DOWNTOWN SALEM PARKING STUDY
STRATEGY RECOMMENDATIONS
October 2010

I. INTRODUCTION

The City of Salem completed a comprehensive parking management plan in 2006. That plan provided recommendations for implementation of numerous changes to parking management in the downtown and the Capital Mall area. These changes included administrative restructuring, reformatting the on-street supply in the core retail zone and new pricing standards for public off-street supply. The Plan was adopted by City Council in November 2006.

Subsequent annual updates of the parking inventory indicate positive trends resulting from plan elements implemented to date. Occupancies remain high in the core area, suggesting, for instance, consideration of the 2006 plan recommendation for on-street pricing within the core area. Also, several plan recommendations related to parking development standards (minimums/maximums), design guidelines, marketing and communications and support/promotion of alternative access modes (transit, bike, walk) have not been initiated and should be revisited.

Find below, an outline of recommendations that are based on (a) the 2006 Parking Management Plan and (b) data findings from the 2010 parking inventory and survey update. If initiated the strategies outlined here would continue the momentum created by the 2006 Parking Management Plan as well as develop enhancements targeted to existing conditions. Tasks are provided in outline form. Further detail and refinement would likely result after consultation with the Downtown Advisory Board (DAB) and Urban Renewal Agency Board (URAB).

As parking strategy implementation moves forward it will be important to recognize that parking be managed to serve as an enhancement of the vision/goals/projects of the community. These strategies should be closely coordinated for and with Salem's Downtown Strategic Action Plan process.

II. BACKGROUND: KEY DATA FINDINGS

The data analysis of the downtown Salem parking district inventory (see Figure A) indicates that the combined *on-street system* is operating at an above average capacity, with the core zone exceeding 90% and new growth occurring in the evening hours. These occupancy levels have remained consistent over the past four years. Data further suggests that the *off-street supply* continues to provide opportunity for trip growth and may need a new approach to management to maximize use of these facilities.

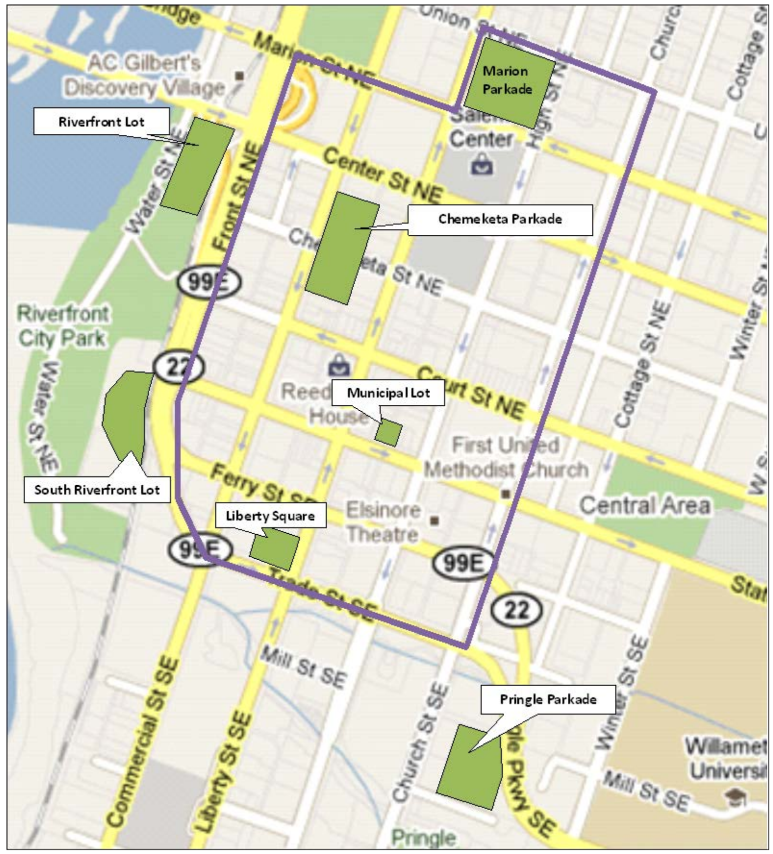
Key findings of the data collection effort and analysis are presented here.

On-Street Parking

- There have been no significant changes to the number of stalls in the on-street parking supply. There are 1,255 stalls within the study area, a decrease of just five stalls since 2009.
- Peak hour occupancy of the supply increased from 72.8% (2009) to 73.8% (2010). This is the third straight year of growth in peak hour occupancy.

