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Table of Contents

PARKING MANAGEMENT PROGRAM RECOMMENDATIONS 1
Purpose 1
Contents 1

I. IMPLEMENTATION PLAN SUMMARY 1
A. Near-term Implementation: 2011-2012 1
B. Short-Term Implementation: 2011-2013 2
C. Long-term Implementation: 2013 and Beyond 2

II. MANAGING PARKING SUPPLY 3
Establish a “Park Once” Strategy 3
Policies and Actions 3
Rationale for Actions 4
Parking prices should be set at rates that create a 15% vacancy rate 5

III. MANAGING PARKING DEMAND 7
Policies and Actions 7
Rationale for Actions 8
Benefits of Parking Cash Out 8
Example Parking Demand Management Programs and Incentives 9
Transit passes for all residents and employees in the Commercial Parking Benefit District 10
Car Sharing Program 11
Dedicate Parking Revenues to Public Improvements and Public Services that Benefit the Downtown Area 11
Establish a Parking Advisory Board 12
PARKING MANAGEMENT PROGRAM RECOMMENDATIONS

The Parking Management Program recommendations were developed on the premise that parking is not an end in itself, but a means to achieve broader community goals, which include:

- Enhance the image and visibility of downtown Pacific Grove by creating a distinctive identity built on the best of what is already present.
- Revitalize downtown Pacific Grove by offering a variety of commercial ventures.
- Lighthouse and adjoining streets shall comprise the central shopping streets of downtown Pacific Grove.
- Shape long-term development patterns to accommodate and provide public transit, generate fewer and shorter commute trips, and increase the quality of life for the community and the region.

In short, these goals promote economic development, foster downtown vitality, and improve the social realm. Managing parking supply, and demand, is one tool in achieving these goals.

Managing both parking supply and parking demand establishes a necessary balance between providing too much parking and not providing enough parking to meet community needs. Too much parking wastes valuable land resources, distorts the urban form, and encourages automobile dependence. Not providing enough parking can limit economic growth and increase traffic congestion from drivers “cruising” for parking. The City desired balance for parking supply and demand is achieved when 85% of the parking supply is utilized during peak periods leaving 15% of supply available for use at any given time. Implementation of the recommendations in this program will further the overall vision of a walkable, pedestrian-oriented and economically vital downtown.

The parking management goals, policies, and actions defined in this program are based on recommendations made by the City Manager Office, Police Department, and Community Development Department and reflect the unique characteristics and needs of Pacific Grove.

PURPOSE

The Parking Management Program identifies the goal, rationale and benefit behind each recommendation created to manage parking resources in the downtown area. The Program consists of two major implementation strategies: (1) Managing Parking Supply and (2) Managing Parking Demand.

The recommendations of this plan can be adopted altogether or in part as outlined in the Implementation Plan Summary either by ordinance or by resolution of the City Council.

CONTENTS

I. Implementation Plan Summary
II. Policies and Actions: Managing Parking Supply
III. Policies and Actions: Managing Parking Demand

I. IMPLEMENTATION PLAN SUMMARY

Managing both demand and supply of parking is critical in achieving economic development and vitality goals for Pacific Grove. The actions needed to implement the goals of this plan are summarized in a series of steps that should be taken in specific order. The steps are strategically organized, and the success of many of the recommendations in this plan will be leveraged if implemented concurrently.

A. NEAR-TERM IMPLEMENTATION: 2011-2012

Staff shall initiate the following actions (once the plan is adopted by the City Council and funding is appropriated):

1. Identify from existing staff or hire new parking management staff (or contractors) to implement the recommendations of this plan and perform ongoing monitoring and supply and demand analyses.
2. Complete a study of existing parking supply and demand for all public on-street, public off-street, and private parking lots in the downtown area.
3. Based on the results of the parking study identified in Step (A.2), determine where future public parking supply should to be added due to high demand or anticipated redevelopment of existing at-grade lots. Identify and reserve potential locations for future public parking structures. Proceed with initial

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1 An 85% parking occupancy rate corresponds to one out of roughly every seven on-street curb spaces being available—typically one open spot on each block.
planning, financing, and designing of a new public parking structure where demand is anticipated to be greatest and strategic shared parking is possible.

