September 20, 2011

SUBJECT: Fair Oaks Avenue/Route 237 Parking Facility Study – STUDY ISSUE

REPORT IN BRIEF

Council prioritized a 2011 Study Issue to consider development and operation of an unattended, self-pay parking facility on vacant City land near Fair Oaks Avenue and Route 237 (Attachment A – Study Issue Paper DPW 11-10). Staff has completed an analysis and determined that the development of such a facility would likely feature high costs, low returns, and low utilization. Staff is recommending no further action at this time, but supports future consideration of the use of the land for overflow 49ers stadium event parking.

EXISTING POLICY

Land Use and Transportation Element C3.6.1, Develop clear, safe and convenient linkages between all modes of travel, including access to transit stations and stops, and connection between work, home and commercial sites.

DISCUSSION

Staff worked with the Santa Clara Valley Transportation Authority (VTA) and a parking expert to examine capital costs, operating parameters, demand, and revenue potential for a smart self-pay unattended parking lot on City land at the intersection of Fair Oaks Way and Persian Drive (Aerial Photo, Attachment B). The facility would be intended to serve users of the Tasman light rail line, including patrons of the potential 49ers football station near Great America in Santa Clara. The proposed parking location is approximately ¼ mile from the Fair Oaks light rail station. Two pieces of land are bisected by Persian Drive, so two lots would be developed.

The property could host an estimated 193 parking spaces. Design and capital cost for development of the lot would be approximately $1,000,000. This assumes paving and lighting improvements and the use of pay-by-space, self-pay meters. This cost does not include pedestrian improvements that would likely be necessary to improve access and safety for pedestrians between the parking facility and the light rail station. Staff estimates the costs of pedestrian improvements at $75,000. It also does not include cost of environmental clearance for the project, which would not be significant but
would be important, as there appears to be nesting raptors in the trees on the property.

Demand for the lot is estimated to be low. The Fair Oaks light rail station currently generates about 280 boardings/alightings per day, and about 30 boardings/alightings in the peak hours. The surrounding area features fairly abundant off-street parking, and there is some available public on-street parking in close proximity to the station at Karlstad Drive. VTA staff studied the project area and found that surrounding residential land uses are mostly within a similar or shorter walking distance as the proposed park and ride facility, so there likely would be little local demand for the park and ride lot. There is also abundant free parking in the broader area. VTA staff concludes that based on their parameters for the establishment of a park and ride facility, the location is not a viable alternative to attract daily light rail riders, even if parking were free. The parking consultant also concludes that it is unlikely that the facility would attract many weekday users.

The operating scenario considered assumes three pay stations that would be regularly monitored by enforcement personnel. The pay stations would require servicing for replacement of receipt paper and routine maintenance, and an accounting and banking system would need to be established and maintained. The scenario studied assumes a pay-by-space system, rather than a permit display system. Based on parking fees for other pay-by-space systems in the Bay Area and fees for the small number of paid parking facilities in the Sunnyvale area, it was assumed for the purposes of the study that the daily parking fee would be $3.

Annual operating costs under this scenario are estimated at $23,000/year. Utility costs, liability insurance, supplies, routine maintenance, accounting, and equipment maintenance are also accounted for in the $23,000 estimate. All costs are based on typical industry costs. These costs do not include enforcement costs. Enforcement would need to occur at a minimum of approximately 2 hours per day, or equivalent to 0.25 FTE.

The parking consultant estimates that 55% occupancy (100 spaces) of the facility would be required to achieve a positive net income, after accounting for revenue, operating expenses, and debt service on project cost. This assumes revenues from 10 stadium events per year. Both VTA and the parking consultant believe that it would be unlikely that the facility would attract 55% occupancy. Given that the immediate area is highly accessible by pedestrians, the broader area potentially served by the park and ride facility contains very little residential use, and total ridership at the station is currently less than the number of spaces that would be provided at a parking facility, it is anticipated that occupancy would be well below 55%.
As a parking option for the 49ers stadium, the facility might be able to attract some use, depending upon the final configuration of stadium parking closer to the facility, the cost of stadium parking, and the travel time to the stadium. The 49er stadium plan currently calls for parking to be supplied by a limited number of structured spaces adjacent to the stadium, and use of existing parking resources at businesses and corporate campuses near the site. The 49ers believe that they will provide for 100% of parking demand within a 20 minute walk to the stadium. The Fair Oaks facility is approximately a 40 minute walk to the stadium, or a 4-stop light rail journey (See Vicinity Map, Attachment C). For the Fair Oaks facility to attract users, pricing would need to be set to reflect the relative inconvenience of the Fair Oaks location to the proposed parking closer to the stadium. Its location would need to be advertised. Also, there is the potential for competition from other nearby corporate parking lots in the Moffett Park area, which may reduce the attractiveness of the Fair Oaks facility.

