

City of Laguna Beach
AGENDA BILL

No. 1
Meeting Date: 6/11/13

SUBJECT: VILLAGE ENTRANCE PROJECT

SUMMARY OF THE MATTER:

On March 26, 2013, the City Council selected a project concept for the Village Entrance presented by Mayor Pro Tem Pearson and incorporating some design elements suggested by Councilmember Iseman. Key features of the selected concept include a passive-use park and pedestrian pathways along the Forest/Laguna Canyon parking lot area, a four-level parking structure with approximately 500 parking spaces (net gain of 200 spaces), a state-of-the-art odor control system for the existing lift station, and renovation of the historic digester building.

Based on feedback from the City Council at the March 26 special meeting, the Council Subcommittee of Mayor Pro Tem Pearson and Councilmember Whalen have worked with Alan Pullman (Studio One Eleven) and staff to further develop design concepts for the Village Entrance. At this evening's meeting, Mr. Pullman will provide a brief update on specific design elements, such as hillside retaining wall requirements, internal circulation within the parking structure, ingress and egress, aesthetic options to address mass and scale concerns, and other important design considerations.

Notwithstanding the efforts to advance conceptual design, the primary purpose of this evening's meeting is to review and discuss a funding strategy for the proposed Village Entrance. This report presents a series of policy goals and specific actions that, pending City Council interest in moving forward, would allow staff to implement the initial steps necessary to finance the project. The funding strategy, outlined in the balance of this report and the supporting attachments, relies on a combination of existing cash balances and borrowing secured primarily with revenues from on-street parking meter increases. When considering this information, it is important to remember that the figures provided – both in terms of project costs and anticipated revenues – represent estimates only and will continually be refined as the design process evolves.

RECOMMENDATION: It is recommended that the City Council:

- I. Receive a presentation from design firm Studio One Eleven;
- II. Receive a presentation on a proposed funding strategy for the Village Entrance Project; and
- III. Review and consider the list of potential actions on pages 5 – 7 of this report.

Appropriations Requested: See pages 5 – 7

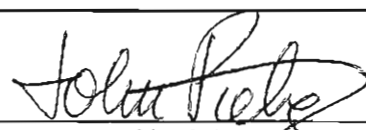
Submitted by: _____

Fund: _____

Coordinated with: Mayor Pro Tem Pearson and
Councilmember Whalen

Attachments: See page 7

Approved: _____


City Manager

PROPOSED FUNDING SOURCES

The total estimated cost of the project concept selected by the City Council on March 26 is \$42 million, which includes a recommended 20% contingency given the preliminary nature of the current design. The proposed funding strategy utilizes \$13.3 million in available City cash and anticipates borrowing roughly \$29 million to provide a total of \$42.3 million for the project. A brief description of these revenue sources is provided below, while the table at right summarizes estimated sources and uses. At this time, the proposed budget does not include any grant funding, which, if received, would reduce the amount of borrowing necessary.

Available Cash Balances: The main source of the \$13.3 million in available, one-time cash is the Parking Fund, which includes revenue generated from parking meters and City-owned parking lots as well as from resident, business and “shopper” parking permits. Over the next two years, roughly \$7.8 million in the Parking Fund could be made available for the Village Entrance Project. In addition to the Parking Fund contribution, \$5 million from the Ten-Year Capital Improvement Program (“CIP”) is proposed to be re-allocated to the Village Entrance through reprioritization of capital projects. An additional \$500,000 would come from the Sewer Fund for odor control improvements at the existing lift station, which is proposed to be partially incorporated into the parking structure. Cumulatively, these three sources total \$13.3 million in funding.

Borrowing: The balance of the revenue necessary to fund the project, approximately \$29 million, is proposed to come from borrowing. The City’s Finance Director and contract financial advisor are in the process of researching various borrowing options and debt instruments available to municipalities. At this point, it appears that Lease Revenue Bonds with a 25-year repayment term may be advisable based on the project as currently proposed. Unlike General Obligation Bonds, which are paid for from property taxes, Lease Revenue Bonds are retired by specific dedicated revenues and designed to be self-supporting through user fees or other special earmarked receipts. In the case of the Village Entrance Project, the City could use increased revenue from parking receipts to service the debt (discussed in more detail in the following section).

Among the benefits of financing a portion of the project cost are the City’s strong credit rating and the favorable interest rate climate. A description of various borrowing options, important considerations for credit rating and reserve requirements, and examples of how other municipalities have issued debt to finance capital projects is provided as Attachment 1.

Village Entrance: Estimated Sources & Uses

Sources:

Parking Fund	\$7,800,000
Capital Improvement Fund	\$5,000,000
Sewer Fund	\$500,000
Subtotal Available Funds	\$13,300,000
Borrowing	\$29,000,000
Total	\$42,300,000

Uses:

Parking Structure	\$22,650,000
Related Street/Infrastructure	\$6,690,000
Public Park	\$2,500,000
Historic Digester Renovation	\$1,280,000
Lift Station	\$500,000
Employee/Equipment Relocation	\$2,000,000
Subtotal Construction Costs	\$35,620,000
Concept Contingency (20%)	\$6,680,000
Total	\$42,300,000

ANNUAL DEBT SERVICE

The borrowing scenario for the Village Entrance project is based on \$29 million in net proceeds, a 25-year term and an assumed 4.9% interest rate in 2015 – when the bonds are expected to be sold. It is important to note that the interest rate assumption is very conservative – approximately 1.5% above the current market rate. Based on these assumptions, the City's average annual debt service is estimated at \$2.1 million. The funding source for the debt payment is proposed to be ongoing revenues from the Parking Fund.

Historically, a portion of Parking Fund income (i.e. revenue over expenditures) is transferred to both the General Fund and Transit Fund to subsidize operations. With this in mind, absent an increase in Parking Fund revenue or decrease in Fund expenditures/transfers, the average annual fund balance is insufficient to cover the anticipated \$2.1 million in ongoing debt service. Consequently, the funding strategy anticipates increasing on-street parking meter rates to generate additional revenue. As shown in the table below, when combined with the estimated revenues from the new parking spaces at the Village Entrance structure, a \$1 per hour increase in on-street meter rates would boost Parking Fund revenues by approximately \$2.3 million per year assuming current demand remains unchanged. The \$2.3 million in new revenue would be sufficient to pay the annual debt service and provide a coverage ratio of approximately 25% on average in order to minimize the risk of any impact to the City's General Fund. Absent a meter rate increase, other potential revenue sources include, but are not limited to, increasing the Transient Occupancy Tax ("TOT") or local sales tax (see Attachment 2 for other potential revenue sources).

Proposed New Revenues in Parking Fund	
Revenue Source	Annual Total
Increased parking revenue from new spaces in Village Entrance structure	\$300,000
Increase in on-street parking meter rates by \$1 per hour	\$2,000,000
Total Estimated New Revenue	\$2,300,000

With the exception of the 209 meters along Heisler Park (Cliff Drive), the current rate for all on-street parking meters is \$1 per hour. The rate for the 209 meters along Heisler Park is \$2 per hour. As referenced above, one option to attain additional meter revenue of \$2 million is to increase the hourly rates for all parking meters citywide from \$1 per hour to \$2 per hour (\$2 per hour to \$3 per hour for the meters along Heisler Park). To that end, the attached resolution (Attachment 3) would introduce a phased escalation in meter rates, beginning in summer 2013 with an increase of \$0.25 per hour, followed by another \$0.25 increase in 2014. Based on a 2015 bond issuance, the hourly meter rate would need to increase another \$0.50 by 2016, when the first debt service payment would be due. Residents with shopper's permits would not be affected by the rate increase.