B. SHORT-TERM IMPLEMENTATION: 2011-2013

Implemented by resolution or ordinance of the City Council:

1. Form a Commercial Parking Benefit District that dedicates 80% of parking revenue to public improvements and services within the downtown area only. Potential net revenue uses include, but are not limited to, intersection improvements, landscaping, pedestrian amenities (e.g., benches), street cleaning, pedestrian-scaled lighting, and transit and bicycle infrastructure.

2. Implement a paid parking program to achieve downtown revitalization goals, including improved urban design and economic vitality. Paid parking program would first be established in Lots 1 and 2 and then adjusted consistent with the findings of the parking study (Step A.2).

3. Implement a parking sensor program to ensure parking compliance of time restrictions through enhanced enforcement. Sensors should be installed downtown and at Lovers Point. Use sensors to gather occupancy and duration data to augment the findings of the parking study (Step A.2) and better determine when and where high demand occurs.

4. Establish Residential Parking Benefit Districts to prevent unwanted spillover parking in adjacent residential neighborhoods.

5. Perform ongoing monitoring, supply and demand analyses, and program operation.

C. LONG-TERM IMPLEMENTATION: 2013 AND BEYOND

Implemented upon success of Steps A through B:

1. Use net parking revenue from the Commercial Parking Benefit Districts to fund long-term transportation and parking demand management programs and incentives, and street improvements within the downtown area, including:
   a. Help fund intersection improvements along Lighthouse Avenue.
   b. Provide transit passes for all residents and employees in the Commercial Parking Benefit District; and
   c. Establish a car sharing program with one or more convenient and highly-visible "pods" located in the downtown area.

2. Require all employers in the downtown area to offer employees the option to "cash out" the cost, if applicable, of a parking space provided by the employer. Parking spaces paid for by employers are made available to employees as a Transportation Fringe Benefit to promote use of alternative transportation methods.²

3. Require residential parking costs to be "unbundled" from the cost of the housing itself.

4. Require new mixed-use developments to provide common transportation amenities such as transit passes, bicycles, scooters, neighborhood use vehicles, and/or shared cars in proportion to the size of the development.

5. Construct additional parking supply, such as parking structures, when downtown peak parking occupancy regularly and consistently exceeds 80% in downtown Pacific Grove. Parking supply shall be located as identified in Step A.2.

6. Implement new code and parking regulations for all new development in the downtown area that, among other things, reduces minimum parking requirements to levels that reflect urban demand in a downtown district.

7. Through development code revisions, continue to reduce parking requirements in a phased approach as parking supply balances with parking demand. Allow further reductions for projects that incorporate transportation and parking demand management strategies.

8. Once parking resources are sufficiently shared to meet demand and future supply needs are funded, remove minimum parking requirements in a phase approach.

9. Perform ongoing monitoring, supply and demand analyses, and program operation.

² Current state law (§43845 of the California Health and Safety Code) already requires employers with over 50 employees to offer the parking cash-out.
II. MANAGING PARKING SUPPLY

ESTABLISH A "PARK ONCE" STRATEGY

Managing the supply of parking would reduce the long-term cost of having to build more supply than is needed to support a successful, economically viable and vibrant downtown. Through efficient utilization and management of the current and future supply of parking, the City would ensure that sufficient parking is available for residents and visitors to downtown Pacific Grove. To generate economic vitality in downtown, the City should create an environment that enables a visitor to easily find parking such that he or she can park upon arrival in Pacific Grove and then shop, dine or be entertained without having to get back in the car. This is called the “Park Once” strategy and it is implemented by:

- Managing parking supply as a public utility, just like streets and sewers, to maximize the efficiency of existing parking and provide public parking in strategically-placed, city-managed lots and/or structures; and
- Encouraging existing private commercial parking to be shared among different land uses so that spaces are available to the public when not serving private commercial use.

Operating the downtown parking supply as a single shared pool results in significant savings in daily vehicle trips and costly provision of parking spaces, for three reasons:

1. Those arriving by car can easily follow a “park once” pattern: they park their car just once and complete multiple daily tasks on foot (and possibly by using local transit) before returning to their car.

2. Spaces can be efficiently shared between uses with different peak hours, peak days, and peak seasons of parking demand (such as office, restaurant, retail and entertainment uses).

3. The parking supply can be sized to meet average parking loads (instead of the worst-case parking ratios needed for isolated suburban buildings), since the common supply allows shops and offices with above-average demand to be balanced by shops and offices that have below-average demand or are temporarily vacant.