Another issue to be considered is access to the site. Access would likely need to be from Persian Drive, and proximity to the intersections with the Route 237 off-ramp and Fair Oaks Way would limit the ability to provide protected turns. Vehicle speeds are also observed to be high, and vehicles negotiating the turns at Fair Oaks Way and east of the Route 237 ramp would have limited visibility to any vehicles queued to turn into the parking facility.

**FISCAL IMPACT**

There is no fiscal impact with accepting the findings of this report.

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the Office of the City Clerk, at the Library, Senior Center, Community Center, and Department of Public Safety; posting the agenda and report on the City’s Web site; and making the report available at the Library and the Office of the City Clerk.

**ALTERNATIVES**

1. Accept the findings of the study issue and take no further action on the establishment of a self-pay, improved parking facility at the City property at Fair Oaks Avenue and Route 237.

2. Direct staff to include the construction and operation of a self-pay parking facility at the City property at Fair Oaks Avenue and Route 237 for consideration as a potential capital project in the FY 13/14 capital budget cycle.

3. Other action as directed by the City Council.
RECOMMENDATION

Staff recommends Alternative No. 1: accept the findings of the study issue and take no further action on the establishment of a self-pay, improved parking facility at the City property at Fair Oaks Avenue and Route 237.

At such time that a 49ers stadium is constructed and operational; the City may want to consider using the land for stadium patron parking. While it would not be economical to develop a paid, self-park system for a limited, small number of events at the stadium, use of the property for parking might be considered with minimal improvements (clearing, grading) and perhaps a rent or lease agreement with a vendor to avoid City operational costs.

Reviewed by:

______________________________
Kent Steffens, Director of Public Works
Prepared by: Jack Witthaus, Transportation and Traffic Manager

Approved by:

______________________________
Gary M. Luebbers
City Manager

ATTACHMENT

A. Copy of Study Issue DPW 11-10 Fair Oaks Avenue/Route 237 Parking Facility Study
B. Aerial photo of Fair Oaks Way and Persian Drive intersection
C. Vicinity Map
2011 Council Study Issue

DPW 11-10 Fair Oaks Avenue/Route 237 Parking Facility Study

Lead Department  Public Works

History  1 year ago  None  2 years ago  None

1. What are the key elements of the issue? What precipitated it?

   This study would examine capital costs, operating parameters, demand, and revenue potential for a smart self-pay unattended parking lot by the Tasman Light Rail, at the two city-owned excess ROW properties west of Fair Oaks and south of 237. This would provide park and ride for the LRT (which presently has no parking), and overflow parking for the 49ers stadium in the event a stadium is built.

2. How does this relate to the General Plan or existing City Policy?

   LUTE C3.6.1, Develop clear, safe and convenient linkages between all modes of travel; including access to transit stations and stops, and connection between work, home, and commercial sites.

3. Origin of issue

   Council Member(s)  Whittum

4. Staff effort required to conduct study  Minor

5. Multiple Year Project?  No  Planned Completion Year  2011

6. Expected participation involved in the study issue process?

   Does Council need to approve a work plan?  No
   Does this issue require review by a Board/Commission?  Yes
   If so, which?  Planning Commission
   Is a Council Study Session anticipated?  No

7. Briefly explain cost of study, including consultant hours, impacted budget program, required budget modifications, etc. and amounts if known.

   This study would be performed by City Public Works, Community Development, and Finance staff. Costs would be absorbed by existing operating budgets.

8. Briefly explain potential fiscal impact of implementing study results (consider capital and operating costs, as well as potential revenue).

   Should a parking facility be implemented, there could be capital costs in the $100K to $200K range. New operating costs would be incurred for management of the parking pay
stations and cleaning and maintenance of the parking facilities. These costs would be offset to some degree by revenue from the parking facility. The amount of offsetting revenue would depend upon the number of parking spaces, parking demand, and pricing.

9. Staff Recommendation

Staff Recommendation   Against Study

If 'For Study' or 'Against Study', explain
Staff believes that capital costs for preparation of this lot are significant and the revenue potential is questionable, particularly given the presence of free on-street parking near the area. A paid facility could also encourage mis-use of commercial and other private parking in the area by non-patrons of those facilities. Access to these parcels is challenging due to roadway geometry and closely spaced intersections. The two lots are relatively small as well, which would limit the number of spaces that could be provided and the concurrent revenue potential.

Reviewed by

Approved by

Department Director   Date

City Manager   Date