

THIS PRINT COVERS CALENDAR ITEM NO: 9

PARKING AUTHORITY COMMISSION  
MUNICIPAL TRANSPORTATION AGENCY  
City and County of San Francisco

DIVISION: Parking Authority

BRIEF DESCRIPTION:

To adopt the initial pricing policy for Parking Authority administered and managed parking facilities.

SUMMARY:

- At the January 30, 2007 Parking Authority Commission meeting, staff was instructed to analyze and evaluate the effects of parking rate adjustments, in order to make recommendations for a pricing policy that the Commission can use as a template for future rate adjustments.
- At the February 6, 2007 Parking Authority Commission meeting, the public commented on parking rate adjustments. On March 20 and May 1, 2007, the Parking Authority staff presented a report with proposed recommendations for the Commission’s review and direction.
- Staff recommended that the Parking Authority Commission adopt a formal pricing policy that is performance-based driven at all Parking Authority administered parking facilities. A performance-based policy starts with a defined goal and a desired outcome that dictates the required input or parking rate(s). Moreover, the pricing policy shall be both firm and flexible enough to be effective for both short and long-term goals.
- Staff recommends an initial pricing policy that will serve as a living document and a starting point that will set measured goals for greater revenue growth, traffic reduction and increased commerce. Additionally, staff will develop a comprehensive plan that will further define goals and recommendations that will address the Parking Authority and Municipal Transportation Agency Board’s long-term needs and future policies.
- The City Attorney’s Office has reviewed this item.

ENCLOSURES:

1. Parking Authority Commission and Municipal Transportation Agency Board Resolution

APPROVALS:

DATE

DEPUTY OF DIVISION  
PREPARING ITEM  
FINANCE  
DIRECTOR  
SECRETARY

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ADOPTED RESOLUTION

SHOULD BE RETURNED TO: Ronald Szeto 701-4746

ASSIGNED MTAB CALENDAR DATE: \_\_\_\_\_

## **EXPLANATION:**

### **Background:**

At the January 30, 2007 Parking Authority Commission meeting, staff was instructed to analyze and evaluate the effects of parking rate adjustments in order to make recommendations for a pricing policy that the Commission can use as guidelines for future rate adjustments.

At the February 6, 2007 Parking Authority Commission meeting, the public commented on parking rate adjustments. On March 20 and the May 1, 2007, staff presented a report with proposed recommendations for future rate adjustments for the Commission's review and direction.

During a presentation, staff cited numerous positions for and against parking rate increases at Parking Authority managed garages. The main points are summarized below.

### **Positions For Increasing Parking Rates**

- Generates additional revenue for public transportation and other City departments.
- Encourages the use of public transportation, car-pooling, car-sharing, bicycling, taxi service and/or other non-vehicular modes of transportation.
- Discourages the use of vehicular modes of transportation.
- Reduces air pollution, health risks and improves pedestrian safety.
- Improves the San Francisco Municipal Railway's on-time performance.

### **Positions Against Increasing Parking Rates**

- Reduces traffic congestion by offering reasonably priced off-street parking.
- Encourages a greater number of people to use Parking Authority managed garages, rather than looking for less expensive on-street parking.
- Promotes commerce in downtown and neighborhood shopping districts.
- Adds greater flexibility for future rate increases.

The Parking Authority staff reported that both sides of this debate offer valid points. However, staff stressed the need for a balanced approach that respects all stakeholders: non-drivers, motorists, and the business community. Additionally, a balanced approach must also support and promote the City's Transit-First Policy by encouraging greater use of public transportation and non-automobile modes of transportation.

### **Proposal:**

Staff proposes that the Parking Authority Commission and the Municipal Transportation Agency Board adopt a formal pricing policy that is performance-based driven at all Parking Authority administered parking facilities. A performance-based policy starts with a defined goal and a desired outcome that dictates the required input or parking rate(s). Moreover, the pricing policy shall be both firm and flexible enough to be effective for both short and long-term goals.

Therefore, this policy paper is a living document and a starting point that will set measured goals for greater revenue growth, traffic reduction and increased commerce. Additionally, staff will develop a comprehensive plan that will further define the goals with recommendations to address our long-term needs and future policies.

- Set measurable goals that will reduce traffic congestion in and around City and Parking Authority garages, so that automobile traffic entering and exiting does not block or interfere with public transit or through traffic, thus supporting the City's Transit-First Policy and pedestrian safety.
- Establish parking rates that achieve peak occupancy utilization between 70 and 85 percent in all Parking Authority administered parking facilities.
- Establish parking rates that maintain annual transient parking volume between 7.5 to 8.5 million vehicles.
- Establish parking rates that attract short-term customers (1-4 hours) and, if possible, charge short-term rates that are less expensive than on-street parking meters.
- Establish priority for short-term transient demand, and allow the use of the remaining spaces for long-term parking at market rates.
- The Parking Authority and the Municipal Transportation Agency Board will make available the necessary parking spaces to accommodate the expected growth in car-pooling and car-sharing at a reduced rate.
- The Parking Authority and the Municipal Transportation Agency Board will continue to accommodate bicycle parking at no charge.
- The Parking Authority and the Municipal Transportation Agency Board will encourage more garages to offer validation parking as a revenue enhancement when parking spaces are available.
- The Parking Authority and the Municipal Transportation Agency Board will utilize public/private partnerships to achieve greater use of our garages and promote commerce with our neighboring businesses and shopping centers during holidays and special promotions.
- In an effort to market the parking facilities and promote commerce during periods of low occupancy, the Parking Authority and the Municipal Transportation Agency Board authorizes the Director of the Parking Authority to implement a low-occupancy validation pilot program at fifty-cents per hour. The pilot program is effective only for occupancy levels under fifty percent and shall not exceed 12-months.
- The Parking Authority and the Municipal Transportation Agency Board will compare and contrast parking rates at private garages and shopping centers as a means test for future rate increases.
- To the extent not prohibited by law, storage spaces, not utilized for operational needs, shall be advertised and rented to generate additional revenue.

The City Attorney's Office has reviewed this item.

**Recommendation**

Staff recommends that the Parking Authority Commission and the Municipal Transportation Agency Board adopt the attached resolution, establishing the initial pricing policy for the Parking Authority administered and managed parking facilities.

PARKING AUTHORITY COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION No. \_\_\_\_\_

WHEREAS, At the January 30, 2007 Parking Authority Commission meeting, staff was instructed to analyze and evaluate the effects of parking rate adjustments, in order to make recommendations for a pricing policy that the Commission can use as guidelines for future rate adjustments; and,

WHEREAS, At the February 6, 2007 Parking Authority Commission meeting, the public commented on parking rates and on March 20 and May 1, 2007, staff presented a report with proposed recommendations for the Commission's review and direction; and,

WHEREAS, During a presentation, staff cited that there were numerous positions for and against increasing parking rates at Parking Authority managed garages, and cited the main points for each position; and,

WHEREAS, The Parking Authority staff reported that both sides of this debate offer valid points, however, staff stressed the need for a balanced approach that respects all stakeholders: non-drivers, motorists, and the business community. Additionally, a balanced approach must also support and promote the City's Transit-First Policy by encouraging greater use of public transportation and non-automobile modes of transportation; and,

WHEREAS, Staff proposes that the Parking Authority Commission adopt a formal pricing policy that is performance-based driven at all Parking Authority administered parking facilities. A performance-based policy starts with defined goals and a desired outcome that dictates the required input or parking rate(s). The pricing policy shall be both firm and flexible enough to be effective for both short and long-term goals; and,

WHEREAS, Staff recommends an initial pricing policy which will serve as a living document with a starting point that will set measured goals for greater revenue growth, traffic reduction and increased commerce. Staff will develop a comprehensive plan that will further define the goals with recommendations that address the Parking Authority's long-term needs and future policies; now, therefore, be it

RESOLVED, That the Parking Authority Commission adopts the following policies and rates for the Lombard Street Garage, the Moscone Center Garage, the North Beach Garage, the Performing Arts Garage, the Polk-Bush Garage and the San Francisco General Hospital Medical Center Parking System; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that directs staff to set measurable goals to reduce traffic congestion in and around Parking Authority administered parking facilities, so that automobile traffic entering and exiting does not block or interfere with public transit or through traffic, thus supporting the City's Transit-First Policy and pedestrian safety; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that establishes parking rates that achieve peak occupancy utilization between 70 and 85 percent in all Parking Authority administered parking facilities; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that establishes parking rates that maintain annual transient parking volume between 7.5 to 8.5 million vehicles; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that establishes parking rates that attract short-term customers (1-4 hours) and, if possible, charge short-term rates that are less expensive than on-street parking meters; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that establishes priority for short-term transient demand, and allows the use of the remaining spaces for long-term parking at market rates; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that will make available the necessary parking spaces to accommodate the expected growth in car-pooling and car-sharing at a reduced rate; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that will continue accommodating bicycle parking at no charge; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that encourages more garages to offer validated parking as a revenue enhancement when parking spaces are available; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that encourages public/private partnerships that increases the use of Parking Authority administered parking facilities and promotes commerce with our neighboring businesses and shopping centers during holidays and special promotions; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy authorizing the Director of the Parking Authority to implement a low-occupancy validation pilot program at fifty-cents per hour. The pilot program is effective only for occupancy levels under fifty percent and shall not exceed 12 months; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that requires the Director of the Parking Authority to compare and contrast parking rates at private garages and shopping centers as a means test for future rate increases; and, be it further

RESOLVED, That to the extent permitted by law, the Parking Authority Commission adopts a policy requiring that storage spaces not utilized for operational needs shall be advertised and rented to generate additional revenue.