Overall, the benefits of implementing a “Park Once” strategy for the entire downtown include:

- A welcoming environment for customers and visitors by providing long-term parkers the convenience of parking for however long they wish without having to move their vehicle or risk receiving a citation.
- Leveraging the strategic location of Lots 1 and 2, which provide parkers easy access (short walk) to all of downtown Pacific Grove.
- Fostering future greater urban design and redevelopment opportunities by consolidating the parking supply into strategically placed larger, more space-efficient (and therefore more cost-effective) structures.
- Finally, and perhaps most importantly, by transforming motorists into pedestrians, who walk instead of drive to different downtown destinations. A “park once” strategy is an immediate generator of pedestrian life, creating crowds of people who animate public life on the streets and generate patrons for street-oriented retail businesses and restaurants.

The strategy to initiate a "Park Once" environment is addressed in this Parking Management Program as a comprehensive series of policies and actions to manage both parking supply and demand.

POLICIES AND ACTIONS

The following parking supply management policies and actions should be implemented, in concert with policies and actions to manage parking demand, to meet the aforementioned community goals. The following actions are summarized in Section 1. Implementation Plan Summary in chronological order of implementation. For this Section, they are organized under pertinent policy statements.

Policy S1: Implement a “Park Once” Strategy for the downtown area.

Action S1.1: Complete a study of existing parking supply and demand for all public on-street, public off-street, and private parking lots in the downtown area.

Action S1.2: Based on the results of the parking study identified in Action S1.1, determine where future public parking supply should be added due to high demand or anticipated redevelopment of existing at-grade lots. Identify and reserve potential locations for
future public parking structures. Proceed with initial planning, financing, and designing of a new public parking structure where demand is anticipated to be greatest and strategic shared parking is possible.

**Action S1.3:** Implement a parking sensor program to ensure parker compliance of time restrictions through enhanced enforcement. Sensors should be installed downtown and at Lovers Point. Use sensors to gather occupancy and duration data to augment the findings of the parking study (Action S1.1) and better determine when and where high demand occurs.

**Action S1.4:** Construct additional parking supply, such as parking structures, when downtown peak parking occupancy regularly and consistently exceeds 80% in downtown Pacific Grove. Parking supply shall be located as identified in Action S1.1.

**Policy S2:** Form commercial and residential parking benefit districts.

**Action S2.1:** Form a Commercial Parking Benefit District that dedicates 80% of parking revenue to public improvements and services within the downtown area only. Potential net revenue uses include, but are not limited to, intersection improvements, landscaping, pedestrian amenities (e.g., benches), street cleaning, pedestrian-scaled lighting, and transit and bicycle infrastructure.

**Action S2.2:** Implement a paid parking program to achieve downtown revitalization goals, including improved urban design and economic vitality. Paid parking program would first be established in Lots 1 and 2 and then adjusted consistent with the findings of the parking study (Action S1.1).

**Action S2.3:** Establish Residential Parking Benefit Districts to prevent unwanted spillover parking in adjacent residential neighborhoods.

**Policy S3:** Reduce and Eventually Remove Minimum Parking Requirements.

**Action S3.1:** Implement new code and parking regulations for all new development in the downtown area that reduces minimum parking requirements to levels that reflect urban demand in a downtown district.

**Action S3.2:** Implement new code and parking regulations for all new development in the downtown area that allows for the payment of an in-lieu parking fee for all new development.

**Action S3.3:** Through Development Code revisions, continue to reduce parking requirements in a phased approach as parking supply balances with parking demand. Allow further reductions for projects that incorporate transportation and parking demand management strategies.

**Action S3.4:** Once parking resources are sufficiently shared to meet demand and future supply needs are funded, remove minimum parking requirements in a phased approach.

**RATIONALE FOR ACTIONS**

**Action S1.1:** Complete a study of existing parking supply and demand for all public on-street, public off-street, and private parking lots in the downtown area.


A regularly updated analysis of parking supply and demand is needed to maximize the efficient siting and management of the parking supply. Until management systems such as parking pay stations and/or meters are in place that can monitor parking utilization on a daily basis, a regular update of on-street and off-street parking supply and utilization is required.

**Action S1.2:** Based on the results of the parking study identified in Action S1.1, determine where future public parking supply should to be added due to high demand or anticipated redevelopment of existing at-grade lots. Identify and reserve potential locations for future public parking structures. Proceed with initial planning, financing, and designing of a new public parking structure where demand is anticipated to be greatest and strategic shared parking is possible.


