
<u>Scenario 2 - 200 Space Garage - 40 In-Lieu Spaces</u>			
Street Parking	\$ 434,580		
Garage Parking (Net of In-Lieu Spaces)	<u>129,780</u>		
Total	\$ 564,360	\$8,675,596	
Plus In-Lieu Revenues	-		<u>\$1,200,000</u>
Bond Issue Plus In-Lieu Fees			\$9,875,596

FISCAL IMPACT:

There is no fiscal impact from considering this report.

ENVIRONMENTAL IMPACT:

This action does not constitute a "project" within the meaning of CEQA in that it has no potential to cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and therefore does not require environmental review.

PRIOR COUNCIL ACTIONS:

The City Council received an update on the Parking Management Plan on November 18, 2013.