- The average duration of a customer parking on-street increased by 5 minutes to 1 hour and 25 minutes.
- It appears that the "evening" hours (4:00 PM to 6:00 PM) have increased use significantly. For example, the 6:00 – 7:00 PM hour rose from 49.6% (2009) to 70.7% (2010).
- Overall on –street occupancies (normalized and "peak occupancy") in downtown have consistently grown and the downtown is growing on-street traffic in all late afternoon and evening hours.
- The number of total unique license plates (arriving vehicles) using the on-street system decreased by 105 cars over a 10 hour period from 2009 (about 11 cars an hour). Some of this decrease may be associated with construction activity in the downtown.
- Occupancies in the "Core Retail Node" remain above 90.0%, with increases (2009 – 2010) in all hours between 2:00 p.m. and 6:00 p.m., demonstrating visitor growth in the late afternoon and evening hours.
- Violation rates have increased in each of the past three years, though the 2010 rate (6.1%) is well within industry standards for an efficiently operating system.

Figure A
Downtown Parking District and City Garages/Lots



Off-Street Parking

- The overall combined occupancy of the public off-street supply has decreased slightly from the pervious year and continues a trend of flat utilization over a four year period.
- Currently, 1,513 stalls are empty and available at a combined supply peak hour between 1:00 and 2:00 p.m.
- There has been a drop in occupancy in morning and midday hours, but increases in occupancy between 4:00 p.m. and 6:00 p.m.
- This is the first year since 2007 that a downward trend was experienced in most garages, as compared to more mixed (upward and downward) trends in individual garages in previous years.
- Spaces in city owned off-street facilities continue to be underutilized.
- 2010 findings suggest a drop in overall use of the off-street system, which may be indicative of recent economic issues and decreases in employment bases.

III. STRATEGY RECOMMENDATIONS

Strategy recommendations are organized as follows:

- Policy Level Actions
- Parking Management Actions

A. POLICY LEVEL ACTIONS

The following policy elements have been included to ensure the goals of the adopted 2006 Parking Management Plan can be achieved by incorporating parking system management into the City's development policy.

1. Eliminate the downtown parking district tax and move toward a performance based program for generation of parking revenue in City parking assets.

It is recommended that Salem consider eliminating the downtown parking district tax and move toward a more traditional performance based system for parking revenue generation in its on and off-street parking assets. The existing parking district tax generated approximately $373,550 in FY 2009/2010.[1] This is a very small amount of revenue when evaluated against overall operating and growth need/potential envisioned for the exist facilities. It is also a small amount when evaluated against potential expansion of the public system over time. Similarly, the tax creates expectations within the business community as to pricing (or not pricing), operational decision-making and demands on the City for access to parking that can be limiting to more common best practice operational standards for managing public (or private for that matter) parking facilities.

The 2006 Parking Plan recommended specific actions related to revenue generation for both public on and off-street parking assets.[2] These actions included:

- Evaluate additional funding sources for future parking development and parking system management (Policy Level Action II, A, page 12, dated 9/8/06).
- Implement a tiered pricing system for monthly parking in City owned garages and lots (Parking Management Strategy II, B. 6, page 15).
- Meter on-street parking in Zone A (the current parking district) to increase efficiency and capacity (Parking Management Strategy II, B. 9 (a), page 17).
- Charge for short-term parking in publicly owned off-street facilities (Parking Management Strategy II, B. 9 (b), page 17).

The adopted 2006 Parking Management Plan envisioned a municipal parking system transitioning to a more performance based system of parking management. The underlying assumption of a performance based program is a system of parking pricing that (a) manages the on and off-street systems in a manner that is integrated and complementary and (b) demand based.

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[1] See *FY 2009-2010 Downtown Parking District Information Packet*, Parking Fund Budget, page 8.

[2] In its 10-23-10 report to City Council, staff noted that the "the Parking Tax is assumed to continue to allow support for the 2-Hour Free program." Moving to a fee based program of on-street parking would suggest the need to eliminate the parking tax upon initiation of fee based parking.

Benefits of managing the parking system as a performance based asset include:

- Removal of the tax burden for parking from existing businesses.
- More efficient use of the on-street system for customers, particularly in the high occupancy node where constraints in the availability of parking have been continuous over the past four years.
- Better integration of the on-street system with the off-street supply (where significant supply is available).
- More flexibility in the City's ability to manage its resources to market demand. This allows for flexibility, both within the overall parking system and in specific inventories (e.g., on-street, individual garages).
- Use based revenue for maintenance of the existing system and future growth of the supply.