Because the funding, planning and design efforts required to construct a public parking structure take many years to complete, these steps should be initiated in advance of actual need and as early as possible. That way, the City would be able to provide adequate parking once surface lots are fully utilized and/or converted to new uses and the downtown occupancy rates demonstrate that additional parking supply is needed.
**Action S1.3:** Implement a parking sensor program to ensure parker compliance of time restrictions through enhanced enforcement. Sensors should be installed downtown and at Lovers Point. Use sensors to gather occupancy and duration data to augment the findings of the parking study (Action S1.1) and better determine when and where high demand occurs.


The enforcement of on-street time-restrictions would ensure turnover every 1 to 2 hours. And the ongoing collection and analysis of occupancy and duration data would allow the City to better determine peak parking demand periods. Combined with the parking study (Action S1.1), this information would be crucial to identifying when additional parking supply is needed.

**Action S1.4:** Construct additional parking supply, such as parking structures, when downtown peak parking occupancy regularly and consistently exceeds 80% in downtown Pacific Grove. Parking supply shall be located as identified in Action S1.1.

Timing: Long-term (2013 and beyond)

Construction of a City-funded public parking structure takes years of planning and fund raising, which is why the planning for such structures should take place as soon as possible.

**Action S2.1:** Form a Commercial Parking Benefit District that dedicates 80% of parking revenue to public improvements and services within the downtown area only. Potential net revenue uses include, but are not limited to, intersection improvements, landscaping, pedestrian amenities (e.g., benches), street cleaning, pedestrian-scaled lighting, and transit and bicycle infrastructure.

Timing: Short-term (2011-2013)

Always available, convenient, on-street customer parking is of primary importance for ground-level retail to succeed. Typically, to create vacancies and rapid turnover in the best, most convenient, front door parking spaces, price incentives are used to persuade some drivers to park in the less convenient spaces (e.g., in a lot a block or two away): higher prices for the best spots, cheaper prices for the less convenient, currently underused lots. In Pacific Grove, time-restrictions will continue to be used on-street to create the incentive for turnover over 1 to 2 hours, while allowing long-term parkers to pay a reasonable fee to park for however long they wish in Lots 1 and 2.

**Action S2.2:** Implement a paid parking program to achieve downtown revitalization goals, including improved urban design and economic vitality. Paid parking program would first be established in Lots 1 and 2 and then adjusted consistent with the findings of the parking study (Action S1.1).

Timing: Short-term (2011-2013)

Multi-space, pay-by-space parking stations shall be installed in the core commercial area of downtown. Additional pay stations and/or meters could be included through analysis of existing parking supply and demand conditions identified in the parking study per Actions S1.1 and S1.3.

Pay stations would accept multiple forms of payment (credit cards, bills, coins, etc.) and may allow the user to extend time from any other station, or by cell phone, to provide ease of use.

Pay stations would be solar powered and centrally networked with wireless technology, to reduce operation costs and improve parking management and pricing decisions.

Implement a “pay-by-space” payment system which allows motorists to park, pay, and go (not pay-and-display, which requires customer to return to vehicle to display a receipt and can contribute to litter problems).

**PARKING PRICES SHOULD BE SET AT RATES THAT CREATE A 15% VACANCY RATE**

Motorists can be thought of as falling into two primary categories: bargain hunters and convenience seekers. Convenience seekers are more willing to pay for an available front door spot. Typically, many shoppers and diners are convenience seekers: they are often less sensitive to parking charges because they stay for relatively short periods of time, meaning that they will accumulate less of a fee than an employee or other all-day visitor. By contrast, many long-stay parkers, such as employees, find it more worthwhile to walk a block to save on eight hours worth of parking fees. With proper pricing, the bargain hunters will choose currently underutilized lots, leaving the prime spots
available for those convenience seekers who are often willing to spend a bit more.

If prices are used to create convenience for long-term parkers, then what is the right price? For those local residents, employees, and visitors who wish to stay longer than the 1 to 2 hour time restrictions, the convenience of parking longer may make them willing to pay a fee in Lots 1 and 2 because these lots are located in the center of downtown and within a short walk of all stores, restaurants, and office space.