I hereby certify that the foregoing resolution was adopted by the Parking Authority Commission at its meeting of \_\_\_\_\_.

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Secretary, Parking Authority Commission

THIS PRINT COVERS CALENDAR ITEM NO: 10

PARKING AUTHORITY COMMISSION  
MUNICIPAL TRANSPORTATION AGENCY BOARD  
City and County of San Francisco

DIVISION: Parking Authority

BRIEF DESCRIPTION:

To adopt the initial parking policy for Parking Authority administered and managed parking facilities that restricts no charge parking.

SUMMARY:

- At the March 20, 2007 Parking Authority Commission meeting, staff presented a report on free parking at Parking Authority administered facilities for the Commission’s review and direction.
- Staff proposed recommendations that would restrict the no charge use of parking spaces in Parking Authority administered facilities.
- The proposed changes remove outdated practices, and implement new policies that will allow the Parking Authority Commission and the Municipal Transportation Agency Board to standardize its rules and regulations, in order to reflect sound judgment and “best practices” that are needed and required for this department to continue as a vital public entity and asset to the City for decades to come. In addition, the new policies will also encourage the use of public transit and other alternate modes of transportation.
- The City Attorney’s Office has reviewed this item.

ENCLOSURES:

1. Parking Authority Commission and Municipal Transportation Agency Board Resolution

APPROVALS:

DATE

DEPUTY OF DIVISION  
PREPARING ITEM

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FINANCE

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DIRECTOR

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SECRETARY

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ADOPTED RESOLUTION

SHOULD BE RETURNED TO: Ronald Szeto 701-4746

ASSIGNED MTAB CALENDAR DATE: \_\_\_\_\_

## **EXPLANATION:**

### **Background:**

At the March 20, 2007 Parking Authority Commission meeting, staff presented a report on free parking at Parking Authority administered facilities for the Commission's review and direction. Staff reviewed the current practices regarding free parking, and made recommendations for each category.

### **Proposal:**

Staff proposes a makeover of current practices regarding free parking privileges, reimbursement, and fees charged for Commissioners, city workers, garage staff, vendors, and customer service transactions. If these policies are implemented, it will be the first comprehensive policy document that addresses all nine categories fairly and equitably. These recommended policies will serve as a prudent framework for the Parking Authority Commission and the Municipal Transportation Agency Board.

The proposed recommendations are a result of an extensive study and critical analysis. Upon adoption, the recommendations will serve as a guideline for future actions. Moreover, these policies will determine the present and future uses of Parking Authority administered parking facilities and how they will be administered with integrity, fiscal responsibility, and in the best interest of the public and Parking Authority and the Municipal Transportation Agency Board as an end result.

The new policies will also encourage the use of public transit and other alternate modes of transportation. In short, the proposed changes remove outdated practices, and implement new policies that will allow the Parking Authority Commission and the Municipal Transportation Agency Board to standardize its rules and regulations that reflect sound judgment and "best practices" that are needed and required for this department to continue as a vital public entity and asset to the City for decades to come.

The proposed policy for the nine categories is listed below.

### **1. Parking Authority Commission**

#### Recommendation

Staff recommends that the Parking Authority Commission and the Municipal Transportation Agency Board adopt a policy to discontinue the use of free monthly access cards for all Parking Authority Commissioners and the Municipal Transportation Board of Directors.

### **2. Citywide Commission Parking at the Civic Center Garage**

#### Recommendation

Staff recommends that the Parking Authority Commission and the Municipal Transportation Agency Board adopt a policy to continue the privilege of free parking at the Civic Center Garage for all City Commissioners while attending regularly scheduled or special commission meetings.

### **3. Not-For-Profit Parking Corporation Board of Directors**

#### Recommendation

Staff recommends that the Parking Authority Commission and the Municipal Transportation Agency Board extend, by policy, the privilege of free parking for non-profit board members only during regularly scheduled or special board meetings at the garage they serve.

#### **4. Parking Authority Staff**

##### Recommendation

In an effort to eliminate sign-off tickets, staff recommends that the Parking Authority Commission and the Municipal Transportation Agency Board adopt a policy to discontinue Parking Authority staff from signing-off parking tickets, but would allow staff to seek reimbursement for parking charges incurred as a result of official business related to garage operations.

#### **5. City Hall, Other City Departments or Agencies and Communities**

##### Recommendation

Staff recommends that the Parking Authority Commission and the Municipal Transportation Agency Board adopt a policy to require any and all parking requests from the Mayor's Office, the Board of Supervisors, other City departments or agencies and/or communities be submitted in writing to the Director of the Parking Authority for his or her review. The Director of the Parking Authority will then forward the request with a recommendation to the Commission at its next regular meeting.

#### **6. City Employee Parking**

##### Recommendation

Staff recommends that the Parking Authority Commission and the Municipal Transportation Agency Board adopt a policy that requires all City employees and/or departments to pay for parking, except for City employees or departments that are legally authorized to park for free. In return for this parking privilege, each authorized City employee will be asked to complete a survey on a semi-annual basis to help improve the management and operation of the parking facilities. On an annual basis, the Director of the Parking Authority will issue a report identifying the utilization of the monthly access cards used by persons granted free parking.

#### **7. Parking Management Firms, Managers, and Attendants**

This practice also dates back many decades and must be approached with a layered type of policy, because many individuals will be affected by any policy restricting free parking. Initially, staff sought to eliminate all free parking for garage personnel, however, while reviewing this matter, significant concerns arose indicating that the policy may have a high negative effect on the management and operations of the parking facilities.

Therefore, staff divided this category into four distinct sub-categories: (a) Corporate managers/garage managers/office personnel, (b) Parking management firms, (c) Substitute or part-time parking attendants, and (d) Full-time parking attendants.

##### **(a) Corporate Managers, Garage Managers, and Office Personnel**

###### Recommendation

Staff recommends that the Parking Authority Commission and the Municipal Transportation Agency Board adopt a policy requiring all corporate managers, garage managers and office personnel working at the parking facility to pay for parking.

##### **(b) Parking Management Firms**

### Recommendation

Staff recommends that the Parking Authority Commission and the Municipal Transportation Agency Board adopt a policy that would discontinue signing-off tickets, but would allow management firms to seek reimbursement for parking charges incurred as a result of official business related to garage operations.

### **(c) Substitute and Part-Time Parking Attendants**

#### Recommendation

Substitute and/or part-time parking attendants routinely fill-in shifts or open schedules on short notice to maintain adequate staffing levels. Parking Authority staff recommends that the Parking Authority Commission and the Municipal Transportation Agency Board adopt a policy that requires the parking management firm to pay for its substitute and/or part-time parking attendants' parking charges, and then seek reimbursement if the parking charges are a result of official business related to garage operations.

### **(d) Full-Time Parking Attendants**

#### Recommendation

The current practice allows free parking for full-time parking attendants. This sub-category will have the biggest negative impact on the management and operation of the parking facilities if they are no longer allowed to park for free. In order to fully analyze the potential impact and repercussions, a thorough study will be conducted. Therefore, staff recommends that the Parking Authority Commission and the Municipal Transportation Agency Board adopt a policy that will continue to allow free parking to full-time parking attendants until a comprehensive study is completed along with updated recommendations.

## **8. Service Vendors**

### Recommendation

Staff recommends that the Parking Authority Commission and the Municipal Transportation Agency Board adopt a policy that would discontinue free parking for service vendors.

## **9. Customer Service**

### Recommendation

Staff recommends that the Parking Authority Commission and the Municipal Transportation Agency Board adopt a policy that requires a parking management firm to pay the parking charges when for reasons of customer service, the management firm does not charge a patron for all or part of an amount owed. The parking management firm may seek reimbursement from the Parking Authority for such charges paid, which the Director of the Parking Authority may or may not reimburse in its sole discretion.

The City Attorney's Office has reviewed this item.

