

SFpark Pricing Policy: Off-Street Parking

Revision #2: March 29, 2012 (Original version approved March 22, 2011, revised version approved June 8, 2011)



Introduction

The San Francisco Municipal Transportation Agency (SFMTA), as part of the SF*park* pilot project, uses a demand-responsive approach to setting parking rates at SFMTA-administered parking garages in the SF*park* pilot areas. The goals include:

- Having a consistent, simple, rules-based, transparent, and data-driven approach for setting rates at parking garages.
- Using those rates, including demand-responsive pricing and off-peak discounts, to help manage congestion, improve Muni speed and reliability, and achieve other transportation-related benefits.
- Improving customer service, experience, and convenience at SF*park* garages to help attract more people to the garages and thereby reduce demand for on-street parking.

Better management of parking rates at SFMTA garages is essential to the success of SF*park* for several reasons:

- Garages account for a significant portion of the parking supply and demand in the SF*park* pilot areas.
- Encouraging drivers to use garages will increase the availability of on-street metered parking and therefore help to reduce the number of drivers that double park or circle while looking for parking.
- Using the same basic approach to pricing at parking garages as at metered on-street parking will improve the fluidity of the parking market and therefore the usefulness of parking pricing in achieving goals. It will also allow the City to manage its parking assets in a coherent and unified way.

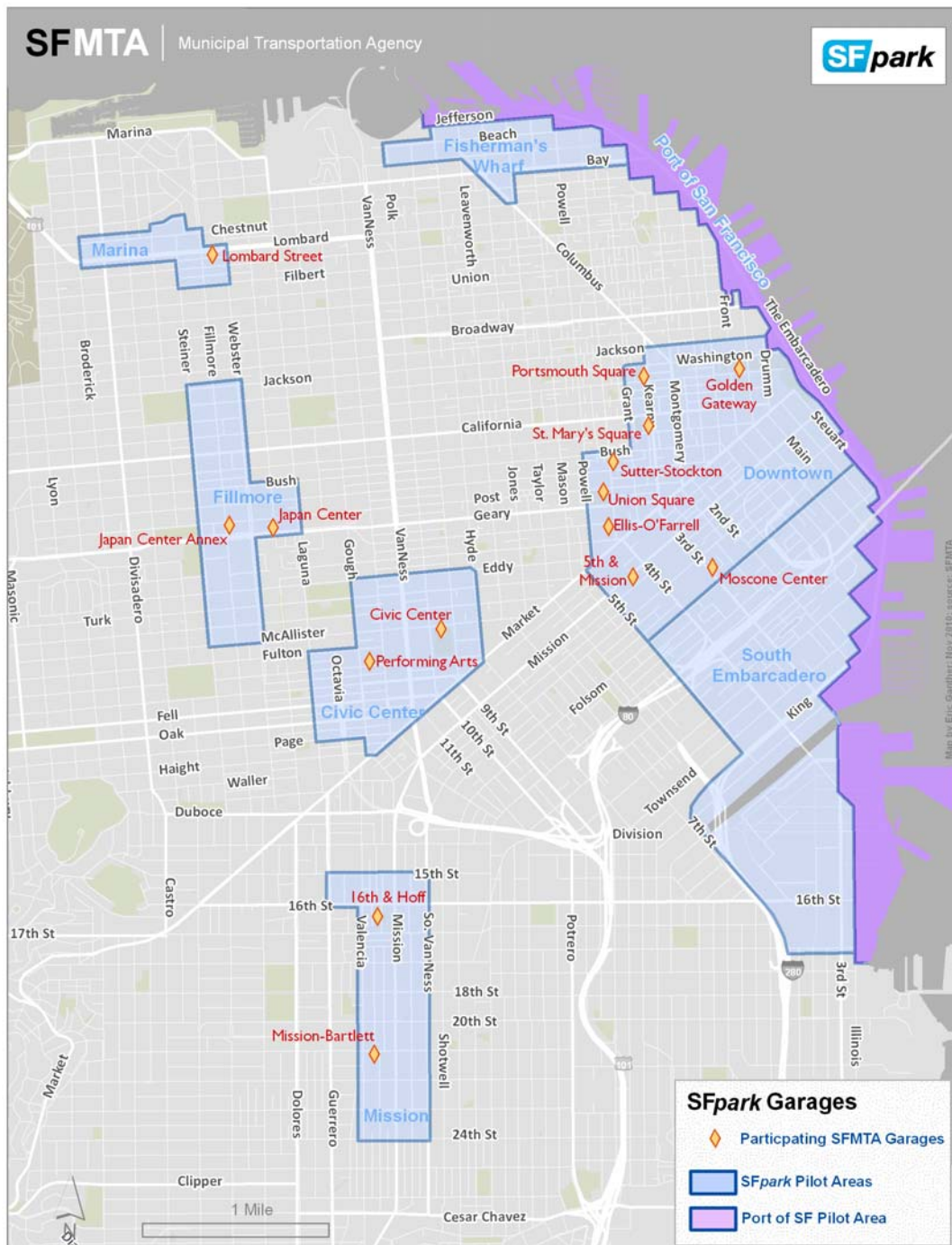
This document contains the:

- Pre-SF*park* rates, rate types, and methods used to set rates in SFMTA parking garages
- Plan for simplifying the rates at SFMTA parking garages in SF*park* pilot areas
- SF*park* policy for setting parking rates in parking garages in SF*park* pilot areas



The SFpark Garages

The SFMTA administers 20 public parking garages in the City, 14 of which are within SFpark pilot areas. The following map and chart show which garages are in SFpark pilot areas and part of the SFpark pilot project. Japan Center Main and Annex garages are treated as a single garage in this document.





Garage	Address
16th & Hoff	16th & Hoff Streets
Civic Center	355 McAllister Street
Ellis-O'Farrell	123 O'Farrell Street
Fifth & Mission	833 Mission Street
Golden Gateway	250 Clay Street
Japan Center (and Annex)	1610 Geary Blvd.
Lombard Street	2055 Lombard Street
Mission-Bartlett	3255 21st Street / 90 Bartlett Street
Moscone Center	255 Third Street
Performing Arts	360 Grove Street
Portsmouth Square	733 Kearny Street
St. Mary's Square	433 Kearny Street
Sutter-Stockton	444 Stockton Street
Union Square	333 Post Street



Current Garage Rates

Current Rate Types

Before *SFpark*, SFMTA's garages had an array of different parking rate types and discounts. A variety of rates is difficult to communicate clearly and simply to customers, complicates signage, and makes it difficult for drivers to make informed decisions about parking. Pre-*SFpark* rate types included:

- Hourly (based on length of stay)
- Weekend
- Sunday
- Evening (timing varies by garage)
- Overnight (timing varies by garage)
- "Early bird"
- 12-hour maximum
- Maximum up to 5 pm
- 24-hour maximum/ lost ticket
- Juror
- Student
- High-occupancy pre-paid
- Monthly
- Monthly reserved
- Monthly reserved area
- Monthly daytime
- Monthly evening
- Monthly weekend evening
- Monthly carpool/carshare
- Monthly resident
- Motorcycle hourly
- Motorcycle monthly
- Park & Ride validation
- Validation

Pre-*SFpark* Rates and Method of Rate Setting

Before *SFpark*, the SFMTA Board of Directors set garage rates via periodic (e.g., annual) price changes based on recommendations made by SFMTA staff, mainly during the budget-planning process. SFMTA staff based recommendations on surveys of rates at surrounding garages, interviews with garage operators, and usage data. There was no set formula or approach for setting rates. To some extent, pre-*SFpark* garages already offered lower rates at times of lower demand through, for example, evening and overnight rates. Before *SFpark*, St. Mary's Square and the Golden Gateway garages charged \$7 per hour, while the rest of the garages charged between \$2 and \$4 per hour.

While there was not a set formula used to set parking rates at garages, there were patterns in the relationships between the different rate types. As summarized in the following table of pre-*SFpark* rates, the 24-hour maximum rates averaged about 8.6 times the hourly rate. Put another way, the 24-hour max



rates averaged 36% of what a customer would be charged to park a car for 24 hours at the regular hourly rate. The monthly rates were an average of 10.6 times the 24-hour maximum rates.