An ideal occupancy rate is 85% at even the busiest hour, a rate that leaves about one out of every seven spaces available. This provides enough vacancies that visitors can easily find a spot when they arrive in Lots 1 and 2. For each parking lot, the right price is the price that achieves this goal. This means that pricing may not be uniform: the most desirable lots could command higher prices, while less convenient lots are cheaper (or may even be free). Prices could also vary by time of day and day of week; for example, higher at noon and lower in the evening.

Because the City is converting free public lots to paid lots, the introduction of a rate structure should be simple and not expensive. By having a non-changing rate structure, the City limits the possibility for confusion. And by introducing a modest fee, parkers will be less resistant to pay to park where they previously parked for free or for a modest permit fee.

Parking occupancy for each lot should be monitored carefully, and, if needed, prices adjusted to encourage greater occupancy or keep enough spaces available. In short, prices should be set at market rate, according to demand, so that the lots are utilized, yet just enough spaces are always available.

**Action S2.3:** Establish Residential Parking Benefit Districts to prevent unwanted spillover parking in adjacent residential neighborhoods.

**Timing:** Short-term (2011-2013)

Once the Commercial Benefit District is established some existing residents inside of the district boundaries may have no readily available, free off-site parking. As the City transitions from a downtown with free parking to one with a combination of time-restrictions and market driven parking pricing, a short term parking permit arrangement should be established to handle the transition. The permit would give existing residents who do not have any available on-site or alternative parking the ability to park in a designated area.

**Action S3.1:** Implement new code and parking regulations for all new development in the downtown area that reduces minimum parking requirements to levels that reflect urban demand in a downtown district.

**Timing:** Long-term (2013 and beyond)

Reducing and eventually removing minimum parking requirements would remove barriers to new development, encourage efficiently shared public parking, and create a healthy market for downtown parking, where parking spaces are bought, sold, rented and leased like any other commodity.

Minimum parking requirements have emerged as one of the biggest obstacles to many cities’ efforts to encourage new residential and commercial development in their revitalizing downtown areas. As UCLA professor Don Shoup describes it, “Parking requirements cause great harm: they subsidize cars, distort transportation choices, warp urban form, increase housing costs, burden low-income households, debase urban design, damage the economy, and degrade the environment... Off-street parking requirements also cost a lot of money, although this cost is hidden in higher prices for everything except parking itself.”

Minimum parking requirements currently serve to prevent spillover parking, the phenomenon of commuters filling up all of the parking spaces on a downtown’s streets, and then spilling over into adjacent residential areas. However, once the actions in this program are implemented, market rate prices for the parking spaces in Lots 1 and 2 along with appropriate enforcement of time-restricted on-street spaces should ensure that ample vacancies exist downtown. In the adjacent residential neighborhoods, the mechanism of residential parking benefit districts would ensure that unwanted spillover parking is prevented there as well. Once these two key program

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actions have been implemented, imposing minimum parking requirements becomes superfluous.

The minimum parking requirements for downtown Pacific Grove often require more parking than building, and this is especially true for uses that help create vibrancy and life downtown (restaurants, entertainment venues, etc). Removing these requirements, and the interim step of reducing them to levels appropriate to a traditional downtown, can greatly improve urban design, while making it possible to build many projects that were previously infeasible.

After minimum parking requirements have been reduced – and after the recommendations in this plan to prevent spillover parking have been successfully implemented – minimum parking requirements for all new development in the downtown should be removed. Doing so would provide numerous rewards, allowing Pacific Grove to achieve its goals of a more walkable downtown, a healthier economy and environment, and better urban design.

While the necessary strategies to prevent spillover parking are being established, minimum parking requirements for downtown should be reduced to rates that reflect the actual demand observed in similar mixed-use downtowns.

**Action S3.2:** Implement new code and parking regulations for all new development in the downtown area that allows for the payment of an in-lieu parking fee for all new development.

Timing: Long-term (2013 and beyond)

The option to pay a fee in-lieu of providing on-site parking should apply to all development types within the downtown area. Payment of the in-lieu parking fee for each required space would be allowed to satisfy 100% of the minimum parking requirement. The in-lieu revenue generated by the program should be used to fund parking and transportation management strategies contained in this plan.

**Action S3.3:** Through development code revisions, continue to reduce parking requirements in a phased approach as parking supply balances with parking demand. Allow further reductions for projects that incorporate transportation and parking demand management strategies.

Timing: Long-term (2013 and beyond)

For greater explanation of the rationale and benefit of reducing minimum parking requirements, see also the description for Action S3.2.