Modest rate increases would likely be necessary once every few years over the 25-year bond term to maintain the desired coverage ratio, as detailed in the attached table of debt service coverage (Attachment 4). A detailed breakdown of estimated new revenue based on a \$1 per

hour phased rate increase, by parking meter zone, is provided as Attachment 5; a map of parking meter zones is provided as Attachment 6.

At this time, meter rates in off-street City parking lots are not proposed to be adjusted. However, it is noted that several of the downtown City lots experience very high demand on a year-round basis (i.e. Broadway, Ocean Ave., and Forest Ave. lots). Consequently, meter rates for these sought-after parking spaces could be increased to raise additional revenue.

In addition to providing revenues necessary for debt service, increasing the on-street meter rates is generally consistent with one of the pricing strategies outlined in the draft Downtown Specific Plan Area & Laguna Canyon Road Parking Management Plan (PMP), presented to the City Council on June 4, 2013. The draft PMP provides a series of short- and longer-term recommendations to increase available parking supply, including dynamic pricing and meter rate increases, especially during periods of peak demand. While a basic Village Entrance funding strategy is predicated on a \$1 per hour phased rate increase citywide, staff would continue to explore other demand-based pricing options afforded by sophisticated meter technology.

REPLACEMENT OF REMAINING COIN-OPERATED PARKING METERS

The draft PMP also recommends replacement of the remaining 1,178 coin-operated parking meters in the city with credit card meters. This recommendation is a key component of the Village Entrance funding strategy. In fact, the funding strategy calls for the immediate conversion of the meters at a cost of approximately \$650,000, along with an estimated \$150,000 in additional annual operating costs for wireless connectivity service and credit card transaction fees. The first of the \$0.25 hourly meter rate increases would be timed to coincide with the installation of the credit card meters. With the second \$0.25 hourly rate increase by summer 2014, the payback period for the initial purchase would be a little over one year.

Allowing visitors to conveniently pay with credit/debit cards is anticipated to outweigh any possible reduction in demand resulting from modestly higher meter rates. A recent article appearing in the Los Angeles Times highlights the customer convenience of “smart” parking meters (Attachment 7). According to the article, Los Angeles parking officials partly attribute a dramatic increase in parking revenues to the proliferation of the new meters.

Although citywide conversion to credit card meters would provide standardization and uniformity, staff is analyzing the potential cost savings of disabling the advanced features for a portion of the meters along Laguna Canyon Road during the non-summer months. Currently, the City does not enforce the meters in question on weekdays during the school year to accommodate Laguna College of Art and Design students and the Boys and Girls Club. Temporarily de-activating the credit card payment feature (or “bagging” the meters altogether) during the non-summer months would eliminate the need to pay wireless connectivity service costs during off-peak periods.

ALTERNATIVE PRICING SCENARIOS

At this juncture, staff recommends moving forward with the installation of the credit card meters and proceeding with the \$0.50 phased rate increase. Over the next year, staff would continue to analyze various pricing scenarios that could generate sufficient revenue to fund \$2.1 million in annual debt service, and report back to the Council for further direction. One option would be to continue with annual \$0.25 increases until all meters citywide have been increased by \$1 per hour. However, staff will also explore more dynamic pricing strategies, as recommended in the PMP and already successfully employed in other cities. These strategies could involve increasing rates beyond \$1 per hour in high demand parking areas, especially during the peak summer season. In addition to generating additional revenue, demand-based pricing is designed to improve public convenience by encouraging turnover in the most coveted parking spaces, while also incentivizing the use of peripheral parking lots and public transit.

Another alternative is to immediately implement a \$1 per hour rate increase within the Downtown Specific Plan (DSP) area as part of a demonstration project. Because the parking meters in the DSP already accept credit/debit cards and utilize wireless technology, the rate increase could be programmed to take effect in a matter of hours. The primary advantage of this alternative is that, after a brief trial period (e.g. ten week summer season), City staff would have a better understanding of how pricing affects demand, thereby providing greater confidence in predicting a stable revenue stream for debt service and informing future decisions regarding dynamic pricing. With that said, a sudden rate increase may be less palatable to downtown merchants than a more gradual escalation. If the City Council is interested in exploring this alternative, it is recommended that the Council direct staff to conduct outreach with the Chamber of Commerce and business community prior to taking any action.

One issue that requires further research is the extent to which various pricing options would be subject to Coastal Commission review. Policy Action 4.3.5 of the City's Land Use Element states, "Maintain a range of parking fees at public beaches and parks, in order to maximize public access and recreation opportunities. Changes to existing time limits or hours of operation and substantial changes to parking fees which have the potential to change the intensity of public use of the beach or public access to the ocean shall require a Coastal Development Permit."

While the process to obtain Coastal Commission approval of proposed meter rate increases injects some uncertainty into the current revenue projections, staff does not anticipate that the Commission would object to a phased \$1 per hour increase by 2016 or potential demand-based pricing options outlined in the PMP, especially considering the City's robust transit system and availability of peripheral parking.

RECOMMENDATIONS AND NEXT STEPS

In light of the information provided in this report, should the City Council desire to move forward with the Village Entrance Project, it is recommended that the Council:

1. Establish a target budget of \$42 million for the Village Entrance Project, with a goal to include a 500-space parking structure (net gain of 200 spaces), public park with

pedestrian pathways, relocation of City employees and equipment, and other features included in the design concept presented by Mayor Pro Tem Pearson and discussed by the City Council on March 26, 2013.

2. Authorize the accumulation and appropriation of \$7.8 million from the Parking Fund and \$5 million from the Capital Improvement Fund for the Village Entrance project over the next two years.
3. Direct the City Manager to seek grants for the Village Entrance Project to reduce the amount of borrowing required to fund the project.
4. Direct the City Manager to fund odor control improvements for the Laguna SOCWA Lift Station from the Wastewater Fund.
5. Direct the City Manager to:
 - a) Prepare to borrow up to \$29 million for the Village Entrance Project (future City Council actions will be necessary before any debt is actually incurred);
 - b) Dedicate increased revenues from parking meters and the Village Entrance parking structure to be the primary source for repayment of the debt;
 - c) Dedicate General Fund revenues as the backup source for payment of the debt should parking revenues be insufficient to make debt service payments;
 - d) Maintain General Fund Reserves of at least 15% in order to secure the most favorable credit rating for the City and the lowest possible interest rates for any bond issuances that may be necessary; and
 - e) Though not legally required, provide an additional layer of security for the General Fund by maintaining the Parking Fund reserve balance of \$2 million over the borrowing term.
6. Direct the City Manager to convert remaining coin-operated parking meters to credit/debit card meters by: a) appropriating \$650,000 from the Parking Fund for the purchase and installation of 1,178 credit card parking meters; b) increasing the Parking Facilities operating budget for Fiscal Year 2013-14 and Fiscal Year 2014-15 by \$150,000 each year for wireless connectivity and credit card fees; c) amending the City's current contract with IPS Group to purchase and install the 1,178 credit card parking meters for a not-to-exceed fee of \$625,000 as soon as possible; and, d) provide the City Manager with authority to approve contract change orders for unforeseen circumstances up to \$25,000.
7. Adopt a resolution to increase all parking meter rates where credit card meters are installed by \$0.25 as soon as possible, and another \$0.25 in the following year; resident shopper's permits would remain valid in all locations currently allowed.