### **Recommendation**

Staff recommends that the Parking Authority Commission and the Municipal Transportation Agency Board adopt the attached resolution, establishing the initial parking policy for Parking Authority administered and managed facilities that restricts no charge parking.

PARKING AUTHORITY COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION No. \_\_\_\_\_

WHEREAS, At the March 20 and May 1, 2007 Parking Authority Commission meeting, staff presented a report on free parking at Parking Authority administered facilities for the Commission's review and direction; and,

WHEREAS, Staff proposes recommendations that will determine the present and future uses of parking spaces to be administered with integrity, fiscal responsibility, and in the best interest of the public and Parking Authority as an end result and will serve as a guideline for future actions; and,

WHEREAS, The proposed changes remove outdated practices, and implement new policies that will allow the Parking Authority Commission and the Municipal Transportation Agency Board of Directors to standardize its rules and regulations that reflect sound judgment and "best practices" that are needed and required for this department to continue as a vital public entity and asset to the City for decades to come, and these proposed changes will also encourage the use of public transit and other alternate modes of transportation; now, therefore, be it

RESOLVED, That the Parking Authority Commission adopts the following policies and rates for the Lombard Street Garage, the Moscone Center Garage, the North Beach Garage, the Performing Arts Garage, the Polk-Bush Garage and the San Francisco General Hospital Medical Center Parking System; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that discontinues the use of free monthly access cards for all Parking Authority Commissioners and Municipal Transportation Agency Board of Directors; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that continues the privilege of free parking at the Civic Center Garage for all City Commissioners while attending regularly scheduled or special commission meetings; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that continues the free parking privilege for non-profit board members, but only during regularly scheduled or special board meetings at the garage they serve; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that discontinues Parking Authority staff from signing-off parking tickets, but would allow staff to seek reimbursement for parking charges incurred as a result of official business related to garage operations; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that requires parking requests from the Mayor's Office, the Board of Supervisors, other City departments or agencies and/or communities be submitted in writing to the Director of the Parking Authority for his or her review. The Director of the Parking Authority will then forward the request, with a recommendation to the Parking Authority Commission at its next regular meeting for final authorization; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that requires all City employees and/or departments to pay for parking, except for City employees or departments that are legally authorized to park for free. In return for this parking privilege, each authorized City employee must complete a survey on a semi-annual basis to help improve the management and operation of the parking facilities. On an annual basis, the Director of the Parking Authority will issue a report identifying the utilization of the monthly access cards used for free parking; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that requires all corporate managers, garage managers and office personnel to pay for parking; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that discontinues parking management firms from signing-off tickets, but would allow management firms to seek reimbursement for parking charges incurred as a result of official business related to garage operations; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that requires parking management firms to pay for its substitute or part-time parking attendants' parking charges, and then seek reimbursement if the parking charges are a result of official business related to garage operation; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that requires parking management firms to pay for its full-time parking attendants' parking charges, and then seek reimbursement if the parking charges are result of official business related to garage operations, until a comprehensive study is completed; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that discontinues free parking for service vendors; and, be it further

RESOLVED, That the Parking Authority Commission adopts a policy that requires a parking management firm to pay the parking charges when for reasons of customer service, the management firm does not charge a patron for all or part of an amount owed. The parking management firm may seek reimbursement from the Parking Authority for such charges paid, which the Director of the Parking Authority may or may not reimburse in its sole discretion.

I hereby certify that the foregoing resolution was adopted by the Parking Authority Commission at its meeting of \_\_\_\_\_.

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Secretary, Parking Authority Commission

THIS PRINT COVERS CALENDAR ITEM NO: 11

PARKING AUTHORITY COMMISSION  
City and County of San Francisco

DIVISION: Parking Authority

BRIEF DESCRIPTION:

Authorizing the Director of the Parking Authority to submit an application to the City Planning Department for an environmental evaluation, either a negative declaration or an environmental impact report for the potential build-out of the Performing Arts Garage, and to commence the preparation of the bid documents to hire a consultant to perform work associated with the requirement of the environmental evaluation for the potential build-out of the Performing Arts Garage.

SUMMARY:

- The Parking Authority Commission authorized the Director of the Parking Authority to award Walker Parking Consultants a contract to conduct the Performing Arts Garage build-out feasibility study.
- The intent of the study was to provide an analysis of parking supply and demand in the Civic Center and Hayes Valley communities and to provide short and long-term options and recommendations to address the findings in the study area shown on Exhibit A of the staff report.
- The study finds that there is a projected deficit of 635 parking spaces in the future.
- Staff proposes and seeks authorization to submit an application to the City Planning Department for an environmental evaluation, either a negative declaration or an environmental impact report for a potential build-out of the Performing Arts Garage, and to commence the preparation of the bid documents to hire a consultant to perform work associated with the requirement of the environmental evaluation.
- The City Attorney’s Office has reviewed this item.

ENCLOSURES:

1. Parking Authority Resolution
2. Feasibility Study For The Buildout Of The Performing Arts Garage

APPROVALS:

DATE

DEPUTY OF DIVISION

PREPARING ITEM

FINANCE

N/A

DIRECTOR

SECRETARY

ADOPTED RESOLUTION

SHOULD BE RETURNED TO: Ronald Szeto 701-4746

ASSIGNED PA COMMISSION CALENDAR DATE: \_\_\_\_\_

**EXPLANATION:**

**Background:**

On June 30, 2005, the Parking Authority Commission adopted a resolution, authorizing the Director of the Parking Authority to award a contract to conduct the Performing Arts Garage build-out feasibility study to Walker Parking Consultants, as the highest ranked respondent, for a total contract amount not to exceed \$120,000 and a contract term of two years.

The intent of the study was to provide an analysis of parking supply and demand in the Civic Center and Hayes Valley communities and to provide short and long-term options and recommendations to address the findings in the study. The study area is shown on Exhibit A of the staff report.

Table 1: Findings

| Scenario                     | Public Off-Street | Performing Arts Group Permit | Government Agency | Total Demand | Core Supply * | Surplus / (Deficit) |
|------------------------------|-------------------|------------------------------|-------------------|--------------|---------------|---------------------|
| Measure                      | Demand            |                              |                   | Supply       |               |                     |
| Weekday Peak Hour – 10:00 AM | 1,910             | 147                          | 121               | 2,178        | 1,543         | (635)               |
| Evening – No Performance     | 329               | 84                           | 22                | 435          | 1,543         | 1,108               |
| Evening – One Performance    | 810               | 178                          | 22                | 1,010        | 1,543         | 533                 |
| Evening – Three Performances | 1,399             | 228                          | 22                | 1,649        | 1,543         | (106)               |

\* Core supply reflects the total number of parking spaces at the Performing Arts Garage, the Civic Center Garage and the Opera Plaza Garage.

Table 2: Recommendations

|                   | Short-Term Solution (1-5 Years)  | Long-Term Solution (5+ Years)   |
|-------------------|--|---|
| Recommendation #1 | Ensure availability of short-term parking                                | Identify additional parking supply to accommodate evening demand                            |
| Recommendation #2 | Adjust pricing at the Performing Arts Garage and the Civic Center Garage | Vertical and horizontal build-out of the Performing Arts Garage                             |
| Recommendation #3 | Implement valet parking at the Performing Arts Garage                    | Horizontal build-out of the Performing Arts Garage utilizing automated mechanical structure |
| Recommendation #4 | Enhance security at the Civic Center Garage                              | Evaluate the use of Brooks Hall   |
| Recommendation #5 | Implement parking guidance systems                                       | Implement a more extensive valet operation  |
| Recommendation #6 | Performing Arts Group parking  | Transportation demand management  |

|  |                            |       |
|--|----------------------------|-------|
|  | at the Civic Center Garage | study |
|--|----------------------------|-------|

**Proposal:**

In order to proactively address the findings and not wait until the potential problem is upon us, staff proposes and seeks authorization from the Parking Authority Commission to take the next steps. Staff proposes to submit an application to the City Planning Department for an environmental evaluation, either a negative declaration or an environmental impact report for the potential build-out of the Performing Arts Garage, and to commence the preparation of the bid documents to hire a consultant to perform work associated with the requirement of the environmental evaluation for the potential build-out of the Performing Arts Garage. Staff will seek Parking Authority Commission approval prior to advertising the bid documents.

The City Attorney's Office has reviewed this item.

**Recommendation**

Staff recommends that the Parking Authority Commission adopt the attached resolution, authorizing the Director of the Parking Authority to submit an application to the City Planning Department for an environmental evaluation, either a negative declaration or an environmental impact report for the potential build-out of the Performing Arts Garage, and to commence the preparation of the bid documents to hire a consultant to perform work associated with the requirement of the environmental evaluation for the potential build-out of the Performing Arts Garage.