**Action S3.4:** Once parking resources are sufficiently shared to meet demand and future supply needs are funded, remove minimum parking requirements in a phased approach.

Timing: Long-term (2013 and beyond)

After market-rate pricing has been instituted for downtown’s public lots (and potentially on-street parking, too) and residential parking benefit districts have been established, the City would be able to remove minimum parking requirements in the downtown area. For greater explanation of the rationale and benefit of reducing and eliminating minimum parking requirements, see the description for Action S3.2.

**III. MANAGING PARKING DEMAND**

Managing the demand for parking will allow current investment of parking supply to be utilized more efficiently, thereby reducing the long-term cost of having to build more supply than is needed to support a successful downtown. The following set of parking demand management policies and actions would be implemented, in concert with policies and actions to manage parking supply, to meet the aforementioned community goals. The following actions are summarized in Section I, Implementation Plan Summary in chronological order of implementation. For this Section, they are organized under pertinent policy statements.

**POLICIES AND ACTIONS**

**Policy D1:** Manage the demand for public and private parking.

**Action D1.1:** Identify from existing staff or hire new parking management staff (or contractors) to implement the recommendations of this plan and perform ongoing monitoring and supply and demand analyses.
**Action D1.2:** Require all employers in the downtown area to offer employees the option to “cash out” the cost, if applicable, of a parking space provided by the employer. Parking spaces paid for by employers are made available to employees as a Transportation Fringe Benefit to promote use of alternative transportation methods.  

**Action D1.3:** Implement new code and parking regulations for all new development in the downtown area that requires residential parking costs to be “unbundled” from the cost of the housing itself.

**Policy D2:** Invest a portion of net parking revenues in transportation demand management strategies.

**Action D2.1:** Use net parking revenue from the Commercial Parking Benefit Districts to fund street improvements and long-term transportation and parking demand management programs and incentives within the downtown area, including:

a. Help fund intersection improvements along Lighthouse Avenue.

b. Provide transit passes for all residents and employees in the Commercial Parking Benefit District; and

c. Establish a car sharing program with one or more convenient and highly-visible “pods” located in the downtown area.

**Rationale for Actions**

**Action D1.1:** Identify from existing staff or hire new parking management staff (or contractors) to implement the recommendations of this plan and perform ongoing monitoring and supply and demand analyses.


**Action D1.2:** Require all employers in the downtown area to offer employees the option to “cash out” the cost, if applicable, of a parking space provided by the employer. Parking spaces paid for by employers are made available to employees as a Transportation Fringe Benefit to promote use of alternative transportation methods.

Timing: Long-term (2013 and beyond)

Requiring all new and existing employers that provide subsidized employee parking to offer their employees the option to “cash out” their parking subsidy would lower parking demand. Many employers in downtown (including the City itself) provide free private parking for their employees. Under a parking cash out requirement, employers would be able to continue this practice on the condition that they offer the cash value of the parking subsidy to any employee who does not drive to work.

The cash value of the parking subsidy could be offered in one of two forms:

- A transit/vanpool subsidy equal to the value of the parking subsidy (of which up to $105 is tax-free for both employer and employee)
- A taxable carpool/walk/bike subsidy equal to the value of the parking subsidy employees who opt to cash out their parking subsidies would not be eligible to receive free parking from the employer, and would be responsible for paying to park on days when they drive to work even if there is no pay mechanism.

**Benefits of Parking Cash Out**

- Provides an equal transportation subsidy to employees who ride transit, carpool, vanpool, walk or bicycle to work. The benefit is particularly valuable to low-income employees, who are less likely to drive to work alone.
- Provides a low-cost fringe benefit that can help individual businesses recruit and retain employees.
- Employers report that parking cash-out requirements are simple to administer and enforce, typically requiring just one to two minutes per employee per month to administer.

In addition to these benefits, the primary benefit of a parking cash out program is their proven effect on reducing auto congestion and parking demand. Studies that illustrate programs implemented in cities, colleges, and by individual employers, covering tens of thousands of employees and hundreds of firms show that, even in suburban locations with little or no transit,
financial incentives can substantially reduce parking demand. On average, a financial incentive of $70 per month reduced parking demand by over one-quarter. At the University of Washington, a financial incentive of just $18 per month reduced parking demand by 24 percent.

