

Parking Fees, City Facilities

Definition and Examples

An increase to the parking fees of city operated parking garages.

According to a 2014 census, the city has close to 442,000 publicly-available parking spaces citywide, including over 275,000 on-street spaces, and 166,500 in parking garages and lots. The San Francisco Municipal Transportation Agency (SFMTA) operates 21 paid, publicly available parking garages, which, at the time of the study, accounted for 14,772 parking spaces. These parking garages have rates by the hour, by the day, or by month, and vary according to time of day or user characteristics.

Establishment and Administration

As part of the *SFpark* program, the SFMTA can set rates without SFMTA board action¹. The legislated maximum is \$10 per hour. To manage day-to-day operations and collect revenues, the SFMTA contracts directly with professional parking management vendors.

Expenditures

Revenue generated by parking fees in SFMTA garages, after paying for operating expenses, are used to fund other SFMTA operations, including public transit. Parking garage revenue is currently pledged to SFMTA's Series 2012 Bonds to finance various capital improvements, but SFMTA is permitted to issue additional bonds and to enter into additional obligations as long as they are on parity with the payment of principal and interest of the 2012 Bonds.

Revenues

The SFMTA owns 16 of the 21 parking garages that it operates across the city, collecting parking fees that generated over \$70 million in gross revenue in Fiscal Year 2016/17. The remaining 5 parking garages are owned by the Recreation and Parks Department. This fact sheet assumes that an overall 5-15% increase in SFMTA's parking garage fees would have limited impact on demand, that no additional operating expenses would be incurred, and that the additional revenue can be used for a different purpose than what the existing revenues are pledged for. An overall 5-15% increase in SFMTA's parking garage fees is estimated to generate:

- First year (2018/19): \$3.6-10.8 million
- 25-year total (in \$2017): \$90-270 million

Historically, this revenue source has been quite stable. However, there are several factors that may negatively impact parking demand and parking revenue in the future. Transportation Network Companies are already changing the ways people get around cities, and autonomous vehicles may also shift the need for parking particularly in downtown areas. It is too soon to tell how these technological shifts may impact future parking revenues.

Policy and Equity Considerations

As a user fee, increasing the parking fees could potentially encourage motorists to adjust their driving behavior (i.e., drive less), but it would not likely have a big impact on its own since SFMTA owned parking garages represent only a small portion of all available parking- SFMTA's parking pricing policies are not focused on

¹ <http://sfpark.org/about-the-project/>

generating revenues, but are a critical component of transportation and curbside management strategies. A departure from this policy could have detrimental impacts on both programs.

User fees are typically considered regressive, because they take a larger percentage of income from low-income groups than high-income groups. In San Francisco, however, lower income groups own disproportionately fewer automobiles than the population as a whole, and as such may bear a smaller burden of these fees. Further, there are typically other options available for parking beyond the SFMTA-owned garages.