Parking rates at garages in SFpark pilot areas as of April 20, 2011

Garage	Hourly rate	24-hour max rate	Monthly rate	Ratio of 24-hour max rate to hourly rate	24-hour max rate as % of total to park for 24 hours	Ratio of monthly rate to 24-hour max rate
16th & Hoff	\$2.50	\$20	\$180	8	33%	9
Civic Center	\$3.00	\$30	\$250	10	42%	8
Ellis-O'Farrell	\$3.50	\$38	\$300	11	45%	8
Fifth & Mission	\$3.50	\$32	\$300	9	38%	9
Golden Gateway	\$7.00	\$36	\$390	5	21%	11
Japan Center	\$2.00	\$16	\$165	8	33%	10
Lombard Street	\$2.50	\$20	\$225	8	33%	11
Mission-Bartlett	\$2.00	\$18	\$180	9	38%	10
Moscone Center	\$3.00	\$24	\$275	8	33%	11
Performing Arts	\$2.50	\$27	\$260	11	45%	10
Portsmouth Square	\$3.00	\$27	\$370	9	38%	14
St. Mary's Square	\$7.00	\$32	\$390	5	19%	12
Sutter-Stockton	\$3.00	\$34	\$375	11	47%	11
Union Square	\$3.50	\$32	\$375	9	38%	12
Averages				8.6	36%	10.6

Daily Rates for Motorcycles as of May 31, 2011

The garages that have special motorcycle rates charged flat rates between \$5 and \$7 per day, or an average of 21% of the 24-hour maximum rates for car parking.

Garage	Motorcycle Flat Rate
Civic Center	\$5
Ellis-O'Farrell	\$6
Fifth & Mission	\$6
Golden Gateway	\$7
Japan Center	\$5
Japan Center Annex	\$5
Performing Arts	\$5
Sutter-Stockton	\$7
Union Square	\$6



Rates at Nearby Private Garages

SFpark staff conducted a survey of rates at privately owned parking garages near the SFpark participating garages. This survey showed that SFMTA garages typically charge some of the lowest rates for parking in their respective neighborhoods.

Rates for the first hour of parking at private parking garages in the Financial District, Jackson Square, North Beach, SOMA, and Union Square range from \$2 to as much as \$28. The vast majority of private garages in these areas are tailored almost exclusively to all-day parkers: most charge \$12 or more per hour of parking, but charge a daily maximum of \$28-\$35. On the other hand, SFMTA-administered garages, which charge some of the lowest hourly rates in their respective areas, do more to cater to short-term parkers by charging relatively low hourly rates (\$3 per hour at Portsmouth Square and Sutter-Stockton, \$3.50 per hour at Union Square, Fifth & Mission and Ellis-O'Farrell, and \$7 per hour at St. Mary's Square and Golden Gateway), allowing customers to park for longer periods before reaching the daily maximums.

Private garages in the Civic Center area employ the same pricing strategy as those garages closer to downtown: most charge very high hourly rates that quickly reach the daily maximum, or simply charge one flat rate for parking of any duration. The overall rates at Civic Center area garages are lower than rates at downtown garages due to the lower demand for parking in the Civic Center area. Private garages charge between \$1 and \$14 for the first hour of parking; the SFMTA-administered garages in the area charge some of the lowest rates available (\$2.50 per hour at Performing Arts and \$3 per hour at Civic Center), and allow customers to park for longer periods before reaching the daily maximum.



SFpark Garage Pricing Plan

At SFpark garages, prices for all rate types are based on the hourly rates, which gradually respond to demand. This demand-responsive pricing is at the heart of the SFpark pilot project and its responsibility to charge the lowest rates possible that achieve parking availability targets. While hourly rates will continue to vary from garage to garage (as some garages see higher demand than others), the hourly time frames, types of rates, and ratios used to calculate the rates are the same at all garages.