State Law currently requires the employers with 50 or more employees to provide a cash allowance to an employee if the employer has an out-of-pocket expense to provide parking for its employees. However, to achieve the full potential of parking cash-out programs, Pacific Grove should adopt local legislation that extends parking cash out requirements to all employers in the downtown area who provide free/reduced price parking to their employees, including both those who own or lease their parking. The ordinance would require that any downtown employers that provide subsidized parking to one or more of their employees must provide all their employees with the option to “cash out” their employee parking by taking the cash value of the parking subsidy. To establish the value of parking, the ordinance would define the market value of parking downtown using the most recent estimate of the cost to add additional parking spaces to downtown, including both the opportunity costs of land, and the cost to build, operate and maintain parking itself.

In order to enforce this parking cash out requirement, the City would have to require employers to provide proof of compliance (via an affidavit signed by a company officer) at the same time that they receive/renew their business license or pay their annual business taxes. This method ensures that all employers are in compliance with parking cash out requirements on an ongoing basis, rather than limiting proof of compliance to a one-time enforcement for employers occupying new or renovated commercial buildings.

Parking costs are generally included in the sale or rental price of housing. But although the cost of parking is often hidden in this way, parking is never free. Everyone pays for parking, but almost nobody pays directly. Each parking space can cost upwards of $30,000 and is usually already included in the purchase price of the residential unit. Unbundling parking provides a financial reward to households who decide to dispense with one or more of their cars, and helps attract those who wish to live in a walkable, transit-oriented neighborhood where it is possible to live well with only one car, or even no car, per household.

Charging separately for parking is also the single most effective strategy to encourage households to own fewer cars, and rely more on walking, bicycling and using public transit (especially when coupled with transit passes). According to one study, unbundling residential parking can significantly reduce household vehicle ownership and parking demand by as much as 35% depending on the monthly cost of the parking space.5

**Action D2.1:** Use net parking revenue from the Commercial Parking Benefit Districts to fund street improvements and long-term transportation and parking demand management programs and incentives within the downtown area, including:

a. Help fund intersection improvements along Lighthouse Avenue.

b. Provide transit passes for all residents and employees in the Commercial Parking Benefit District; and

c. Establish a car sharing program with one or more convenient and highly-visible “pods” located in the downtown area.

**Timing:** Long-term (2013 and beyond)

**EXAMPLE PARKING DEMAND MANAGEMENT PROGRAMS AND INCENTIVES**

It can often be cheaper to reduce some of the parking demand than to only construct new parking. The City should invest in the most cost-effective mix of

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transportation modes for access to downtown, including both public parking and transportation demand management strategies. By investing in the following package of demand-reduction strategies, the City could cost-effectively reduce parking demand in downtown (and the resulting traffic volumes). A portion of parking revenues (and other fees, grants, and/or transportation funds, when available) could be used to establish a full menu of transportation programs for the benefit of all downtown residents and employers. These programs may include:

- **Carpool and Vanpool Incentives.** The City should work with the AMBAG Commute Alternatives program to provide ride-sharing services, such as a carpool and vanpool incentives, customized ride-matching services, a Guaranteed Ride Home program (offering a limited number of emergency rides home), and an active marketing program to advertise the services to employees and residents.

- **Pedestrian and Bicycle Facilities.** Sidewalk and street crossing improvements would make walking safer and more desirable. Providing bicycle facilities, including a centralized location for secure bike parking, clothes lockers and shower facilities, would enable commuters to more easily bike to work.

Transit passes for all residents and employees in the Commercial Parking Benefit District

A universal transit pass program provides free, unlimited ride transit passes for every employee and resident of the downtown area. The annual passes could be purchased by the Parking Benefit District from the transit operators. Transit passes would not only reduce parking demand, but would provide public transit systems with a stable source of income, while helping increase ridership.

Transit passes provide multiple benefits for riders, the City, and transit providers as listed below:

For transit riders:
- Free access to transit.
- Rewards existing riders and attracts new ones.

For transit operators:
- Provides a stable source of income.
- Increases transit ridership, helping to meet agency ridership goals and farebox ratio requirements.
- Can help improve cost recovery, reduce agency subsidy, and/or fund service improvements, such as a downtown shuttle.