Exhibit A



PARKING AUTHORITY COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION No. \_\_\_\_\_

WHEREAS, On June 30, 2005, the Parking Authority Commission adopted a resolution, authorizing the Director of the Parking Authority to award a contract to conduct the Performing Arts Garage build-out feasibility study to Walker Parking Consultants, as the highest ranked respondent, for a total contract amount not to exceed \$120,000 and a contract term of two years; and,

WHEREAS, The intent of the study was to provide an analysis of parking supply and demand in the Civic Center and Hayes Valley communities and to provide short and long-term options and recommendations to address the findings in the study; and,

WHEREAS, The Parking Authority Commission has had the opportunity to review the findings of the study and the recommendations of the consultant and Parking Authority staff; and,

WHEREAS, The Parking Authority Commission desires to proactively address the findings; now, therefore, be it

RESOLVED, That the Parking Authority Commission authorizes the Director of the Parking Authority to submit an application to the City Planning Department for an environmental evaluation, either a negative declaration or an environmental impact report for the potential build-out of the Performing Arts Garage; and, be it further

RESOLVED, That the Parking Authority Commission directs the Director of the Parking Authority to prepare bid documents for the selection of a consultant to perform the work associated with the requirements of the environmental evaluation for the potential build-out of the Performing Arts Garage.

I hereby certify that the foregoing resolution was adopted by the Parking Authority Commission at its meeting of \_\_\_\_\_.

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Secretary, Parking Authority Commission

THIS PRINT COVERS CALENDAR ITEM NO: 12

**PARKING AUTHORITY COMMISSION**  
City and County of San Francisco

DIVISION: Parking Authority

**BRIEF DESCRIPTION:**

Authorizing the Director of the Parking Authority, or his designee, to approve the San Francisco General Hospital Medical Center Parking System Fiscal Year 2007-2008 budget, marketing plan and capital improvement request.

**SUMMARY:**

- On September 20, 2005, the Parking Authority of the City and County of San Francisco entered into a six-year agreement with Pacific Park Management, Inc. for the management of the San Francisco General Hospital Medical Center Parking System that commenced on January 1, 2006.
- Pursuant to the agreement, Pacific Park Management, Inc. is required to submit an annual operating budget, marketing plan and capital improvement request each fiscal year for review and approval.
- Staff has reviewed the attached budget submitted by Pacific Park Management, Inc. and recommends approval.
- The City Attorney's Office has reviewed this calendar item.

**ENCLOSURES:**

1. Parking Authority Commission Resolution
2. Fiscal Year 2007-2008 budget, marketing plan and capital improvement request for the San Francisco General Hospital Medical Center Parking System

**APPROVALS:**

**DATE**

*DEPUTY OF DIVISION*

|                |                           |       |
|----------------|---------------------------|-------|
| PREPARING ITEM | <u>Ronald Szeto</u> _____ | _____ |
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| FINANCE | _____ | _____ |
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| DIRECTOR | _____ | _____ |
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| SECRETARY | _____ | _____ |
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**ADOPTED RESOLUTION**

**BE RETURNED TO:** Ronald Szeto 701-4746

**ASSIGNED PA COMMISSION CALENDAR DATE:** \_\_\_\_\_

**EXPLANATION:**

On September 20, 2005, the Parking Authority entered into a six-year agreement with Pacific Park Management, Inc. (“Manager”) for the management of the San Francisco General Hospital Medical Center Parking System (“Parking System”) that commenced on January 1, 2006. Pursuant to the agreement, the Manager is required to submit an annual operating budget, marketing plan and capital improvement request for each fiscal year for review and approval.

Manager receives a management fee of \$1,000.00 per month. In addition, Manager may earn a 5 percent incentive fee of any net income (gross revenue less parking taxes and less expenses) achieved in excess of target net income Step 1, plus a 5 percent incentive fee for any net income achieved in excess of target net income Step 2, plus a 5 percent incentive fee for any net income achieved in excess of target net income Step 3. Total incentives in a contract year shall not exceed \$25,000. Staff projects that the Manager will not earn an incentive fee in FY 2006-2007.

To date, the incentive fee steps (based on historical Parking System performance) are shown in the Table below.

**Target Net Parking Income**

| Contract Year | 5% of excess over STEP 1 | Plus 5% of excess over STEP 2 | Plus 5% of excess over STEP 3 |
|---------------|--------------------------|-------------------------------|-------------------------------|
| 1             | \$1,040,000              | \$1,045,000                   | \$1,050,000                   |
| 2             | \$1,115,000              | \$1,120,000                   | \$1,125,000                   |
| 3             | \$1,125,000              | \$1,130,000                   | \$1,135,000                   |
| 4             | \$1,135,000              | \$1,140,000                   | \$1,145,000                   |
| 5             | \$1,145,000              | \$1,150,000                   | \$1,155,000                   |
| 6             | \$1,155,000              | \$1,160,000                   | \$1,165,000                   |

The Department of Parking and Traffic receives 100 percent of net income from garage revenues.

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**FISCAL YEAR 2006-2007**

A comparison between the approved FY 2006-2007 budget and the anticipated FY 2006-2007 performance of the Garage is shown in Table 1 below.

**Table 1**

| <b>FY 2006-2007<br/>Performance</b> | <b>Approved Budget<br/>July 1, 2006 -<br/>June 30, 2007</b> | <b>Actual/Anticipated<br/>July 1, 2006 –<br/>June 30, 2007</b> | <b>Difference Between<br/>Approved and<br/>Anticipated</b> |
|-------------------------------------|---|--|--|
| Revenues                            | \$2,889,780   | \$2,865,157  | -\$24,623  |
| less Parking Taxes                  | \$575,556   | \$570,594  | -\$4,962   |
| less Expenses                       | \$1,540,200   | \$1,532,988  | -\$7,212   |
| Net Income                          | \$774,024   | \$761,575  | -\$12,449  |

For the current fiscal year, the Manager anticipates generating \$2,865,157 in total revenues. The anticipated revenues are less than 1 percent under the budgeted amount for FY 2006-2007. Transient revenues are approximately \$22,000 or 2.6 percent over the budgeted amount offset by approximately \$14,000 or 0.69 percent less monthly patron revenue and \$4,000 or 17 percent less validation revenues.

On the expenses side, the Manager anticipates keeping total expenditures at \$1,532,988 (\$7,212 or less than 1 percent below the budgeted amount) for FY 2006-2007. The amount budgeted for garage operations is \$67,788 or 4.6 percent over the budget amount due to the addition of valet services to compensate for the loss of approximately 30 spaces surrounding the General Hospital Power Plant renovation. The garage management is providing two valets Monday through Friday at the 22<sup>nd</sup> Street permit parking area which is able to accommodate 25 additional vehicles. This amount was offset by the deferment of the facility assessment capital expense request of \$75,000 until FY 2007-2008.

Thus, the Manager anticipates generating \$761,575 (\$12,449 or 1.6 percent less than the amount budgeted) to the Department of Parking and Traffic. The Manager will not earn an incentive for FY 2006-2007.

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**FISCAL YEAR 2007-2008**

A comparison between the approved FY 2006-2007 budget and the proposed FY 2007-2008 budget is shown in Table 2 below.

**Table 2**

| <b>FY 2007-2008<br/>Proposed Budget</b> | <b>Approved Budget<br/>July 1, 2006 -<br/>June 30, 2007</b> | <b>Proposed Budget<br/>July 1, 2007-<br/>June 30, 2008</b> | <b>Difference Between<br/>Approved and<br/>Proposed</b> |
|---|---|--|---|
| Revenues                                | \$2,889,780   | \$3,046,000  | \$156,220   |
| less Parking Taxes                      | \$575,556   | \$606,800  | \$31,244  |
| less Expenses                           | \$1,540,200   | \$1,635,129  | \$94,929  |
| Net Income                              | \$774,024   | \$804,071  | \$30,047  |

**PAGE 4**

For FY 2007-2008, the Manager projects generating \$3,046,000 in revenues. This amount is \$156,220 or 5.4 percent greater than FY 2006-2007 budgeted revenues. The projected increase in revenues is mainly due to new parking rates implemented on April 1, 2007.

The Manager proposes expenditures of \$1,635,129. The proposed expenditures include operating costs of \$1,560,129 and capital expense request of \$75,000. This amount is \$94,929 or 6.2 percent more than the amount budgeted for FY 2006-2007 mainly due to additional valet services to accommodate the loss in campus parking surrounding the General Hospital Power Plant Facility renovation.

Thus, the Manager projects generating \$804,071 (\$30,047 or 3.9 percent greater than the amount budgeted for FY 2006-2007) to the Department of Parking and Traffic. Staff anticipates that the Manager will not receive an incentive fee in FY 2007-2008.