8. Direct the City Manager to report back within the next year with additional options to fund debt service payments using parking meter rate increases, including pricing strategies discussed in the Parking Management Plan.
9. Authorize the City Manager to negotiate and execute an extension to the contract with Studio One Eleven to continue concept design development, with a cost of up to \$200,000.
10. Direct the City Manager to conduct a Request for Qualifications (“RFQ”) process and solicit Statements of Qualifications from consultant firms to provide project management services for the Village Entrance Project, ensuring adequate resources and expertise are available to advance the project in a timely manner.

ATTACHMENTS

1. Debt Financing Options and Considerations
 - a. Exhibit: Transit and Parking Fund operating activity – 14-year projection
2. Additional Potential Revenue Sources
 - a. Exhibit: TOT rates for other California cities
3. Resolution Establishing Parking Meter Rate Increases
4. Debt Service Coverage Over 25-Year Bond Term
5. Estimated New Revenue by Parking Zone
6. Map of Parking Meter Zones
7. Los Angeles Times Article, Dated June 3, 2013

Debt Financing Options and Considerations

There are generally three kinds of municipal debt financing: 1) General Obligation (GO) Bonds, which are secured by a promise to levy property taxes in an amount necessary to cover the debt service and require two-thirds voter approval; 2) Lease Revenue Bonds, which are long-term debt instruments with debt service paid by the City's General Fund and/or a specific dedicated revenues (a simple majority of the City Council is required to issue Lease Revenue Bonds); and, 3) Special Tax and Assessment debt, which are bonds that are repaid from special taxes or assessments levied on those who benefit from the project.

The Village Entrance Project funding strategy anticipates using Lease Revenue Bonds sold to the public by a municipal bond underwriting firm to be hired by the City. While the plan would be to pay the debt service with parking revenues, if the parking revenues were insufficient to pay debt service, any shortfall would be payable from other legally available funds of the City, including the General Fund. Consideration could also be given to funding the proposed project through a private placement or bank loan. This type of financing option usually has a lower interest rate but would require a shorter term, usually 10 to 15 years. The shorter term would increase the annual debt service payment.

Staff has also explored the potential of financing through the California Infrastructure and Economic Development Bank (IBANK). IBANK will lend up to \$10 million for parking structures and up to \$2 million for parks, per fiscal year, per agency and can be used with other debt instruments. The City may qualify for \$12 million by separating the proposed project into two separate projects. The interest rate is about half of what the City could get with a Lease Revenue Bond and the issuance costs are significantly less. Unfortunately, due to the City's expected excellent credit rating and the ability to issue bonds in the open market, the City may be disqualified from utilizing IBANK loans.

Credit Rating and Reserve Requirements

If the City issues Lease Revenue Bonds, the bonds will be rated by one or more of the big three credit rating agencies: Moody's, Standard and Poor's, and Fitch. Parking revenue on its own will not meet the rating agency credit criteria necessary to receive the highest class of bond rating due to the limited nature of the revenue stream. To reserve the highest possible ratings and the lowest possible borrowing costs, the City will be required to agree to pay the debt service from the General Fund to the extent that parking revenues are insufficient to pay debt service. Therefore, if the City Council wants to pursue a Village Entrance project, it is recommended that the City Council authorize the payment of the debt service from the General Fund to the extent that parking revenues are insufficient to make debt service payments.

In 2009, City General Obligation Bonds received an AAA rating from Standard and Poor's and an Aa2 rating from Moody's. The proposed Lease Revenue Bonds would likely have a lower credit rating since they do not have a dedicated revenue source of *ad valorem* property taxes. Another important factor to strengthen the City's credit rating is for the General Fund to

maintain reserves in the range of 15% to 20%. Currently, the General Fund reserve is at 18%, which includes the Recession Smoothing account. Therefore, it is recommended the City Council maintain General Fund reserves of at least 15% in order to secure the most favorable credit rating and the lowest possible interest rates for any bond issuance.

Based on a 14-year estimate of operating activity, the fund balance in the Parking Fund is not expected to dip below \$2 million until Fiscal Year 2024-25 (see exhibit). The estimate assumes no increase in parking rates but does assume increases in the Parking Fund subsidy to the Transit Fund, to an average of \$1.2 million annually over the next 14 years. To address fluctuations in the economy and ensure funding is available to pay debt service in years of declining revenue or in the event the subsidy to the Transit Fund increases beyond \$1.2 million, it is recommended the City Council direct the City Manager to develop a strategy to build up a Parking Fund reserve of \$2 million.

Examples of Municipal Financings

The following are examples of how municipalities have used debt to finance capital projects:

- Fresno Joint Powers Financing Authority Lease Revenue Bonds: In 2004, the Financing Authority issued \$52 million in Lease Revenue Bonds to fund the construction and acquisition of various capital projects, including the improvement of seven parking facilities and a multi-level parking structure adjacent to the Convention Center. The lease payments are paid by the City General Fund.
- Long Beach Bond Finance Authority Lease Revenue Bonds: The Financing Authority issued \$11.5 million in Lease Revenue Bonds for the Long Beach Plaza Garage Renovation. The lease payments are paid by the City General Fund.
- City of Newport Beach Certificates of Participation: The City issued nearly \$128 million of Certificates of Participation (COPs), with \$3.9 million of the proceeds used to refinance the City's 1998 outstanding library COPS and the remaining proceeds to fund the construction of the new Civic Center, including a 450-space parking structure. The debt service payments are paid by the City General Fund.
- City of Riverside Certificates of Participation: The City of Riverside issued \$20.6 million in Certificates of Participation to facilitate the design, development, construction and equipping of a new 125-room hotel in the City's downtown and an adjacent parking structure. The lease payments are paid by the City Parking Fund although the General Fund is obligated to make the debt service payments if other resources are not available.
- City of San Luis Obispo Capital Improvement Board Lease Revenue Bonds: In 2006, the City of San Luis Obispo issued \$16.2 million in Lease Revenue Bonds for the purpose of acquisition and construction of administrative office and public parking garage containing 188 spaces. The lease payments are paid by the City General Fund and to a limited extent its Parking Fund.

- City of Temecula Certificates of Participation: In 2008, the City of Temecula issued \$24.5 million in Certificates of Participation to finance a new Civic Center. The lease payments are paid by the City General Fund.