2. Evaluate existing parking standards (code)

Data from the 2006 parking study indicated that parking demand generated by land uses in the downtown is in the range of 2.0 stalls per 1,000 SF of commercial floor area. Data from the 2010 update suggests that this has not changed. As such, parking minimums and maximums for new development downtown should be evaluated to assure that existing standards and guidelines are consistent with actual parking demand and do not act as an impediment to development. New standards and guidelines should be developed, which would require an update of existing land use square footages within the study zone. These updated land uses could then be correlated with 2010 parking occupancy data to derive an updated parking demand number.

3. Develop a Capital Facilities Plan

Salem is anticipating future growth and development in its downtown. Based on policies and objectives adopted in its 2006 Downtown Parking Management Plan, it is envisioned that downtown growth will be much denser, urban and compact than current land uses. A key success factor will be (a) a better understanding of parking need by development area, (b) strategic siting of facilities – particularly public facilities, (c) understanding the cost of new parking development, (d) for whom the supply is prioritized and (e) responsibility for financing. To this end, a strategic capital facilities plan should be developed that:

- Quantifies parking need based on desired growth
- Identifies areas for locating parking (particularly publicly owned supply)
- Forecasts cost
- Identifies/recommends funding options.

4. Evaluate and develop a fee-in-lieu option for new parking development in the downtown.

A key challenge for Salem will be the ability to (a) attract new development to the downtown, (b) maintain and encourage an urban form for new development that is consistent with the downtown vision and (c) contain costs associated with new parking development.

Offering developers the option to pay a fee-in-lieu against a reasonable minimum parking requirement may be an attractive and workable program for providing structured parking in the future. A fee-in-lieu rate would be set at a level below what it would cost a developer to provide the parking themselves and grant them an "access entitlement" into a public parking facility. This would save on development costs and provide a guaranteed entitlement to parking for the new development. Fees-in-lieu could be implemented as an option or as a requirement.

Necessarily, a fee-in-lieu option commits the City to playing a key role in developing and managing parking in the future. As such, additional discussion and review is necessary and recommended.

It is recommended that the DAB/URAB and City staff evaluate:

a. Design of a fee-in-lieu policy for consideration by the City Council.

b. Pros and cons of optional versus mandatory fee-in-lieu programs.

c. Rates

d. The option to pay fees-in-lieu on a parking minimum as well as the option to "buy more," up to a fee-in-lieu maximum.

e. Preparation of a policy/program recommendation for City Council review and adoption.

B. PARKING MANAGEMENT ACTIONS

The following parking management actions are recommended for implementation. These actions are supported by data derived from the 2010 update and are consistent with the adopted 2006 Downtown Parking Management Plan. Recommendations will refer to "parking management zones" from the 2006 Plan, maps of the recommended parking management zones are included at the end of this document as Attachments A & B.

1. Expand the current on-street pricing program from Zone B (Capitol Mall) into Zone A (downtown parking district).

The stability and growth of parking use in the downtown over the past four years correlates with the 2006 Plan recommendation to consider metering all or a portion of Zone A (e.g., the high occupancy retail core node). In particular, 2010 occupancy data suggests the need to price parking, at minimum, in the Core Retail Node.

Revenue generated from on-street pricing (meters and/or pay stations) would be used to replace revenue lost from elimination of the parking tax recommended in (1) above. An assessment of potential revenue generation from the 2007 downtown parking update estimated annual *net* revenue potential in a 789 stall sub-area of Zone A.[3] Findings from this exercise are summarized in Table 1.

Table 1
2007: Revenues after Expenses

ANNUAL NET REV.		Core
Period	Rate	Metered
1- 5 YRS	$0.50	$70,601
1- 5 YRS	$0.75	$363,541
1- 5 YRS	$1.00	$656,481
6 -20 YRS	$0.50	$325,298
6 -20 YRS	$0.75	$618,238
6 -20 YRS	$1.00	$911,179

[3] The larger Zone A area is comprised of 1,255 on-street parking stalls.

As Table 1 illustrates, net revenue potential ranged from $70,601 - $656,481 over the first five years of on-street pricing in this sub-zone to $325,298 - $911,179 after six years. The revenue ranges were dependent on hourly rate and how the capital costs of meters/pay stations might be financed over a period of years. These numbers can be refined with 2010 data to provide a more current estimate of net revenue potential as well as examination of different area configurations (i.e., sub-zone or entire Zone A area).