**Marketing Plan:**

The Manager's marketing plan for the Garage for FY 2007-2008 includes the following which are explained further in attached budget submittal:

- Increase Garage exposure by marketing the Garage for evenings and weekend
- Increase Garage exposure to nearby residents and merchants by paid advertising and distributing brochures
- Enhance customer service through customer service training
- Enhance customer service by providing valet parking during peak periods
- Conduct customer surveys to collect data for future marketing strategies

**Capital Improvement Request:**

**\$75,000**

This capital expense request is for the Manager to hire a consultant that will provide an assessment of the garage to identify the structural, mechanical and electrical components of the facility. This assessment will provide information to plan for necessary and future capital improvements to maintain the useful life of the garage. Specifications and the scope of work have been reviewed by engineers at the Department of Public Works and the Municipal Transportation Agency.

**Recommendation:**

Staff recommends that the Parking Authority Commission adopt the attached resolution, authorizing the Director of the Parking Authority, or his designee, to approve the San Francisco General Hospital Medical Center Parking System Fiscal Year 2007-2008 budget, marketing plan and capital improvement request.

The City Attorney's Office has reviewed this calendar item.

PARKING AUTHORITY COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION No. \_\_\_\_\_

WHEREAS, Pacific Park Management, Inc. (“Manager”) operates the San Francisco General Hospital Medical Center Parking System (“Parking System”) on behalf of the Parking Authority of the City and County of San Francisco under an agreement with the Parking Authority; and,

WHEREAS, Under the terms of the agreement, the Manager is required to submit an annual operating budget, marketing plan and capital improvement request for review and approval; and,

WHEREAS, The Manager has submitted the fiscal year 2007-2008 budget and marketing plan for the Parking System to the Parking Authority Commission for review; and,

WHEREAS, The Parking Authority Commission has reviewed the Parking System fiscal year 2007-2008 budget, marketing plan and capital improvement request; now, therefore, be it

RESOLVED, That the Parking Authority Commission authorizes the Director of the Parking Authority, or his designee, to approve the San Francisco General Hospital Medical Center Parking System Fiscal Year 2007-2008 budget, marketing plan and capital improvement request.

I hereby certify that the foregoing resolution was adopted by the Parking Authority Commission at its meeting of \_\_\_\_\_.

\_\_\_\_\_  
Secretary, Parking Authority Commission

**City & County of San Francisco**  
**San Francisco General Hospital Garage**



**2007 - 2008**  
**BUDGET**

**July 2007 – June 2008**

SAN FRANCISCO GENERAL HOSPITAL  
MEDICAL CENTER PARKING SYSTEM  
FY 2007-2008 Proposed Budget

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SAN FRANCISCO GENERAL HOSPITAL  
MEDICAL CENTER PARKING SYSTEM  
FY 2006–2007 Highlights

- **Employee Training:** Implemented employee training in the areas of customer service (GUEST), conflict resolution, safety, Injury and Illness Prevention.
- **Cooperation with DPT Enforcement:** We have worked closely with DPT Enforcement to ensure that parking rules are being followed, especially during peak traffic hours in the morning and evening.
- **Partnership:** We further developed our open, collaborative and responsive relationship with hospital administrators and community organizers to hear their concerns about service problems and dissatisfaction with the safety and appearance of the facility.
- **Short Wait Period for Individuals on the Waiting List:** In recent years the wait period to obtain a garage space was 12-18 months. It is currently 3-4 months. We keep close watch over garage availability and cancellations to ensure that we maximize the number of new monthly additions.
- **Repairs and Maintenance:** PPM accomplished some important projects during the last year:
  - Sidewalk squares posing liability hazard were replaced
  - Tree roots were grinded & trees trimmed
  - Bird droppings problem on stairwells was mitigated through netting and closure of nestable areas such as piping etc.
  - Broken exit signs throughout the facility were replaced
- **Customer Service:** PPM held several customer appreciation days in which we gave out complimentary coffee and pastries. We also created a customer complaint log to track customer concerns, ensure that they were handled properly, categorize these problems (i.e. monthly waiting list), and make operational adjustments accordingly. Furthermore, we have implemented an employee rewards program to recognize excellent service. In this program, employees are identified weekly and rewarded with gifts cards etc.
- **Improved Security:** We worked with the security vendor to design and implement a specialized training specific to the needs of SFGH. This program included 16 hours of training for all security guards serving SFGH. Future planned training will include an additional 24 hours of training for these same participants in the coming year.

- **Janitorial** – Internally, we evaluated the services of our vendor, recommended changes and have seen considerable improvement over the past year. These efforts included preventative maintenance such as painting of fixtures on the roof and fire hose boxes. Furthermore, we tackled difficult projects, such as the cleaning of the interior elevator shaft windows, elevator housing, and elevator cab. Working with our elevator vendor, Otis, we found a way to accomplish this difficult task.



SAN FRANCISCO GENERAL HOSPITAL  
MEDICAL CENTER PARKING SYSTEM  
FY 2007–2008 Priority Goals

- **Revenue Collection from Invoiced Accounts:** Several groups at the hospital have been invoiced but payment for parking has not been received. These include Volunteers, Students, and Hospital employee that are paid for by the hospital. PPM has been proving monthly invoices to the hospital administration currently totaling approximately \$200,000. The Department of Public Health has indicated that the outstanding invoices will be paid in FY 2007-2008.
- **Increase Miscellaneous Revenue:** We have enhanced enforcement efforts of the late fee (fee from monthly customers that pay the monthly parking fee late) which will increase revenue by \$5,000 annually.
- **Improve Monthly Payment Process:** Customer surveys have shown the desire to have a form of automatic or online payment option for monthly customers. We will research the possibility of providing monthly customers this option.
- **Continued Focus on Garage Operational Excellence:** At PPM we believe that how we manage our garages is the single most important factor in our success. Our key goals include: ensuring a clean, safe garage; working with our team members to ensure smoothly functioning operations and delighted customers; strict accounting and cash control systems; improving security for the safety of our employees, customers, and the property. Operational Excellence never goes out of style and will continue to be our #1 focus in the new fiscal year.
- **Improved Safety** Of our many operational priorities, the single most important one for PPM is safety. Increasing our protection of employees, customers, and the property is a key focus. We will continue conducting regular emergency preparedness training with our employees.
- **Increase Evening Monthly Parkers:** SFGH has excess capacity in the evenings. An untapped market segment at SFGH is the residential parker. The current evening hours (6:00 PM – 8:00 AM) are unattractive to the neighborhood parker. We would like to explore the possibility of changing the evening hours to begin at 4:00 PM through 8:30AM. Attracting new evening monthly parkers to SFGH is one of our highest marketing priorities.
- **Continue Close Cooperation with DPT Enforcement:** We plan to continue our successful collaboration with DPT Enforcement to ensure that the parking rules at SFGH are observed.
- **Community Relations:** PPM will continue its ongoing work with the City to address its goals of fostering the economic vitality in the area surrounding SFGH and the Mission District neighborhood. We look forward to furthering our participation with BOMA and other important community groups and sharing what we learn. We will also continue to work closely with the local

neighborhood community organization to ensure that areas such as SFGH's landscaping meet or exceed community standards.

- **Service Excellence:** SFGH customers are a demanding clientele. PPM will continue to foster a strong emphasis on customer service through training our employees on our GUEST™ approach to customer service. We will augment this training 07-08 with our second and third customer service modules; conflict resolution and teamwork principles. PPM believes that more customers will choose to park at SFGH if the service quality is very high.
- **Facility Enhancements & Repair:** We will continue our program of enhancements and repairs. These include repainting, restriping, lighting, and sign replacement. We will continue our research and price negotiations to ensure the best possible facility and infrastructure. Furthermore, we will continue to use and implement the facility assessment program through direction of the city to ensure facilities are at the highest level. This program will also allow us to be proactive in assessing and monitoring condition of the infrastructure.
- **Increased Transient & Monthly Revenue:** Combining the above initiatives with the recent approved rate increases, SFGH is expecting continued revenue growth. We will continue to focus on increasing utilization during evening and weekend hours.