	[Year 1] 2012/13	[Year 2] 2013/14	[Year 3] 2014/15	[Year 4] 2015/16	[Year 5] 2016/17	[Year 6] 2017/18	[Year 7] 2018/19	[Year 8] 2019/20	[Year 9] 2020/21	[Year 10] 2021/22	[Year 11] 2022/23	[Year 12] 2023/24	[Year 13] 2024/25	[Year 14] 2025/26	AVERAGE
Transit Fund															
Beginning Fund Balance	577,800	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Revenues*															
TDA Money Passed through OCTA	1,098,800	1,048,000	1,180,000	1,107,000	1,125,000	1,148,000	1,171,000	1,195,000	1,219,000	1,244,000	1,269,000	1,295,000	1,321,000	1,348,000	1,197,400
Fares and Passes	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000
ACT V	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
State and OCTA Assistance	272,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	353,700
Other Revenue	35,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	58,200
SLPP Grant		318,000													22,700
Transfer M2 Funds		318,000													22,700
Total Revenues	1,677,800	2,370,000	1,866,000	1,788,000	1,811,000	1,834,000	1,857,000	1,881,000	1,905,000	1,930,000	1,955,000	1,981,000	2,007,000	2,034,000	1,920,700
Expenditures*															
Festival Operations	(1,209,500)	(1,157,200)	(1,126,000)	(1,117,500)	(1,188,000)	(1,219,000)	(1,250,300)	(1,282,300)	(1,315,100)	(1,348,900)	(1,383,600)	(1,419,300)	(1,455,600)	(1,493,200)	(1,286,100)
Mainline Operations	(1,086,400)	(1,181,400)	(1,203,700)	(1,220,300)	(1,253,900)	(1,288,200)	(1,320,300)	(1,353,300)	(1,387,100)	(1,421,600)	(1,457,100)	(1,493,600)	(1,531,000)	(1,569,500)	(1,340,500)
Festival Trolley Purchases	(530,000)	(536,000)	(536,000)	0	0	0	0	0	(590,000)	0	0	0	0	0	(214,700)
Mainline Bus Purchases	(45,000)	0	(300,000)	(300,000)	0	0	0	(65,000)	0	0	0	0	0	(693,000)	(152,500)
Festival Study		(50,000)													(4,100)
Project V Matching		(52,500)	(52,500)	(53,500)	(55,300)	(56,700)	(58,200)	(59,700)	(61,200)	(62,800)	(64,400)	(66,100)	(67,800)	(69,500)	(55,700)
Paratransit Services	(86,700)	(86,700)	(86,700)	(86,700)	(86,700)	(86,700)	(86,700)	(86,700)	(86,700)	(86,700)	(86,700)	(86,700)	(86,700)	(86,700)	(101,100)
Total Expenditures	(2,957,600)	(3,163,800)	(2,769,800)	(2,818,400)	(2,583,900)	(2,650,600)	(2,715,500)	(2,847,000)	(2,940,100)	(2,970,000)	(3,051,800)	(3,101,700)	(3,189,100)	(3,291,900)	(3,140,000)
Revenues Less Expenditures	(708,200)	(793,800)	(903,800)	(1,030,400)	(772,900)	(816,600)	(858,500)	(966,000)	(1,035,100)	(990,000)	(1,096,800)	(1,127,700)	(1,180,100)	(1,257,900)	(1,178,100)
Parking Fund Transfer	710,200	793,800	903,800	1,030,400	772,900	816,600	858,500	966,000	1,035,100	990,000	1,096,800	1,127,700	1,180,100	1,257,900	1,178,100
Ending Fund Balance	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Parking Fund															
Beginning Fund Balance	\$ 5,654,013	\$ 7,069,413	\$ 8,365,234	\$ 2,586,350	\$ 2,483,150	\$ 3,530,550	\$ 3,535,850	\$ 4,389,550	\$ 4,134,250	\$ 4,203,750	\$ 3,821,150	\$ 3,923,550	\$ 2,393,450	\$ 1,969,950	
Revenues															
Parking Meter Zones	2,470,000	2,415,000	2,415,000	2,415,000	2,415,000	2,415,000	2,415,000	2,415,000	2,415,000	2,415,000	2,415,000	2,415,000	2,415,000	2,415,000	2,418,900
Parking Lots Meters & Fees	1,329,000	1,754,000	1,754,000	1,754,000	1,754,000	1,754,000	1,754,000	1,754,000	1,754,000	1,754,000	1,754,000	1,754,000	1,754,000	1,754,000	1,723,600
Parking Permits	1,045,000	1,045,000	1,045,000	1,045,000	1,045,000	1,045,000	1,045,000	1,045,000	1,045,000	1,045,000	1,045,000	1,045,000	1,045,000	1,045,000	577,500
Miscellaneous Income	11,000	34,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	13,700
Total Revenues	4,855,000	4,283,000	5,228,000	4,283,000	5,228,000	4,283,000	5,228,000	4,283,000	5,228,000	4,283,000	5,228,000	4,283,000	5,228,000	4,283,000	5,537,000
Expenditures*															
Operating-Parking Maintenance	(1,157,600)	(1,224,100)	(1,243,700)	(1,255,600)	(1,282,800)	(1,310,700)	(1,339,300)	(1,369,000)	(1,397,000)	(1,425,600)	(1,454,800)	(1,484,700)	(1,515,500)	(1,546,869)	(1,583,900)
Operating-Parking Enforcement	(906,300)	(916,600)	(927,200)	(950,200)	(974,900)	(1,000,400)	(1,026,500)	(1,053,300)	(1,079,400)	(1,105,000)	(1,129,000)	(1,158,700)	(1,187,900)	(1,218,897)	(1,254,800)
Capital Maintenance/Projects	(50,000)			(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(239,200)
Operating Contingency				(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(117,800)
Total Parking Fund Expenditures	(2,113,900)	(2,140,700)	(2,170,900)	(2,655,800)	(2,707,700)	(2,761,100)	(2,815,800)	(2,872,300)	(2,923,400)	(2,975,600)	(3,028,800)	(3,083,400)	(3,139,400)	(3,196,767)	(2,756,100)
Income (Rev-Exp) before Transfers	2,741,100	2,148,300	3,057,100	1,627,200	2,520,300	1,521,900	2,412,200	1,410,700	2,304,600	2,308,150	2,252,200	2,199,600	2,088,600	1,066,233	2,301,500
Other Sources/Uses															
Repayment of Side Fund Loan	84,500	647,521	568,016												
General Fund Transfer	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)
Transit Fund Transfer	(710,200)	(794,000)	(904,000)	(1,030,400)	(772,900)	(816,600)	(858,500)	(966,000)	(1,035,100)	(990,000)	(1,096,800)	(1,127,700)	(1,180,100)	(1,257,900)	(1,178,100)
Income (Rev-Exp) revenue	1,415,400	1,295,821	2,021,116	(103,200)	1,047,400	5,300	853,700	(255,300)	69,500	(382,600)	102,400	(1,530,100)	(423,500)	(1,491,667)	187,400
Amount to Village Entrance Project															
Balance	\$ 7,069,413	\$ 8,365,234	\$ 2,586,350	\$ 2,483,150	\$ 3,530,550	\$ 3,535,850	\$ 4,389,550	\$ 4,134,250	\$ 4,203,750	\$ 3,821,150	\$ 3,923,550	\$ 2,393,450	\$ 1,969,950	\$ 478,283	\$ 478,283

* Assumes escalation of operating expenditures in the Transit Fund and Parking Fund of approximately 2%.

Additional Potential Revenue Sources

The Village Entrance funding strategy anticipates using a combination of parking revenue from the new spaces at the Village Entrance structure and increasing on-street meter rates to fund annual debt service. Staff has also identified other potential revenue sources that could either supplement or supplant these sources.

- Increase off-street (parking lot) meter rates - The off-street parking lots currently generate \$1.7 million in revenue at a rate of \$2 per hour. A \$0.50 increase could generate roughly \$300,000 in new revenue and a \$1 per hour increase would generate about \$630,000 in new revenue. This estimate does not assume a rate change for lots impacted by the Village Entrance Project (Forest/Laguna Canyon or Lumberyard lots).
- Charge \$1 for a trolley day pass - Public Works staff estimates that charging \$1 for a trolley day pass could generate \$100,000. This is a “best guest,” as the number of unique riders is difficult to quantify without further study.
- Increase the Hotel Tax by 1% - Increasing the Transient Occupancy Tax (TOT) by 1% (10% to 11%) would generate approximately \$750,000 annually in new revenue. The current TOT rate is 12%, comprised of a 10% base TOT rate and 2% for the self-imposed Business Improvement District Tax. Increasing the TOT would allow the transfer from the Parking Fund to the Transit Fund to be reduced. To increase the TOT rate would require majority voter approval. Raising the self-imposed Business Improvement District tax is not recommended since that funding source must be renewed annually and would not be considered a stable source of revenue for long-term debt. The TOT rate and BID rates (if applicable) for 26 cities are provided as an exhibit to this attachment.
- Add \$1 fee to the Festival of Arts Tickets – Assuming a nine week season and 2,700-seat bowl, this option could generate \$170,000 annually in new revenue.
- Increase Sales Tax from 8.00% to 8.50% - Based on the sales tax revenue received from the Measure A ½ cent district tax for Bluebird Canyon, the estimated annual revenue would be \$2.5 million.
- Eliminate the Parking Fund Transfer to the General Fund – Since Fiscal Year 1995-96, the Parking Fund has transferred \$700,000 annually to the General Fund for operations. The City Council could reduce all or a portion of this transfer and apply the funds toward debt service. A matching reduction of General Fund expenditures and services would also be necessary.