2. Initiate a comprehensive community/stakeholder engagement process to support successful implementation of recommendation B. 1, above. This would involve establishment of a Parking Task Force charged with all phases of planning for an expansion of on-street pricing in the downtown.

Expanding the existing parking pricing system from Zone B to Zone A will require a significant public outreach, communication and education effort. The benefits of better parking management, integration of on and off-street systems, trends in equipment technology, changes in administrative procedure and on-going communication to businesses and patrons will be essential to a successful application of pricing technology. A representative and fully engaged Task Force should be established to oversee a parking pricing system for Zone A. The work of this Task Force would also include examination code/regulation of parking for new development, integration of the on and off-street parking system and planning for future downtown growth.

Several cities have recently (within the past year) completed such efforts to transition free on-street parking areas to paid parking. These include Olympia and Tacoma, WA and Ventura, CA. A Task Force overseeing this effort should look closely at the efforts in these cities (case studies) and understand how each individual community and business district arrived at parking pricing decisions. At minimum, the Parking Task Force would evaluate and develop action plans for:

- Near-term vs. long-term outcomes defined
- Defining ingredients for success
- Evaluation of case study cities (success items and barriers)
- Identifying the paid parking service area
- Relationship of City garages linked with on-street program
- Financial analysis of system benefit
- Integration into broader downtown strategic planning efforts
- Equipment procurement planning – involvement of Task Force in such
- Parking Enterprise Fund
- Standards/benchmarks set – data utilized to make decisions
- Plan for on-going dialogue between stakeholders, Task Force, Council, City Manager
- Public (user) outreach and communications plan
- Outreach and communications plan directed to downtown businesses
- Community work shops and forums.
- Plan for assuring internal City parking systems are compatible with any new plans or technologies implemented: parking/transportation, enforcement, courts, police
- Role of enforcement personnel redefined: information source, advocacy, well trained on new technologies.
- Interface with downtown business groups
- Plan to keep policymakers informed

- Integration on new systems with alternative modes plans (e.g., transit ridership up; more excitement – focus of community conversation)
- Roll out plan and schedule
- Performance reporting

Similar processes in other cities have taken from 9 – 18 months to move from project initiation to "go live" for new pricing programs in downtown business districts.

3. Convert all 1 and 2 hour meters in Zone B (Capitol Mall) to 3 hours.

Data from the 2006 parking study indicated that the majority of customers in Zone B park for an average of more than 2 hours. Creating a uniform short duration time stay of 3 hours will provide a level of access more consistent with customer needs in this zone. This recommendation was not completed and should be carried out.

4. Manage the sale of commuter monthly passes in City parking facilities by occupancy rather than allocation.

The 2010 parking study update indicates that the availability of parking in off-street facilities continues to be high. However, in many facilities, the sale of monthly parking passes is "capped" to a specific total and the City maintains waiting lists in some facilities, even though occupancy counts from previous studies (including 2010) suggest otherwise. The conundrum with this is in how the City presently defines "at capacity." Currently the City maintains a specific allotment of parking passes that can be sold each month; if those passes are fully sold out then the City facilities are assumed to be "at capacity."
The 2006 Plan recommended calibrating number of passes sold to actual occupancy totals. So if the City sells 100 passes, but still has 30 empty spaces, it should sell more monthly passes. A standard rule of thumb is to track empty spaces over time (which is being done with the annual occupancy study) and add between 25% - 50% of that empty space back as new monthly passes. Then, monitor the impact and reassess again if empty spaces are still available. This is what many in the industry refer to as "parking float" or "elasticity."

Managing facilities in this manner allows the City to maximize parking sales while assuring that, for instance, overall occupancies in a garage or lot are "calibrated" (through rate and total pass sales) to the 85% Occupancy Standard. In short, customers/visitors are assured access but overall use of facilities is maximized.

Monthly passes should be sold on a month to month basis, which allows the City to (a) raise rates as occupancy demands increase and/or (b) attrition the total number of passes sold as the 85% Occupancy Standard is triggered. Table 2 summarizes the actual elasticity of parking capacity currently available in select City facilities. As the Table suggests, the City could make and additional 734 monthly passes available for sale in its off-street parking system, assuming an effort to capture 50% of current vacant space for business based employee parking in the downtown.