SAN FRANCISCO GENERAL HOSPITAL  
MEDICAL CENTER PARKING SYSTEM  
FY 2007-2008 Proposed Budget  
Summary of Revenue and Expenses

|                                | <b>Approved<br/>Budget<br/>July 1, 2006 -<br/>June 30, 2007</b> | <b>Actual-<br/>Anticipated<br/>July 1, 2006 -<br/>June 30, 2007</b> | <b>Proposed<br/>Budget<br/>July 1, 2007 -<br/>June 30, 2008</b> | <b>Difference Between<br/>2006/07 Actual-Anticipated<br/>&amp;<br/>2007/08 Proposed Budget</b> |           |
|--------------------------------|---|---|---|--|-----------|
|                                |   |   |   | \$   | %         |
| <b>REVENUES</b>                |   |   |   |  |           |
| 1a Transient Parking           | 864,000   | 886,597   | 910,000   | 23,403   | 3%        |
| 1b Monthly Parking             | 1,989,780   | 1,946,126   | 2,100,000   | 153,874  | 8%        |
| 1c Business Validation         | 24,000  | 20,249  | 24,000  | 3,751  | 19%       |
| <b>Parking Revenue</b>         | <b>\$2,877,780</b>  | <b>\$2,852,972</b>  | <b>\$3,034,000</b>  | <b>\$181,028</b>   | <b>6%</b> |
| 2a Miscellaneous               | 12,000  | 12,185  | 12,000  | -185   | -2%       |
| <b>Gross Revenue</b>           | <b>\$2,889,780</b>  | <b>\$2,865,157</b>  | <b>\$3,046,000</b>  | <b>\$180,843</b>   | <b>6%</b> |
| 3a Parking Tax                 | 575,556   | 570,594   | 606,800   | 36,206   | 6%        |
| <b>Net Revenue</b>             | <b>\$2,314,224</b>  | <b>\$2,294,563</b>  | <b>\$2,439,200</b>  | <b>\$144,637</b>   | <b>6%</b> |
| <b>EXPENSES</b>                |   |   |   |  |           |
| <b>Personnel Cost</b>          |   |   |   |  |           |
| A1 Administrative Salaries     | 115,000   | 116,294   | 118,450   | 2,156  | 2%        |
| A2 Parking Operations Salaries | 543,000   | 578,497   | 596,000   | 17,503   | 3%        |
| <b>Payroll Expenses</b>        |   |   |   |  |           |
| B1 Payroll Taxes (non-SF)      | 56,000  | 61,312  | 63,014  | 1,702  | 3%        |
| B2 SF Payroll Taxes            | 10,000  | 10,422  | 10,717  | 295  | 3%        |
| B3 Welfare & Pension           | 179,000   | 200,439   | 205,000   | 4,561  | 2%        |
| B4 Worker's Compensation       | 75,000  | 81,734  | 81,947  | 213  | 0%        |
| <b>Utilities</b>               |   |   |   |  |           |
| C1 Gas & Electric              | 70,000  | 73,894  | 74,000  | 106  | 0%        |
| C2 Water & Sewer               | 4,800   | 4,800   | 4,800   | 0  | 0%        |
| C3 Telephone                   | 2,400   | 2,957   | 3,000   | 43   | 1%        |
| C4 Scavenger                   | 3,600   | 4,486   | 4,500   | 14   | 0%        |
| <b>Supplies &amp; Service</b>  |   |   |   |  |           |
| D1 Insurance                   | 50,000  | 50,050  | 50,000  | -50  | 0%        |
| D2 Repair & Maintenance        | 30,000  | 38,400  | 35,000  | -3,400   | -9%       |
| D3 Office Supplies             | 4,000   | 3,691   | 4,000   | 309  | 8%        |
| D4 Garage Supplies             | 6,000   | 5,276   | 5,500   | 224  | 4%        |
| D5 Parking Supplies            | 10,000  | 9,820   | 10,000  | 180  | 2%        |

SAN FRANCISCO GENERAL HOSPITAL  
MEDICAL CENTER PARKING SYSTEM  
 FY 2007-2008 Proposed Budget  
 Summary of Revenue and Expenses  
 (continued)

|   | Approved<br>Budget<br>July 1, 2006 -<br>June 30, 2007 | Actual-<br>Anticipated<br>July 1, 2006 -<br>June 30, 2007 | Proposed<br>Budget<br>July 1, 2007 -<br>June 30, 2008 | Difference Between<br>2006/07 Actual-Anticipated<br>&<br>2007/08 Proposed Budget |            |
|---|---|---|---|--|------------|
|   |   |   |   | \$   | %          |
| <b>Management Costs</b>                 |   |   |   |  |            |
| E1 Management Fee                       | 12,000  | 11,600  | 12,000  | 400  | 3%         |
| E2 Incentive Fee                        | 0   | 0   | 0   | 0  | 0%         |
| <b>Professional/Personal Services</b>   |   |   |   |  |            |
| F1 Accounting/Bookkeeping               | 6,000   | 6,000   | 7,000   | 1,000  | 17%        |
| F2 Garage Audit                         | 7,200   | 7,200   | 13,000  | 5,800  | 81%        |
| F4 Security (Contractual)               | 157,000   | 156,234   | 160,000   | 3,766  | 2%         |
| F5 Janitorial (Contractual)             | 66,000  | 66,000  | 66,000  | 0  | 0%         |
| F6 Personnel Training                   | 6,000   | 5,115   | 5,500   | 385  | 8%         |
| F7 Bank Fees (Non-trustee)              | 24,000  | 14,664  | 0   | -14,664  | -100%      |
| F8 Uniform Cleaning                     | 4,800   | 4,222   | 4,900   | 678  | 16%        |
| F9 Payroll Processing                   | 2,400   | 2,400   | 2,400   | 0  | 0%         |
| <b>Other Costs</b>                      |   |   |   |  |            |
| G1 Tax & License Fees                   | 2,000   | 6,609   | 6,600   | -9   | 0%         |
| G2 Marketing                            | 10,000  | 7,122   | 8,000   | 878  | 12%        |
| G3 Damage Claim                         | 5,000   | 0   | 5,000   | 5,000  | 100%       |
| G4 Miscellaneous                        | 4,000   | 3,750   | 3,800   | 50   | 1%         |
| <b>Total Garage Expense</b>             | <b>\$1,465,200</b>                                    | <b>\$1,532,988</b>  | <b>\$1,560,129</b>                                    | <b>\$27,141</b>  | <b>2%</b>  |
| <b>Garage Operating<br/>Income/Loss</b> | <b>\$849,024</b>                                      | <b>\$761,575</b>  | <b>\$879,071</b>                                      | <b>\$117,497</b>   | <b>15%</b> |
| G5 Capital Expenditures                 | 75,000  | 0   | 75,000  | 75,000   | 100%       |
| <b>Garage Net Income</b>                | <b>\$774,024</b>                                      | <b>\$761,575</b>  | <b>\$804,071</b>                                      | <b>\$42,497</b>  | <b>6%</b>  |

**SAN FRANCISCO GENERAL HOSPITAL  
MEDICAL CENTER PARKING SYSTEM  
FY 2007-2007 Projected Revenue**

|                           | <b>Jul</b>       | <b>Aug</b>       | <b>Sept</b>      | <b>Oct</b>       | <b>Nov</b>       | <b>Dec</b>       | <b>Jan</b>       | <b>Feb</b>       | <b>Mar</b>       | <b>Apr</b>       | <b>May</b>       | <b>Jun</b>       |
|---------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>REVENUES</b>           |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| <b>Parking Revenues</b>   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| 1a Transient<br>Parking   | 68,516           | 74,934           | 74,046           | 79,190           | 77,946           | 71,990           | 78,153           | 71,930           | 77,304           | 75,421           | 80,285           | 80,285           |
| 1b Monthly<br>Parking     | 175,000          | 175,000          | 175,000          | 175,000          | 175,000          | 175,000          | 175,000          | 175,000          | 175,000          | 175,000          | 175,000          | 175,000          |
| 1c Business<br>Validation | 2,000            | 2,000            | 2,000            | 2,000            | 2,000            | 2,000            | 2,000            | 2,000            | 2,000            | 2,000            | 2,000            | 2,000            |
| <b>Parking Revenue</b>    | <b>\$245,516</b> | <b>\$251,934</b> | <b>\$251,046</b> | <b>\$256,190</b> | <b>\$254,946</b> | <b>\$248,990</b> | <b>\$255,153</b> | <b>\$248,930</b> | <b>\$254,304</b> | <b>\$252,421</b> | <b>\$257,285</b> | <b>\$257,285</b> |
| 2a Miscellaneous          | 1,000            | 1,000            | 1,000            | 1,000            | 1,000            | 1,000            | 1,000            | 1,000            | 1,000            | 1,000            | 1,000            | 1,000            |
| <b>Gross Revenue</b>      | <b>\$246,516</b> | <b>\$252,934</b> | <b>\$252,046</b> | <b>\$257,190</b> | <b>\$255,946</b> | <b>\$249,990</b> | <b>\$256,153</b> | <b>\$249,930</b> | <b>\$255,304</b> | <b>\$253,421</b> | <b>\$258,285</b> | <b>\$258,285</b> |
| 3a Parking Tax            | 49,103           | 50,387           | 50,209           | 51,238           | 50,989           | 49,798           | 51,031           | 49,786           | 50,861           | 50,484           | 51,457           | 51,457           |
| <b>Net Revenue</b>        | <b>\$197,413</b> | <b>\$202,547</b> | <b>\$201,837</b> | <b>\$205,952</b> | <b>\$204,957</b> | <b>\$200,192</b> | <b>\$205,122</b> | <b>\$200,144</b> | <b>\$204,443</b> | <b>\$202,937</b> | <b>\$206,828</b> | <b>\$206,828</b> |