City of Laguna Beach
Transient Occupancy Tax Rates - Calif Cities
Updated May 2013

City	County	TOT Rate	Additional Assessment	Total Assessment	Notes
Garden Grove	Orange	14.5%	2.5%	17%	.05%-2.5% per room rate Resort Marketing Fee in resort area near Disney parks to support Conference Bureau and Conference Center Expansion
Anaheim	Orange	15.0%	2.0%	17%	2% per room rate Resort Marketing Fee in resort area near Disney parks to support Conference Bureau and Conference Center Expansion
San Francisco	San Francisco	14.0%	2.0%	16%	TID Assessment of 1%-2% depending on geographic area
Beverly Hills	Los Angeles	14.0%		14%	
Los Angeles	Los Angeles	14.0%		14%	
Santa Monica	Los Angeles	14.0%		14%	
Solana Beach	San Diego	10.0%	3.0%	13%	3% restoration to beach, marketing and tourism
Santa Barbara	Santa Barbara	10.0%	3.0%	13%	2% Creeks Restoration and Water Quality
San Diego	San Diego	10.5%	2.0%	12.5%	.55%-2% - 30 or more rooms pay 2% marketing and Tourism or less pay .55% marketing and tourism.
Del Mar	San Diego	11.5%	1.0%	12.5%	1% assessment for Business Improvement District
Laguna Beach	Orange	10.0%	2.0%	12%	2% assessment on room rate, Business Improvement District established to fund activities that promote tourism and related tourist events.
Newport Beach	Orange	10.0%	2.0%	12%	2% Volunteer BID (7 hotels currently pay)
Redondo Beach	Los Angeles	12.0%		12%	
Long Beach	Los Angeles	6.0%	6.0%	12%	6% assessment to Advertising and Promotion Fund
Buena Park	Orange	12.0%		12%	
Santa Ana	Orange	11.0%		11%	
Hermosa Beach	Los Angeles	10.0%		10%	
Manhattan Beach	Los Angeles	10.0%		10%	
Monterey	Monterey	10.0%		10%	
Costa Mesa	Orange	8.0%	2.0%	10%	2% South Coast Plaza Shopping Resort
Irvine	Orange	8.0%	2.0%	10%	2% from all fourteen hotels with 1.5% going to tourism (60%) and business and economic development (40%) and the remaining .5% going to the City of Irvine arts and culture.
Dana Point	Orange	10.0%		10%	\$3 dollar per occupied room, subject to TOT and applies to hotel with greater than 190 rooms.
Huntington Beach	Orange	10.0%		10%	1% assessment for business improvement District.
Laguna Hills	Orange	10.0%		10%	
Orange	Orange	10.0%		10%	
Tustin	Orange	6.0%		6%	

RESOLUTION NO. 13.____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF LAGUNA BEACH, CALIFORNIA ESTABLISHING
PARKING METER ZONES AND RATES

WHEREAS, the California Vehicle Code allows the City Council to establish parking meter zones and rates by ordinance or resolution; and

WHEREAS, Laguna Beach Municipal Code Chapter 10.07 provides that parking meter zones and rates shall be established by resolution of the City Council; and

WHEREAS, all parking meter zones and rates were established by Resolution No. 08.008 on October 21, 2008; and

WHEREAS, the City Council wishes to adjust parking meter zones and rates as follows:

1. Increase rates for credit card parking meters by \$0.25 per hour immediately and by another \$0.25 after one year; and

WHEREAS, the City Council wishes to adopt a superseding resolution containing all parking meter zones and rates with the adjustments described above;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH does
RESOLVE AND ORDER as follows:

1. The following parking meter zones and rates are established:

Zone A1: Rate = \$1.00 per hour for coin-only parking meters and \$1.25 per hour for credit card parking meters effective July 1, 2013, and \$1.50 per hour for credit card parking meters effective July 1, 2014; located at:

- Cliff Drive from Acacia Street at North Coast Highway to Broadway;
- Lower Cliff Drive from Cliff Drive to Cliff Drive.

Zone A2: Rate = \$1.00 per hour for coin-only parking meters and \$2.25 per hour for credit card parking meters effective July 1, 2013, and \$2.50 per hour for

1 credit card parking meters effective July 1, 2014; located at:

- 2 • Cliff Drive from North Coast Highway at Acacia Street to a point
- 3 approximately 775 feet north of Myrtle Street;
- 4 • Myrtle Street from Cliff Drive to North Coast Highway;
- 5 • Jasmine Street from Cliff Drive to North Coast Highway.

6 Zone B: : Rate = \$1.00 per hour for coin-only parking meters and \$1.25 per
7 hour for credit card parking meters effective July 1, 2013, and \$1.50 per hour for
8 credit card parking meters effective July 1, 2014; located at:

- 9 • North Coast Highway from Cliff Drive to Broadway;
- 10 • South Coast Highway from Broadway to Forest Avenue;
- 11 • Broadway from Coast Highway to Forest Avenue;
- 12 • Beach Street from Cliff Drive to Forest Avenue;
- 13 • Forest Avenue (north side) from Beach Street to Third Street;
- 14 • Forest Avenue (west side) from Third Street to Broadway;
- 15 • Ocean Avenue from South Coast Highway to Forest Avenue.

16 Zone C: Rate = \$1.00 per hour for coin-only parking meters and \$1.25 per
17 hour for credit card parking meters effective July 1, 2013, and \$1.50 per hour for
18 credit card parking meters effective July 1, 2014; located at:

- 19 • South Coast Highway from Forest Avenue to Legion Street;
- 20 • Forest Avenue from South Coast Highway to Beach Street;
- 21 • Forest Avenue (south side) from Beach Street to Third Street;
- 22 • Forest Avenue (east side) from Third Street to Broadway;
- 23 • Park Avenue from South Coast Highway to Larsen Lane;
- 24 • El Paseo from Laguna Street to its cul-de-sac;
- 25 • Laguna Avenue from El Paseo to Glenneyre Street;
- 26 • Park Avenue from Glenneyre Street to Through Street;
- 27 • Glenneyre Street from Forest Avenue to Laguna Avenue;
- 28

- Second Street from Forest Avenue to Mermaid Street;
- Third Street from Forest Avenue to Mermaid Street;
- Mermaid Street from Third Street to Glenneyre Street.