Hourly Rates

1. Rates vary based on time of day

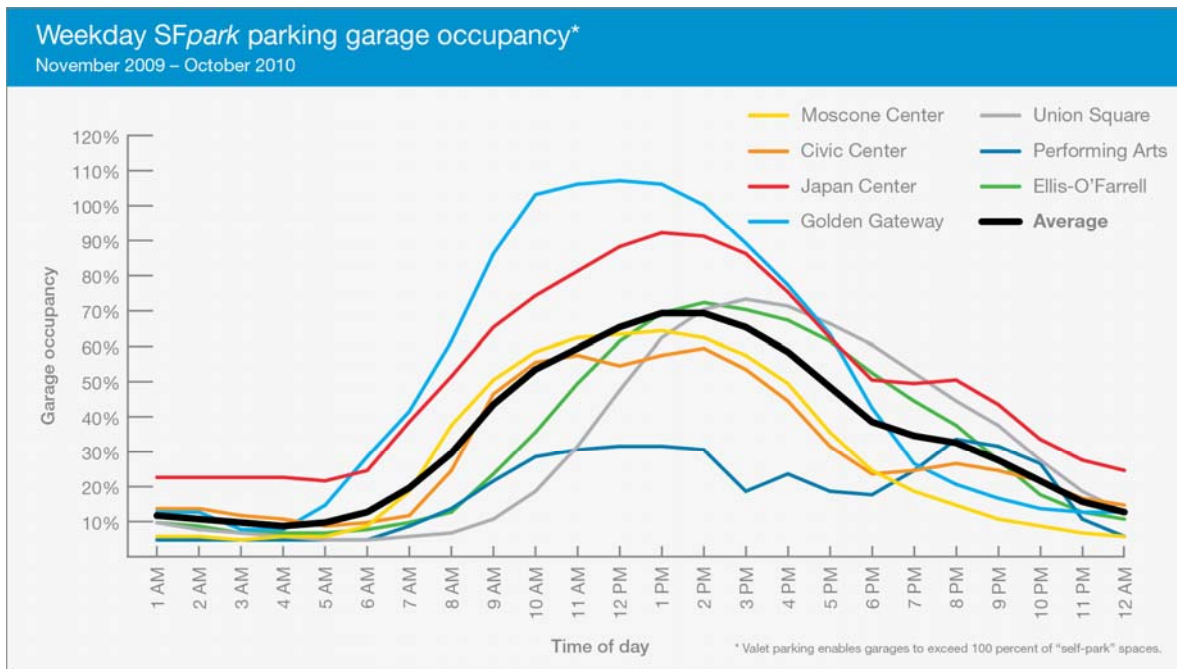
In order to help ensure that parking is always available in the garages, encourage drivers to use the garages rather than on-street parking, provide incentives to drive and park at off-peak times, and thereby reduce congestion on San Francisco's streets, SFpark garages—just like meters at on-street parking spaces—charge different rates based on the time of day in which a car is parked. Where parking demand patterns vary significantly, prices may differ based on the day of week (e.g., weekday v. weekend).

The SFpark approach relies on demand-responsive time-of-day pricing, whereby the day is divided into distinct time periods during which different parking rates may be charged. The pre-SFpark single-hourly-rate approach to pricing at SFMTA garages does not allow prices to respond to demand. Periodic and gradual changes to parking prices give people time to learn new price signals and, potentially, adjust their travel choices about when and how to make trips.

One goal of the SFpark program is to improve the customer experience by simplifying and unifying the policies, branding, and signage for SFMTA-administered parking garages. To help achieve that goal, rate periods (bands of time during which the same hourly rate will be charged) are consistent across all garages—rates will vary by garage within the rate periods. Consistency in rate periods also allows garage rates to be easily comparable with on-street metered rates that use the same rate periods. These rate periods are set broadly around workday commuter parking demand patterns so that rates can respond to demand and thereby, in conjunction with an off-peak discount, help to manage congestion.

To determine the rate periods, SFpark staff analyzed utilization data from November 2009 to October 2010 for half of the garages in the SFpark program: Golden Gateway, Moscone Center, Union Square, Ellis-O'Farrell, Civic Center, Performing Arts, and Japan Center. This sample provides an effective cross-section of the parking habits of the people who park in San Francisco: downtown commuters, convention-goers, shoppers, government workers and visitors to the courts, performing arts attendees, and visitors to the neighborhood commercial districts.