## NARRATIVE

### FY 2006 -2007 Approved Budget To FY 2006-2007 Actual/ Anticipated

- 1a. Transient Parking** **+2.62%**  
Transient parking revenue growth is projected to be flat. The operation is “mature”, and transient revenues are being maximized at this point in time.
- 1b. Monthly Parking** **-2.19%**  
Monthly parking patrons are at full capacity. Revenue fluctuates due to the high turnover of some employee and volunteer populations, but is relatively flat and stable.
- 1c. Business Validation** **-15.63%**  
Business trends in the local community dictate business validation sales at SFGH. The previous year did see construction on the 24<sup>th</sup> Street merchant corridor that closed several businesses in the short to mid-term period.
- 2a. Miscellaneous** **+1.54%**  
This budget item includes deposit revenue and is anticipated to be flat.
- 3a. Parking Tax** **-0.86%**  
Parking tax is 25% and is included on the posted rate. It is directly correlated to transient and monthly revenues. As such this tax liability decrease reflects the revenue in those categories.
- A1. Administrative Salaries** **+1.13%**  
This line item includes the General Manager and Assistant Manager. Salaries are competitive in the marketplace, and increase annually due to merit increases and inflationary adjustments.
- A2. Parking Operations Salaries** **+6.54%**  
Salaries have increased slightly due to rate increases paid to tenured Union employees earning annual pay increases. The increase also reflects the implementation of valet parking to compensate for loss of spaces surrounding the General Hospital Power Plant renovation.
- B1. Payroll Taxes (non-SF)** **+9.49**  
These taxes are directly correlated to salaries, which increased dramatically due to the valet program. The payroll taxes are approximately 8.5% of the entire payroll.
- B2. SF Payroll Taxes** **+4.22%**  
These taxes are directly correlated to total payroll, which increased dramatically due to the valet program. These taxes are 1.5% of total payroll.
- B3. Welfare & Pension** **+11.98%**  
Health costs have been rising considerably, and are projected to continue to do so in the coming year. Health Benefits are \$815 per month for all employees working over 88 hours per month, and the pension rate is approximately \$2.22 per straight hour worked as prescribed in our collective bargaining agreement with the Teamsters Union.
- B4. Workers Compensation** **+8.98%**

Workers Comp insurance is 11.47% of payroll costs. It has increased in lock-step with payroll expenses. The 11.47% rate is very competitive in relation to the broader California market. PPM has a very favorable rate due to our low claims ratio, positively impacted by our worker safety and training programs.

**C1. Gas & Electric** **+5.56%**

Primarily the minor increase in these costs is due to the increased cost of electricity experienced in the broader geographical area.

**C2. Water & Sewer** **+0%**

There are no anticipated changes between the budget and anticipated actual results.

**C3. Telephone** **+23.21%**

Phone costs have gone up in aggregate about \$500 over budget. Phone rates and charges fluctuate in an open marketplace, but the aggregate dollar amount is relatively low.

**C4. Scavenger** **+24.61%**

Additional costs and services provided by the vendor have driven these costs higher.

**D1. Insurance** **+0.10%**

Insurance costs are anticipated to be at or closed to budgetary projections.

**D2. Repair and Maintenance** **+28%**

These items have gone up due to unforeseen repairs on the property such as sidewalk repair, tree pruning and repair of the irrigation system.

**D3. Office Supplies** **-7.73%**

Office supplies are a constant item projected to near budgeted figures.

**D4. Garage Supplies** **-12.07%**

In a mature facility, we have been able to accurately project needs and avoid unnecessary costs in the past year.

**D5. Parking Supplies** **-1.8%**

These expenses are expected to be near budget. This category includes parking tickets, monthly tags, register tape and printer ribbons.

**E1. Management Fee** **-3.33%**

The management fee is a fixed and predictable expense for the life of the contract.

**E2. Incentive Fee** **0%**

We do not anticipate attaining the incentive fee levels.

**F1. Accounting/ Bookkeeping** **0%**

There is no anticipated deviation from the projected budget.

**F2. Audit** **0%**

There is no anticipated deviation from the projected budget.

**F4. Security (contractual)** **-0.49%**

Security costs should be at anticipated levels.

|  |                 |
|--|-----------------|
| <b>F5. Janitorial (contractual)</b>  | <b>0%</b>       |
| The janitorial service provided by the sub-contractor is a fixed amount of \$5,500 per month.  |                 |
| <b>F6. Personnel Training</b>  | <b>-14.75%</b>  |
| Training is expected to be at or below budgeted parameters and is reflective of the actual cost of the service compared to the initially budgeted amount.  |                 |
| <b>F7. Bank Fees (non-Trustee)</b>   | <b>-38.9%</b>   |
| In April, the city began collecting revenues directly to its account. At that time we ceased to incur bank fees.   |                 |
| <b>F8. Uniform Cleaning</b>  | <b>-12.04%</b>  |
| These expenses are anticipated to be at or near budget.  |                 |
| <b>F9. Payroll Processing</b>  | <b>0%</b>       |
| These costs are expected to be at or near budget.  |                 |
| <b>G1. Tax &amp; License Fees</b>  | <b>+230.45%</b> |
| The category includes a Possessory Interest tax assessed by the City's Tax Collector that was not budgeted for and regular business registration fees.   |                 |
| <b>G2. Marketing</b>   | <b>-28.78%</b>  |
| The marketing expenses for this year are under budget. The results of the marketing program have had a very strong impact on sustaining revenues.  |                 |
| <b>G3. Damage Claims</b>   | <b>-100%</b>    |
| There was no line item in the budget for damage claims. Therefore, any claims would have significantly impacted the budget. The good news is that our careful training and operational practices have also mitigated this risk, thus avoiding any claims.  |                 |
| <b>G4. Miscellaneous</b>   | <b>-6.25%</b>   |
| Through diligent management, these expenses have been reduced considerably as compared to budget. Among these expenses are card deposit refunds. PPM has done an excellent job in transition, not only increasing revenues, but retaining monthly customers whose card refunds would have impacted this budget item. |                 |
| <b>G5. Capital Expenditure</b>   | <b>-100%</b>    |
| This line item reflects the hiring of a facility assessment consultant. The consultant's purpose is to identify and prepare for structural enhancements for the facility. This work was deferred to the next year, pending further review and modification to the scope of work.                                     |                 |

## NARRATIVE

### FY 2006 -2007 Actual/ Anticipated to FY 2007-2008 Proposed Budget

- 1a. Transient Parking** **+3%**  
Transient revenues are projected to increase as a result of the new parking rates implemented on April 1, 2007.
- 1b. Monthly Parking** **+8%**  
Transient revenues are projected to increase as a result of the new parking rates implemented on April 1, 2007.
- 1c. Business Validation** **+19%**  
PPM projects that the validation sales will be at the prior year budget level through aggressive marketing to the local merchants.
- 2a. Miscellaneous** **-2%**  
This category includes monthly card deposits, card replacement fees and late payment fees. This line items is projected to be at the prior year budget level.
- 3a. Parking Tax** **+6%**  
The Parking Tax is 25% and is incorporated into the posted parking rates. Parking tax is directly correlated to transient and monthly revenues. A modest increase is expected in lock step with revenue increases.
- A1. Administrative Salaries** **+2%**  
This line item covers the payroll costs for the manager and assistant manager.
- A2. Parking Operations Salaries** **+3%**  
The increase associated with this category includes scheduled union increase to the hourly wage for parking and valet attendants.
- B1. Payroll Taxes (non-SF)** **+3%**  
These taxes are directly correlated to salaries. The payroll taxes are approximately 8.5% of parking operation payroll.
- B2. SF Payroll Taxes** **+3%**  
These taxes are directly correlated to salaries. These taxes are 1.5% of parking operation payroll.
- B3. Welfare & Pension** **+2%**  
Health Benefits are \$815 per month and the pension rate is \$2.22 per straight hour worked as prescribed in our collective bargaining agreement with the Teamsters Union.
- B4. Workers Compensation** **0%**  
Workers Comp insurance is 11.47% of payroll costs. The 11.47% rate is very competitive in relation to the broader California market. PPM has a very favorable rate due to our low claims ratio, positively impacted by our worker safety and training programs.
- C1. Gas & Electric** **0%**

We anticipate a leveling off and subsequent decrease of these costs as compared to the previous year with figures returning to more normative levels associated with prior budget years.

**C2. Water & Sewer** **0%**

There are no anticipated changes between the previous year and projected costs.

**C3. Telephone** **+1%**

There is a minimal change to this line item and represents the round figure of the prior year costs.