Zone D: Rate = \$1.00 per hour for coin-only parking meters and \$1.25 per hour for credit card parking meters effective July 1, 2013, and \$1.50 per hour for credit card parking meters effective July 1, 2014; located at:

- South Coast Highway from Legion Street to Ruby Street;
- Cleo Street from Ocean Front to Glenneyre Street;
- St Ann's Street from the beach approach to Glenneyre Street;
- Thalia Street from the beach approach to Glenneyre Street;
- Anita Street from the beach approach to Glenneyre Street;
- Oak Street from the beach approach to Glenneyre Street;
- Brooks Street from the beach approach Glenneyre Street;
- Cress Street from the beach approach to Glenneyre Street;
- Mountain Road from the beach approach to Glenneyre Street;
- Bluebird Canyon Drive from South Coast Highway to Glenneyre Street;
- Agate Street from Ocean Way to Glenneyre Street;
- Pearl Street from Ocean Way to Glenneyre Street;
- Center Street from South Coast Highway to Glenneyre Street;
- Diamond Street from Ocean Way to Glenneyre Street;
- Ruby Street from South Coast Highway to Glenneyre Street.

Zone E: Rate = \$1.00 per hour for coin-only parking meters and \$1.25 per hour for credit card parking meters effective July 1, 2013, and \$1.50 per hour for credit card parking meters effective July 1, 2014; located at:

- Laguna Canyon Road from Forest Avenue to a point approximately 150 feet north of Canyon Acres Drive;
- Frontage Road from Laguna Canyon Road to Woodland Drive;

- Laguna Canyon Road from a point approximately 180 feet north of Raquel Road to 1,100 feet north of Raquel Road, adjacent to the area commonly known as the Dog Park.

Zone F: Rate = \$1.00 per hour for coin-only parking meters and \$1.25 per hour for credit card parking meters effective July 1, 2013, and \$1.50 per hour for credit card parking meters effective July 1, 2014; located at:

- North Coast Highway from Ledroit Street to 300 Block of Cliff Drive;
- Aster Street from North Coast Highway to Cedar Way;
- Jasmine Street from North Coast Highway to Cedar Way;
- Myrtle Street from North Coast Highway to Cedar Way;
- Fairview Street from approximately 200 feet both east and west of North Coast Highway;
- La Brea Street from approximately 200 feet both east and west of North Coast Highway;
- Chiquita Street from approximately 200 feet west of North Coast Highway;
- 1300 Block of Cliff Drive from approximately 200 feet west of North Coast Highway.

Zone G: Rate = \$1.00 per hour for coin-only parking meters and \$1.25 per hour for credit card parking meters effective July 1, 2013, and \$1.50 per hour for credit card parking meters effective July 1, 2014; located at:

- Glenneyre Street from St. Ann's Street to Calliope Street;
- Calliope Street from South Coast Highway to Glenneyre Street.
- Legion Street from South Coast Highway to Catalina Street;
- Thalia Street from Glenneyre Street to Catalina Street;
- Brooks Street from Glenneyre Street to Catalina Street;
- Cress Street from Glenneyre Street to Catalina Street.

Zone H: Rate = \$1.00 per hour for coin-only parking meters and \$1.25 per

1 hour for credit card parking meters effective July 1, 2013, and \$1.50 per hour for
2 credit card parking meters effective July 1, 2014; located at:

- 3 • Coast Highway from Aliso Circle to approximately 700 feet north of
- 4 Montage Drive;
- 5 • Wesley Drive from Coast Highway to Marilyn Drive.
- 6 • Victoria Place, southerly side, from South Coast Highway to 80 feet easterly.

7 Glenneyre Lot: Rate = \$2.00 per hour; located on the westerly side of
8 Glenneyre Street at 501 Glenneyre Street.

9 Ocean Avenue Lot A: Rate = \$2.00 per hour; located on the southerly side of
10 Ocean Avenue approximately 300 feet easterly of South Coast Highway at 225 Ocean
11 Avenue.

12 Ocean Avenue Lot B: Rate = \$2.00 per hour; located on the southerly side of
13 Ocean Avenue approximately 400 feet easterly of South Coast Highway at 243 Ocean
14 Avenue.

15 Forest Avenue Lot: Rate = \$2.00 per hour; located on the northerly side of
16 Forest Avenue at 322 Forest Avenue and extending to the southerly side of Ocean
17 Avenue at 313 Ocean Avenue.

18 Mermaid Street Lot: Rate = \$2.00 per hour; located on the northeasterly corner
19 of Mermaid Street and Glenneyre Street at 348 Glenneyre Street.

20 Broadway Lot: Rate = \$3.00 per hour; located on the northerly side of
21 Broadway approximately 100 feet easterly of North Coast Highway at 226 Broadway.

22 Treasure Island Surface Lot: Rate: \$1.50 per hour; located on the westerly side
23 of Coast Highway at 30801 Coast Highway northerly of Wesley Drive.

24 Treasure Island Garage Lot: Rate = \$1.50 per hour; located on the westerly side
25 of Coast Highway at 30801 Coast Highway southerly of Wesley Drive.

26 Lang Park Lot: Rate = \$1.00 per hour; located on the southeasterly corner of
27 Coast Highway and Wesley Drive at 21547 Wesley Drive.

2. All prior resolutions of the City Council establishing parking meter zones and rates are hereby superseded effective _____, 2013

ADOPTED this _____ day of _____ 2013

Kelly Boyd, Mayor

ATTEST:

Lisette Chel-Walker, City Clerk

I, LISETTE CHEL-WALKER, City Clerk of the City of Laguna Beach, California do hereby certify that the foregoing Resolution No. 13.____ was duly adopted at a regular meeting of the City Council of said City held on _____, 2013 by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