Table 2
Parking Elasticity/Float in City Facilities (2010)

Garage/Lot	Criteria	2010 Survey	Additional Monthly Parking that Could be Offered @ 50% of "Float"
Marion Parkade (1,063 stalls)	*Peak Hour (PH)*	1 – 2 pm	
	PH Occupancy	40.4%	
	Stalls Available	***634***	***317***
Chemeketa Parkade (642 stalls)	*Peak Hour (PH)*	2 – 3 pm	
	PH Occupancy	48.1%	
	Stalls Available	***333***	***167***
Liberty Parkade (378 stalls)	*Peak Hour (PH)*	2 – 3 pm	
	PH Occupancy	61.6%	
	Stalls Available	***145***	***73***
Municipal Lot (29 stalls)	*Peak Hour (PH)*	1 – 2 pm	
	PH Occupancy	100%	
	Stalls Available	***0***	***0***
Pringle Garage (490 stalls)	*Peak Hour (PH)*	1 – 2 pm	
	PH Occupancy	46.9%	
	Stalls Available	***260***	***130***
Riverfront Surface Lot (167 stalls)	*Peak Hour (PH)*	Noon – 1 pm	
	PH Occupancy	43.7%	
	Stalls Available	***94***	***47***
TOTAL		**1,466**	**734**

5. **Reduce the quantity discount for purchase of 100 or more permits from 20% to 15% for purchases of 75 or more permits and eliminate quantity discounts for all other categories of bulk buying**.

   Amending the process for bulk numbers of parking permits will (a) minimize administrative expense, (b) streamline the discount from four categories to one, and (c) maximize revenue. [NOTE: Ultimately, bulk discounts should be phased out. Discounts for bulk buying of lesser quantities of permits could be made as part of a first time sale, but should not be standardized over time.]

6. **Refine and program 2006 Plan recommendations not yet completed**

   The DAB/URAB should move forward with strategies not yet implemented or revise/reprogram those strategies based on existing conditions. Similarly, new strategies more relevant to existing conditions could be added.

This could be accomplished through facilitated work sessions wit the DAB and URAB. Once refined, action plans and strategic schedule for implementation of strategies would be developed. Strategies from the 2006 plan not yet implemented include:

- Develop a pricing policy and implement paid on street parking in Zone A (i.e., meters/pay stations).
- Initiate discussions with downtown businesses to develop a *"Customer First"* partnership among downtown businesses.
- Negotiate shared use and/or lease agreements with owners of strategically placed private surface lots and parking structures to provide for an interim supply of parking where needed.
- Develop incentives that encourage private sector-led strategies to reduce demand for long-term parking, and make available private parking resources for short-term public customer and other desired uses.
- Convert all 1 and 2 hour meters in Zone B (Capitol Mall) to 3 hours (see Recommendation 3, above).
- Evaluate minimum and maximum parking ratios for new development in the downtown, to assure that access impacts of new development are meaningfully addressed.
- Implement a package of incentives for the private development of publicly available parking supply and TDM options in the downtown.
- Evaluate feasibility for implementation of a downtown circulator system to tie adjacent parking areas to core.
- Develop a program for upgrading public surface lots.
- Partner with the business community to develop a marketing and communication system for access in Salem. The marketing/communication system could include (but not be limited to): branding; maps; validation program(s); TDM alternatives and valet parking.

7. Consider parking management planning/strategies for areas of the Downtown not covered by the existing 2006 plan.

Efforts should be made to assess parking dynamics in areas of the downtown not covered by the 2006 plan. Much data exists for the Core retail area and (to a lesser degree) the Capitol Mall. Other areas of the downtown, particularly those experiencing development pressures, should be evaluated to assure access decision making in these areas is supported with data as completely as that for the downtown. This would include:

- Identifying additional "parking management zones"
- On and off-street inventory
- On and off-street utilization surveys and analysis.
- Formulation of area specific strategies for more complete and effective parking management by area of downtown.