**C4. Scavenger** **+0%**

Cost savings realized over the 2006 budget due to our vendor management approaches will stabilize. The minimal increase is anticipated as the vendor will make some adjustment for inflation in pricing.

**D1. Insurance** **0%**

Insurance costs are anticipated to be at or closed to budgetary projections.

**D2. Repair and Maintenance** **-9%**

This line item represents routine maintenance and repair of the facility, including the maintenance of the elevators, parking equipment, sidewalk repairs and periodic repairs lighting and mechanical systems.

**D3. Office Supplies** **+8%**

Office supplies are a constant item projected to near projected figures. The budget amount is same as the prior year budget.

**D4. Garage Supplies** **+4%**

This amount is less than the amount budgeted in the prior year and reflects the current need of garage supplies. This category included signage, traffic cones, time cards etc.

**D5. Parking Supplies** **+2%**

This line item is for parking tickets, monthly hang tags, register tape and printer ribbon. The increase represents the FY 2007 actual amount to the FY 2007 budgeted amount.

**E1. Management Fee** **+3%**

The management fee is a fixed and predictable expense for the life of the contract.

**E2. Incentive Fee** **0%**

We do not anticipate attaining the management fee.

**F1. Accounting/ Bookkeeping** **+17%**

Services performed by the CPA firm for PPM have been significantly reduced resulting in the loss of volume savings. The proposed amount represents the current fees for this service.

**F2. Audit** **+81 %**

The considerable % increase amounts to about \$5,800. The line item represents the annual audit conducted by a CPA firm in accordance with general accepted accounting principal as required under the management agreement. The increase is due to a change in the CPA firm and the scope of the upcoming audit.

**F4. Security (contractual)** **+2%**

The proposed amount reflects a slight increase in the cost of this service. Security guard coverage is in accordance to the management agreement.

- F5. Janitorial (contractual)** **0%**  
The janitorial services provided by the sub-contractor are a fixed fee of \$5,500 per month and there is not increase from the prior year.
- F6. Personnel Training** **+8%**  
Training is expected to increase slightly with the addition of new training curriculum such as our company wide cross training initiatives. Last year our cross training of valet techniques was a driver behind increased revenue performance and we believe the investment in training is very worthwhile.
- F7. Bank Fees (non-Trustee)** **-100%**  
Effective in April 2007 we began remitting revenues directly to City Accounts. Therefore we will not incur banking fees in the coming year.
- F8. Uniform Cleaning** **16%**  
These expenses are anticipated to be similar to the previous year budget amount. The increase over the actual amount for FY 2007 covers replacement or worn garments.
- F9. Payroll Processing** **0%**  
These expenses are anticipated to be the same as the previous year. This service is performed by ADP Payroll Services.
- G1. Tax & License Fees** **0%**  
These expenses are anticipated to be the same as the previous year.
- G2. Marketing** **12%**  
The Proposed amount is 20% less than the amount budgeted in the prior year. \$10,000 to \$8,000 while the percentage increase is \$878 more than the amount spent in FY 2007.
- G3. Damage Claims** **+100%**  
It is very difficult to predict with any certainty what will happen in this area. We will predict 0 and manage our best efforts to attain these results. The amount proposed is a contingency for any unforeseen claims.
- G4. Miscellaneous** **1%**  
We do not anticipate any major changes compared to previous year.
- G5. Capital Expenditure** **100%**  
This line item reflects the hiring of a facility assessment consultant. The consultant's purpose is to identify current condition of the garage structure and the useful life of critical mechanical and electrical components for long-term capital planning. This work was deferred from the prior year, pending further review and modification to the scope of work.

SAN FRANCISCO GENERAL HOSPITAL  
MEDICAL CENTER PARKING SYSTEM  
FY 2007-2008 Marketing Plan

## **Marketing Strategies**

### ***Overview***

PPM is proud to state that once again we had a successful year at SFGH measured not only in terms of marketing successes, but also in its positive impact on customer satisfaction. We recognize that you should not mess with a winning formula, and so we plan to continue the successful initiatives launched this year as well as introduce new initiatives which we believe will further success at SFGH.

We believe that there are two separate areas of marketing; External Marketing and Internal Marketing. We recognize that marketing is as much if not more about what takes place inside the garage as the advertising or programs you implement outside it. As such, we put careful thought into our activities in both areas so that we offer a complete marketing program.

### ***External Marketing***

While daytime parking at SFGH continues to be very limited, there is substantial capacity in the evenings and weekends at SFGH. This past year, we implemented an extensive flyer campaign in which we blanketed the area within 5 blocks of SFGH. The results were not as successful as we had anticipated and so we looked more closely at the problem. We believe that the less than desirable results were due in part to the undesirable evening hours that were originally proposed (6:00 PM to 8:00 AM). A number of residents expressed their desire for an earlier entry time of 4:00 PM. Since there is excess parking available at 4:00 PM, PPM would support this change and believes it will have a positive impact on revenues as well as community perceptions of the facility.

As is PPM's typical activity, we will continue to be active in the local community to further boost awareness of SFGH as a provider of convenient parking. Our efforts in this area include attending local community meetings, working with the local neighborhood association, and actively communicating with local stakeholders. Of course, we will also continue to meet with the hospital's administrators to discuss their particular parking needs and to learn if we can provide parking for any volunteers, students, or other individuals at SFGH.

### ***Internal Marketing***

Because of the dynamics of the SFGH Parking Facility, we focused our marketing on keeping customers satisfied and therefore helping to retain customers. On one hand, there are many operators who believe that customers simply seek a relatively safe, convenient place to leave their car for a reasonable price. Or, perhaps, that the customer's organization is paying for the parking and so the customer doesn't really care where s/he parks so long as it is close to work. Their belief in these myths often mean that many garage operators seek only to meet the "minimum requirements" in terms of customer satisfaction rather than offer a fully rewarding customer experience..

At Pacific Park Management and SFGH we recognize that our customers are a demanding clientele. We believe our customers place a great deal of importance on having a consistently satisfying parking experience. Consequently we work hard to earn their loyal patronage. We do not run our business as if we are entitled to it. We believe this approach leads to above industry average customer satisfaction. And the results show.

## Our Employees

When it comes to creating satisfied customers perhaps nothing contributes more to this image than having a professional, well trained staff that exudes their enthusiasm to be serving the community and being part of the PPM team. This philosophy has led PPM to develop its unique employee training program that helps ensure consistent and high quality service from all of our employees.

The core values of our customer service philosophy are encompassed in our GUEST™ approach to customer service. We hold special training meetings related to our GUEST™ and Conflict Resolution programs. Through our ongoing training efforts, we instruct our employees to pay close attention to detail and exercise care as stewards of what is often our customer's second or most valuable asset. While we regularly receive positive feedback from customers – both written and oral – about many of our employees, we recognize there is always room for greater improvement. Our coaching will help provide the training and emphasis necessary to ensure consistent “wow” customer experiences.

### **GUEST** – Our Guide to Outstanding Customer Service

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|   |  |
|---|--|
|    | <b><u>G</u>reet</b> customers in a friendly manner |
|   | <b><u>U</u>nderstand</b> what assistance they need |
|  | <b><u>E</u>ye</b> contact with customers           |
|  | <b><u>S</u>mile</b>                                |
|  | <b><u>T</u>hank</b> customers for their business   |

**Pictured: GUEST™ program sign hung in cashier booths.**

While we take our professional responsibilities at SFGH very seriously, we also want to ensure that our employees enjoy their jobs and feel that they have a comfortable place to work. We want SFGH to be a place where our employees look forward to coming to work each day. These positive attitudes help to reduce absenteeism, which can impact quality of service, and continuity, to retain tenured experienced employees.

With this in mind we constantly strive to create a better working environment for our employees. For example, we regularly reward star performers with gift cards or other benefits in recognition of their outstanding service to our customers and clients.

#### Our Garage

Pacific Park Management and SFGH are constantly seeking to improve our facilities. We do this by continuously inspecting our garages and asking ourselves what we can do differently to improve operations. We are sticklers for cleanliness and we regularly walk our facilities and work closely with our vendors to ensure a clean, attractive parking environment.

PPM has implemented customer appreciation days in which we offer complimentary coffee and pastries. The response from customers has been overwhelmingly positive and has helped build a better relationship with the customers.

We also use the customer appreciation days as an opportunity to collect surveys. The customer surveys have been important in finding out the areas in which customers are not happy. For instance, we have learned that some customers find the signage confusing and that monthly parkers want an online/automatic payment option.

PPM also utilizes Mystery Shoppers. The Mystery Shopper program has helped us learn how the facility and employees operate in real life situations.

#### **Summary**

Pacific Park Management and SFGH enter the new fiscal year with significant momentum from our previous work. We will continue to innovate and work diligently in our ongoing effort to revolutionize the parking industry.