Utilization of these garages, averaged over the 12-month period, was as follows:



The garages fall into three basic usage categories:

- The vast majority of parking happens during traditional workday hours, likely due to daytime commuters (Golden Gateway and Moscone Center);
- The vast majority of parking is shifted approximately two hours later than traditional workday hours, likely due to the influence of tourists and shoppers (Union Square and Ellis-O'Farrell); and
- A considerable number (usually the majority) of cars are parked during traditional workday hours, but with a distinct influx in the evening hours, likely due to attendance at arts performances or movies, or going to dinner in a neighborhood commercial district (Civic Center, Performing Arts and Japan Center).

To accommodate these distinct, but not dissimilar, parking trends, the rate periods used in SFpark garages are as follows:

Time of day
Midnight-9am
9am-Noon
Noon-3pm
3pm-6pm
6pm-Midnight



The daytime rate periods (9am to Noon, Noon to 3pm, and 3pm to 6pm) are each three hours long, which simplifies the rate structure for customers and garage operators. The rate periods switch between the end of one day to the beginning of the next (i.e., midnight), which makes communicating prices each day much easier than having a rate period which crosses from one day into the next. The daytime rate periods also match the bounds of on-street meter operating hours, which are usually 9am to 6pm. Finally, the rate periods capture the following broad parking patterns, allowing parking rates to respond most directly to demand:

- Midnight-9am: low pre-work occupancy at all garages;
- 9am-Noon: first half of peak occupancy at Financial District and neighborhood garages; late-morning influx at shopper/tourist garages;
- Noon-3pm: second half of peak occupancy at Financial District and neighborhood garages; first half of peak for shopper/tourist garages;
- 3pm-6pm: evening outflow at Financial District and neighborhood garages; second half of peak at shopper/tourist garages;
- 6pm-Midnight: low occupancy at Financial District garages; evening bump at neighborhood garages; evening outflow and low occupancy at shopper/tourist garages.

Overlaid on these rate periods are off-peak discounts, discussed below, aimed at encouraging parking garage customers to drive at times of day with lower congestion, and to be parked, rather than driving on the roads, when Muni is at its busiest. Rates charged within the rate periods may vary from one garage to the next based on demand, and prices when demand is typically low will likely be lower than prices during times of day when demand is typically high.¹ Rate-period consistency between garages and on-street metered spaces makes those rates easily comparable to help drivers better evaluate the value of the two options. Initially, to transition from the current rate structure to time-of-day pricing, rates were set close to the pre-SFpark rates and adjusted based on occupancy data.

2. Rates will respond to demand over time

Just like with meters at on-street parking spaces, the prices for parking in the garages change gradually and periodically based on demand. To start, changes to the prices charged at SFpark garages will be made on a quarterly basis, and may be made more frequently during the pilots (but never more often than once per month). To the extent possible, price updates occur on the first day of the month beginning the new quarter. Price changes both respond to and anticipate changes in demand for parking spaces at

¹ St. Mary's Square and Golden Gateway have separate (and lower) rates for parking on weekends. Ellis-O'Farrell and Sutter-Stockton have separate (and lower) rates on Sundays. This pricing plan has separate rates on weekends for St. Mary's Square and Golden Gateway, and separate rates on Sundays for Ellis-O'Farrell and Sutter-Stockton. At all other garages, rates do not vary based on the day of the week.



garages (as measured by garage occupancy) by evaluating demand patterns in the preceding quarter and in the upcoming quarter of the previous year.

In determining any price changes for an upcoming quarter,² SFMTA uses a formula that balances response to and anticipation of demand:

- For each rate period, compare garage occupancy for the preceding quarter and garage occupancy for the preceding quarter in the previous year.³ This number reflects the net change in parking demand from a multitude of factors, including price changes and other exogenous factors such as economic conditions in the Bay Area, etc.
- Take the difference and add it to or subtract it from the garage occupancy for the *upcoming* quarter in the previous year.

This method responds to changes in overall demand at a garage by using the difference in demand from the previous year, and anticipates seasonal changes in demand by using occupancy from the upcoming quarter of the previous year.⁴ Once the formula is applied to reach an occupancy number, the following guides are used in making a price change:

- When occupancy is 80-100 percent, the hourly rate will be raised by \$0.50.
- When occupancy is 40-80 percent, the hourly rate will not be changed.
- When occupancy is less than 40 percent, the hourly rate will be lowered by \$0.50.⁵

For example, suppose we are setting rates for the 3rd Quarter of 2011. For the 9am-Noon rate period, the occupancy data for the relevant quarters are:

- 2011 Q2: 63%
- 2010 Q2: 52%
- 2010 Q3: 46%

² While this policy uses occupancy per quarter, the same rules would apply regardless of the time period for which rates will be set.