8. Evaluate the role of Transportation Demand Management (TDM) as a component of parking management.

An assessment of the role of transportation demand management in reducing commuter parking demand in the downtown should be developed, particularly as a complementary strategy to parking pricing. Strategies, programs and infrastructure necessary to support an aggressive non-auto commute mode split should be developed. This could include:

- Adoption of mode split targets
- Calibration of parking standards to mode targets
- Enhanced incentives for transit, bike and walk efforts by area businesses
- Formation of a TMA

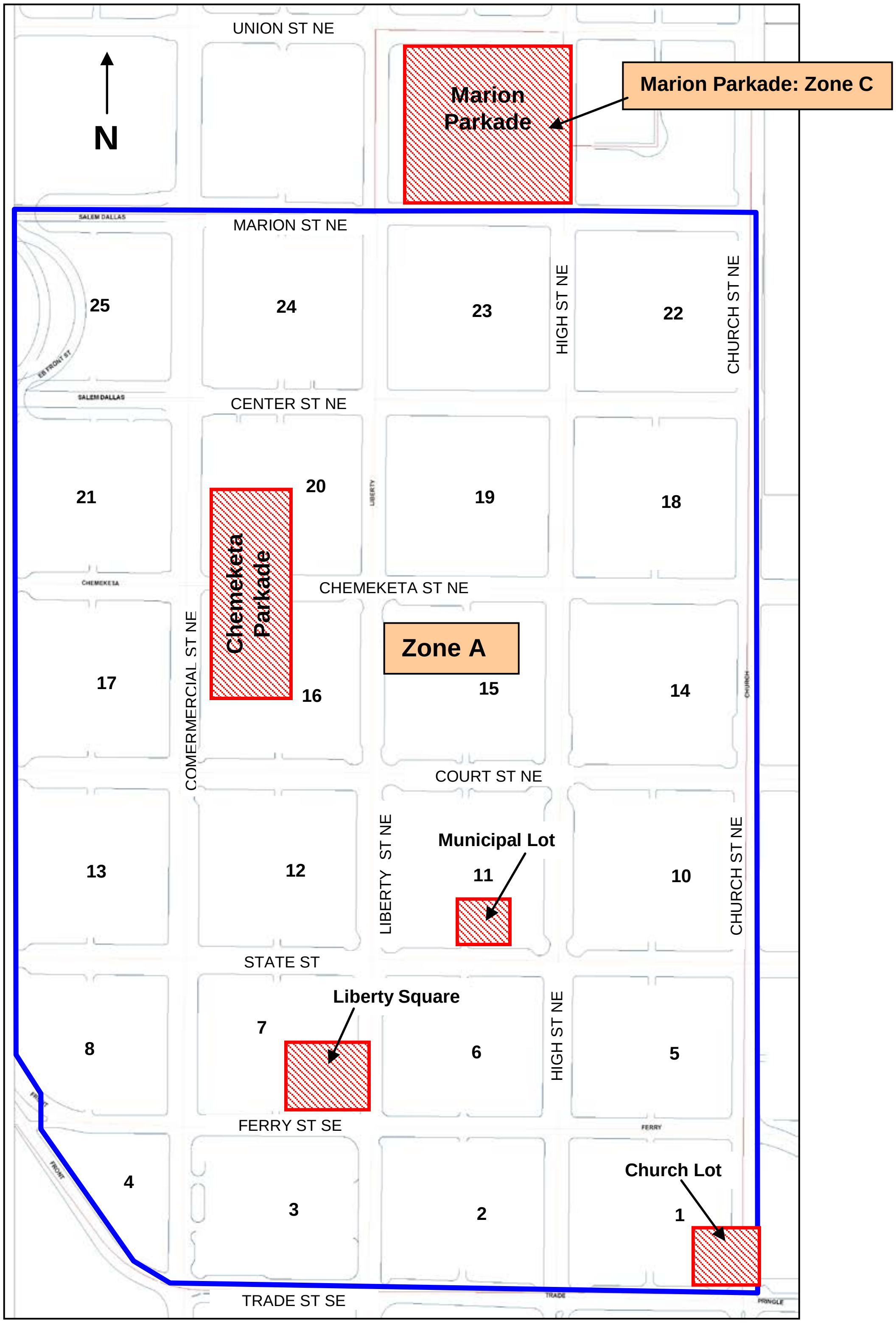
IV. SUMMARY

The parking management strategies recommended here are intended to provide a template for action that would lead to a more efficient and organized parking system for the Downtown Salem that is consistent with the direction provided in the Downtown Parking Management Plan adopted in 2006.

It is recommended that the strategies envisioned here be implemented over the course of the next 18 – 24 months. Overall, the strategies are designed to get the "right parker to the right parking spot" in a manner that supports the strategic vision for growth as established by the City.

ATTACHMENT A

Table 1
2006 Parking Management Plan
Adopted Parking Management Zones A & C ("Downtown Parking District")



ATTACHMENT B

Table 2
2006 Parking Management Plan
Adopted Parking Management Zone B ("Capitol Mall")