For the City and downtown:
- Reduces traffic congestion in and out of Pacific Grove and increases transit ridership.
- Reduces existing and unmet parking demand.
- Reduces future growth in parking demand.
- Transit pass programs can benefit new development if implemented concurrently with reduced parking requirements, which consequently lower construction costs.
- Providing free transit passes to residents provides an amenity that can help attract renters or home buyers seeking a “downtown lifestyle”.

For employees/employers:
- Reduces demand for parking on-site or leased spaces off-site.
- Provides a tax-advantaged transportation benefit that can help recruit and retain employees.

As many case studies illustrate, free transit passes are an extremely effective means to reduce the number of car trips in an area; reductions in car mode share of 4% to 22% have been documented, with an average reduction of 11%. By removing any cost barrier to using transit, including the need to search for spare change for each trip, people become much more likely to take transit to work or for non-work trips.

Many cities and institutions have found that trying to provide additional parking spaces costs much more than reducing parking demand by simply providing everyone with a free transit pass. For example, a study of UCLA’s universal transit pass program found that a new parking space costs more than 3 times as much as a free transit pass ($223/month versus $71/month).

Purchase of a transit pass program for all downtown employees and existing residents would likely be funded through some combination of the following funding sources:
• Parking revenue.
• Grants from environmental, public health, traffic mitigation sources (grants usually funds pilot projects).
• Local Transportation Development Act (TDA) funds.

In implementing a transit pass program, the City could emphasize:
• Universal coverage for all residents, which would allow for a lower per rider costs and a deeper discount to be offered.
• Automatic opt-in, which lowers sign-up barriers and encourages greater participation and ridership gains.
• Plan for targeted transit service improvements to further encourage usage of the transit pass and/or to respond to increased ridership after the program is launched.

Car Sharing Program
The City of Pacific Grove should establish a car sharing service with one or more shared vehicle “pods” strategically located in the downtown area. In order to help establish a car sharing service, the City would establish a car sharing program concurrent with the launch of the a transit pass program and include the following strategies:
• Partially or fully subsidize operation costs for a specified term.
• Require developers to pay into a car-share start-up fund.
• Provide other incentives, such as:
  o Offering convenient and visible spaces in downtown public parking facilities to car sharing providers for locating car sharing “pods”.
  o Requiring developers of large downtown projects to offer car sharing operators the right of first refusal for a limited number of parking spaces
  o Offering city employees discounted annual car sharing memberships.

National car sharing operators using telephone and Internet-based reservation systems, allow for a hassle-free way to rent cars by the hour, with members receiving a single bill at the end of the month for all their usage. The shared cars are located at convenient neighborhood “pods”.

This strategy has proven successful in reducing both household vehicle ownership and the percentage of employees who drive alone because of the need to have a car for errands during the workday. As a result, car sharing can be an important tool to reduce parking demand.

For residents, car sharing reduces the need to own a vehicle, particularly a second or third car. Recent surveys have shown that more than half of car-share users have sold at least one vehicle since joining a program in the San Francisco Bay Area. For employees, car sharing allows them to take transit to work, since they will have a vehicle available for errands during the day.

Dedicate Parking Revenues to Public Improvements and Public Services that Benefit the Downtown Area
Revenues from paid parking in the Commercial Parking Benefit District would fund public improvements that benefit the downtown area. (“Revenues” means total parking revenues from the area, less revenue collection costs, such as purchase and operation of pay stations or meters, enforcement and the administration of the district.) Downtown parking revenues need to be spent for the benefit of the downtown on projects that merchants and property owners have had a choice in deciding rather than having the parking revenues be directed solely into the General Fund. Bonding against future revenue (i.e., issuing revenue bonds) would enable the funding of larger capital projects (including the cost of installing pay stations) in the early stages of implementing the Commercial Parking Benefit District.

To ensure such continuing support for a Commercial Parking Benefit District, and for continuing to charge fair market rates for parking, it is crucial to give downtown stakeholders a strong voice in setting policies for the district, deciding how downtown parking revenues should be spent, and overseeing the operation of district to ensure that the monies collected from their customers are spent wisely.
Establish a Parking Advisory Board

To accomplish this, the City Council should establish an advisory board to help set policies, rates and expenditures of parking revenues. The City Council would appoint the members of the advisory board, with the recommended composition including City staff, downtown business and property owners and other downtown community leaders. The advisory board should advise the City Council on how the community would like the parking revenue spent in downtown Pacific Grove. (The existing Business Improvement District could fill this role.) The City Council would retain final approval over all expenditures.