City Clerk of the City of Laguna Beach, Ca

BOND SOLUTION

CITY OF LAGUNA BEACH
2015 LEASE REVENUE BONDS

PERIOD ENDING	ESTIMATED AVERAGE NET REVENUE	ESTIMATED VILLAGE ENTRANCE PARKING REV	PROJECTED NEW REVENUES				TOTAL REVISED NET REVENUE	PROPOSED DEBT SERVICE	DEBT SERVICE COVERAGE	ESTIMATED REVENUE AFTER DEBT SERVICE	ESTIMATED PARKING FUND BALANCE
			METER RATES		LOT RATES						
			NEW RATE	NEW REVENUE	NEW RATE	NEW REVENUE					
2013/14	648,300		\$1.25/HR	400,000	\$2.0/HR		1,048,300			1,048,300	1,577,250
2014/15	1,409,100		\$1.50/HR	900,000	\$2.0/HR		2,309,100			2,309,100	3,886,350
2015/16	221,700		\$1.50/HR	900,000	\$2.0/HR		1,121,700			1,121,700	5,008,050
2016/17	169,800		\$1.75/HR	1,450,000	\$2.0/HR		1,619,800	2,100,000	77.1333%	(480,200)	4,527,850
2017/18	116,400	300,000	\$2.0/HR	2,000,000	\$2.0/HR		2,416,400	2,100,000	115.0667%	316,400	4,844,250
2018/19	61,700	300,000	\$2.0/HR	2,000,000	\$2.0/HR		2,361,700	2,100,000	112.4619%	261,700	5,105,950
2019/20	5,200	300,000	\$2.0/HR	2,000,000	\$2.0/HR		2,305,200	2,100,000	109.7714%	205,200	5,311,150
2020/21	(45,900)	300,000	\$2.25/HR	2,550,000	\$2.0/HR		2,804,100	2,100,000	133.5286%	704,100	6,015,250
2021/22	(98,100)	300,000	\$2.25/HR	2,550,000	\$2.0/HR		2,751,900	2,100,000	131.0429%	651,900	6,667,150
2022/23	(151,300)	300,000	\$2.25/HR	2,550,000	\$2.0/HR		2,698,700	2,100,000	128.5095%	598,700	7,265,850
2023/24	(205,900)	300,000	\$2.25/HR	2,550,000	\$2.0/HR		2,644,100	2,100,000	125.9095%	544,100	7,809,950
2024/25	(261,900)	300,000	\$2.25/HR	2,550,000	\$2.0/HR		2,588,100	2,100,000	123.2429%	488,100	8,298,050
2025/26	(313,500)	300,000	\$2.25/HR	2,550,000	\$2.0/HR		2,536,500	2,100,000	120.7857%	436,500	8,734,550
2026/27	(346,500)	300,000	\$2.25/HR	2,550,000	\$2.0/HR		2,503,500	2,100,000	119.2143%	403,500	9,138,050
2027/28	(380,500)	300,000	\$2.25/HR	2,550,000	\$2.0/HR		2,469,500	2,100,000	117.5952%	369,500	9,507,550
2028/29	(414,500)	300,000	\$2.25/HR	2,550,000	\$2.0/HR		2,435,500	2,100,000	115.9762%	335,500	9,843,050
2029/30	(449,500)	300,000	\$2.25/HR	2,550,000	\$2.0/HR		2,400,500	2,100,000	114.3095%	300,500	10,143,550
2030/31	(484,500)	300,000	\$2.25/HR	2,550,000	\$2.0/HR		2,365,500	2,100,000	112.6429%	265,500	10,409,050
2031/32	(519,500)	300,000	\$2.50/HR	3,100,000	\$2.0/HR		2,880,500	2,100,000	137.1667%	780,500	11,189,550
2032/33	(555,500)	300,000	\$2.50/HR	3,100,000	\$2.0/HR		2,844,500	2,100,000	135.4524%	744,500	11,934,050
2033/34	(592,500)	300,000	\$2.50/HR	3,100,000	\$2.0/HR		2,807,500	2,100,000	133.6905%	707,500	12,641,550
2034/35	(629,500)	300,000	\$2.50/HR	3,100,000	\$2.0/HR		2,770,500	2,100,000	131.9286%	670,500	13,312,050
2035/36	(666,500)	300,000	\$2.50/HR	3,100,000	\$2.0/HR		2,733,500	2,100,000	130.1667%	633,500	13,945,550
2036/37	(703,500)	300,000	\$2.50/HR	3,100,000	\$2.0/HR		2,696,500	2,100,000	128.4048%	596,500	14,542,050
2037/38	(742,500)	300,000	\$2.50/HR	3,100,000	\$2.0/HR		2,657,500	2,100,000	126.5476%	557,500	15,099,550
2038/39	(781,500)	300,000	\$2.50/HR	3,100,000	\$2.0/HR		2,618,500	2,100,000	124.6905%	518,500	15,618,050
2039/40	(820,500)	300,000	\$2.50/HR	3,100,000	\$2.0/HR		2,579,500	2,100,000	122.8333%	479,500	16,097,550
2040/41	(859,500)	300,000	\$2.50/HR	3,100,000	\$2.0/HR		2,540,500	2,100,000	120.9762%	440,500	16,538,050

Notes:

1. Estimated Average Net Revenue is calculated by taking budgeted annual revenue for 2013-14 and 2014-15 and average annual revenue thereafter of \$4,755,500, which is based on current parking rates, and subtracting from total revenues estimated expenditures for operations, maintenance and capital costs, a \$700,000 annual transfer to the General Fund and an annual transfer to the Transit Fund to cover anticipated shortfalls. The assumed transfers to the Transit Fund are the budgeted amounts for 2013-14 and 2014-15 and an annual transfer of \$1,178,000 thereafter. Operation and maintenance costs are escalated at 2% per year.
2. Estimated Village Entrance Parking Revenue is estimated new revenue above current collections for existing spaces.
3. Projected New Revenues assume existing levels of parking utilization with new rates.
4. Proposed Debt Service reflects current municipal market tax-exempt rates plus 1.5%.
5. Debt Service Coverage is calculated by dividing Total Revised Net Revenue column by Proposed Debt Service column.

**Parking Meter
Estimate - New Revenue**

Zone	Current Rate	(1) Number of Coin Only Meters	(2) Number of Credit Card Meters	(3) Annual Revenue 2012/13 (Estimated)	(4) Additional Revenue			
					Year 1 \$.25	Year 2 \$.50	Year 4 \$.75	Year 5 \$1.0
On-Street Parking Meter								
A1 (Cliff Dr - Broadway/Acacia to Coast Hwy)	\$1/HR	9	126	\$ 150,000	37,500	75,000	112,500	150,000
A2 (Cliff Dr - Heisler Park Credit Card Meters)	\$2/HR	0	209	\$ 550,000	68,750	137,500	206,250	275,000
B (Downtown North Credit Card Meters)	\$1/HR	6	220	\$ 390,000	97,500	195,000	292,500	390,000
C (Downtown South Credit Card Meters)	\$1/HR	2	253	\$ 500,000	125,000	250,000	375,000	500,000
D (SCH & side streets 40% Credit Card Meters)	\$1/HR	392	36	\$ 415,000	103,750	207,500	311,250	415,000
DP (Laguna Cyn. Rd. at "Dog Park")	\$1/HR	30	0	\$ 25,000	6,250	12,500	18,750	25,000
E (Laguna Cyn Rd. and Frontage Rd.)	\$1/HR	271	11	\$ 140,000	35,000	70,000	105,000	140,000
F (NCH & side streets)	\$1/HR	228	10	\$ 115,000	28,750	57,500	86,250	115,000
G (Glenneyre Street)	\$1/HR	141	5	\$ 90,000	22,500	45,000	67,500	90,000
H (Cst Hwy - Montage Resort Area)	\$1/HR	99	0	\$ 40,000	10,000	20,000	30,000	40,000
Sub-total On-Street Parking Meter Revenue		1178	870	2,415,000	535,000	1,070,000	1,605,000	2,140,000

Additional Cost for Credit Card Meters and Fees

Additional Fee for Credit Card Meter	(64,000)	(71,000)	(79,000)	(87,000)
IPS Meter Fee	(75,000)	(75,000)	(75,000)	(75,000)

Total Estimated On-Street Parking Meter New Revenue **396,000 924,000 1,451,000 1,978,000**

Total Estimated On-Street Parking Meter New Revenue (Rounded) **400,000 900,000 1,450,000 2,000,000**

Parking Lots	Current Rate	(1) Number of Cash Only Pay Stations	(2) Number of Credit Card Pay Stations	(3) Annual Revenue 2012/13 (Estimated)	(4) Additional Revenue			
					Year 1 \$25	Year 2 \$0.50	Year 4 \$.75	Year 5 \$1.0
Off-Street Parking Revenue								
Forest/Laguna (\$10/day/Summer, \$2/day/Winter)	\$10/day			250,000				
Alice Court Parking Garage	\$70/Month			20,000				
Community Center Parking Garage (\$5/day/Summer)	\$5/day			30,000				
Broadway Lot (BL1) pay station	\$3/HR	0	1	120,000	9,900	20,000	29,900	39,900
Forest Lot (FL1) pay Station	\$2/HR	0	1	110,000	13,700	27,500	41,200	55,000
Glenneyre Parking Structure (GL) 6 Pay Stations	\$2/HR	0	6	680,000	85,000	113,200	255,000	340,000
Fred Lang Park Lot (FL) pay station	\$2/HR	0	1	14,000	1,700	3,500	5,200	7,000
Lumber Yard Lot	\$55/Month			180,000				
Mermaid Lot (ML) pay station	\$2/HR	0	1	55,000	6,800	13,700	20,600	27,500
Mermaid Garage	\$65/Month			20,000	2,500	5,000	7,500	10,000
Ocean Ave. Lot A (OAL1) pay station	\$2/HR	0	1	55,000	6,800	13,700	20,600	27,500
Ocean Ave. Lot B (OAB1) pay station	\$2/HR	0	1	80,000	10,000	20,000	30,000	40,000
Treasurer Island "garage" Lot (TIL1) pay station	\$1.5/HR	0	1	100,000	17,000	34,000	50,000	67,000
Treasurer Island "surface" Lot (TIL2) pay station	\$1.5/HR	0	1	40,000	6,800	13,600	20,000	26,800
Sub-total Off-Street Parking Meter Revenue				1,754,000	160,200	264,200	480,000	640,700

Additional Cost Credit Card Fees

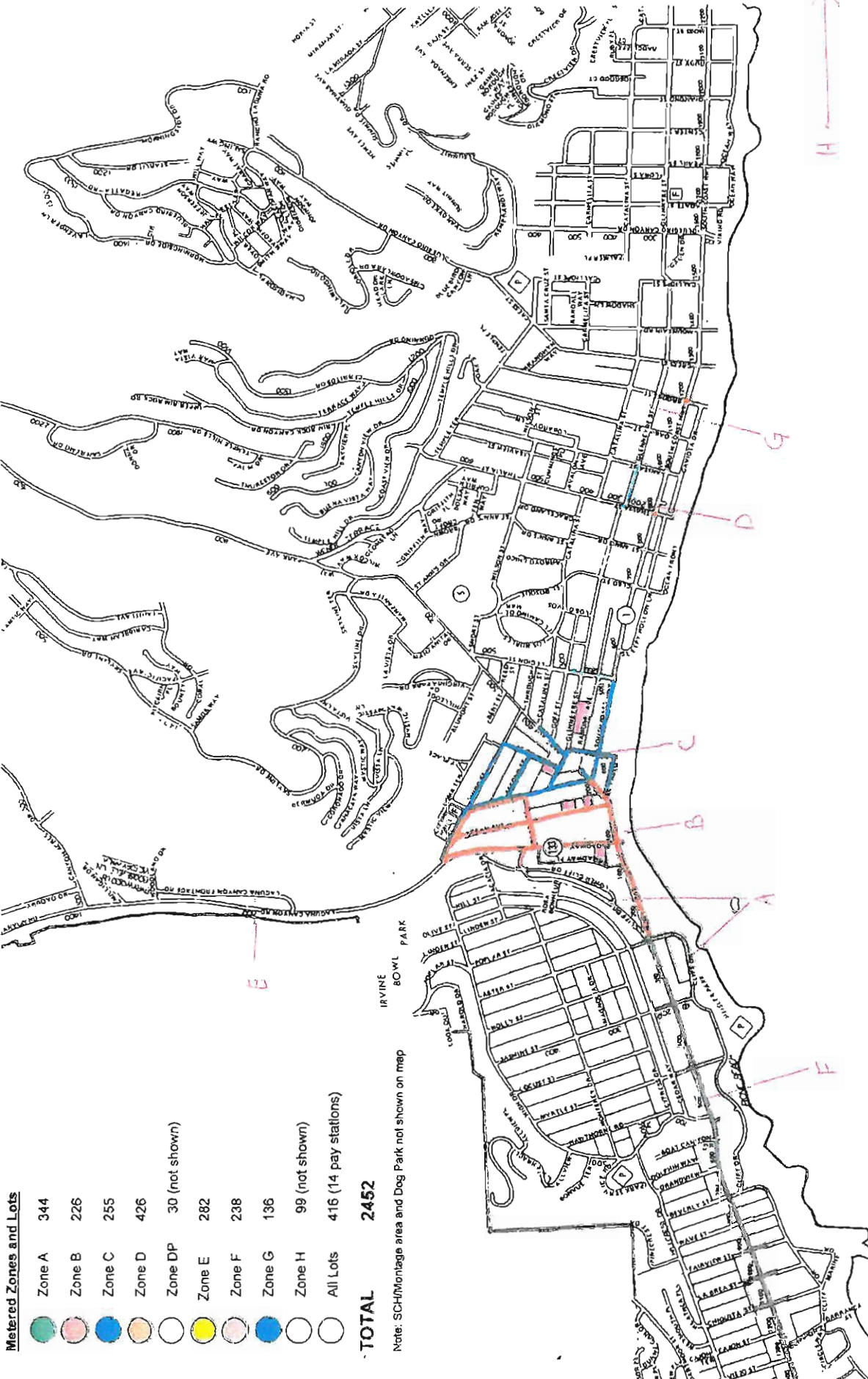
Additional Fee for Credit Card Meter	(3,600)	(5,500)	(10,000)	(13,100)
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Total Estimated Off-Street Parking New Revenue (Lots) **156,600 258,700 470,000 627,600**

Total Estimated Off-Street Parking New Revenue (Lots)(Rounded) **160,000 300,000 470,000 630,000**

Total Estimated New Parking New Revenue (Meters and Lots)(Rounded) **560,000 1,200,000 1,920,000 2,630,000**

Cost to purchase 1,178 credit card meters **\$ 650,000**



latimes.com/local/lanow/la-me-ln-la-parking-meters-making-more-money-from-cards-than-cash-20130604,0,7186045.story

latimes.com

L.A. parking meters making more money from cards than cash

By Laura J. Nelson

7:17 AM PDT, June 4, 2013

This spring, for the first time, the city of Los Angeles' parking department made more money from credit and debit cards than it did from cash.

In March, card payments at city parking meters and kiosks totaled \$2.34 million, slightly more than half the \$4.46 million collected that month.

Transportation officials spent three years, finishing in December, swapping out thousands of basic parking meters across Los Angeles for what are essentially miniature computers on poles.

So-called smart meters are more convenient for drivers and employees, the city says: They run on solar power, talk to credit card companies over the Internet and immediately text repairmen when parkers jam the coin slots.

In the same period, annual parking profits increased by almost half, to \$49 million in 2012 from \$33.6 million in 2010. Officials said the extra money comes from the city's first rate increase in nearly two decades and the proliferation of the credit-card meters, which now number more than 38,000.

Many drivers paid with cards as soon as the meters appeared, said Daniel Mitchell, a senior engineer who heads the city's parking meter division.


"They find it more convenient," Mitchell said. "So do we."

More than 99% of the meters are working at any given time, a 10% to 15% bump from earlier models.

Whether there is street parking and whether the meter takes cards can be a key factor in deciding where to go out with friends, said Ana Cosma, 22. She doesn't want to fumble in her purse for change after dark.

"I'm not used to carrying around a ton of cash, let alone coins," said Cosma, who lives near downtown and parks on the street multiple times a week while she runs errands. "I don't really notice the rate — the convenience is totally worth it."

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The average charge is \$1.60, 12% of which the city pays in fees to credit card companies. About 65% of card payments are debit transactions.

Profits from plastic could be a positive sign for other Southern California cities that have installed similar technology.

Beach cities in Orange and Los Angeles counties — including Newport Beach, Santa Monica and Hermosa Beach — have installed meters that read credit cards. And Long Beach has installed some electronic kiosks that handle multiple spaces.

Such meters enable flexible pricing, a plus for cities with a rising demand for parking and a limited amount of space. A similar experimental program is in place in downtown Los Angeles, where the price of street parking in a 4.5-square-mile area changes based on demand.

Meters can cost \$5 an hour. The price can be so high that some drivers don't have the change they need, Mitchell said.

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