³ Rates for the Midnight-9am rate period are based on occupancy levels for 6am-9am, and rates for the 6pm-Midnight rate period are based on occupancy levels for 6pm-9pm. This rule responds to the fact that demand for parking, and thus occupancy levels at nearly every garage, are very low between 9pm and 6am.

⁴ One of the goals of the SFpark program is to improve collection of data regarding the use of the garages. To the extent that historical utilization data for a particular garage are unreliable for some reason, SFpark staff uses occupancy data from the previous quarter (gathered after SFpark data improvements have been installed) to make a rate adjustment recommendation.

⁵ Limitations of the current parking garage revenue and control system mean that if garages charge in half-hour increments, prices can only change in \$0.50 increments. Staff is evaluating the costs and benefits of enhancing that system to support pricing increments of \$0.25. If the system is enhanced, the formulas for changing prices may be adjusted.



The difference between the occupancy for Q2 in 2011 and 2010 is an additional 11%. This 11% is then added to occupancy for Q3 of 2010 (46%), to reach an occupancy figure of 57%. Because 57% is greater than 40% and less than 80%, prices for Q3 of 2011 will not be changed.

SFpark's enabling legislation permits the SFMTA to charge between \$1.00 and \$10.00 per hour in the garages. The rate floor is further refined as follows: during hours of meter operation (9am-6pm), the minimum hourly charge at a particular garage will be set as \$1.00, or \$0.50 less than the lowest meter rate within two blocks of the garage, whichever is lower. This rate floor accomplishes two goals: (1) it prevents daytime hourly rates from falling to \$1.00 due solely to lack of inherent demand for parking in the area of the garage (which might result from construction, the closing of an office building, an economic downturn, or simply the size of the garage); and (2) it explicitly relates garage rates to meter rates, while supporting SFpark's goal of giving drivers a financial incentive to go directly to garages by setting the garage rate floor below the rate of nearby meters.

SFpark's formula for implementing price changes allows the lead time necessary to change the garages' pricing signs in a timely and effective manner for the convenience of our customers. In accordance with the SFpark enabling legislation approved by the SFMTA Board of Directors in November 2008, the SFMTA notifies the public of hourly and daily price changes no less than seven calendar days before the change in prices via the SFMTA and SFpark websites.

Prices in the garages are displayed on two different kinds of signs: boards positioned at automobile entrances to the garages, and smaller signs placed at cashier booths, on ticket machines, and at pay stations. The board has been designed so that the prices themselves are printed on a removable panel. The smaller signs are stickers placed securely on a hard surface.

In order to put any new prices into effect by programming software, printing new signs, and replacing the signs in the garages, several different parties must be informed of the new prices. New prices are conveyed in advance of the date the new prices are set to take effect to the following parties:

- The vendors operating the revenue-control equipment in the garages
- The vendor retained to print signs
- The garage operators, who will be responsible for replacing all rate signs in their garages at each price change (with periodic checks by SFpark staff)

3. "Off-peak" discounts encourage customers to drive and park at times of lower demand

The SFpark program offers off-peak discounts to drivers who enter or exit the garages at times of day with low demand for parking and roadway space. Off-peak discounts are most directly aimed at encouraging commuters to arrive before the morning and/or leave after the evening rush hours, to reduce traffic congestion, which slows other drivers and, most importantly, Muni surface vehicles. In order to



receive the discount, a driver must be parked for at least three hours. This requirement prevents short-term parkers from receiving free parking; time-of-day pricing already provides price incentives to travel at off-peak times for short-term parkers. The off-peak discount is only available to people who pay hourly; it is not available for daily maximum⁶ or monthly parkers. Customers who receive validated parking and are eligible for an off-peak discount receive both discounts.

To determine the time periods for the off-peak discounts, SFpark staff used Automatic Passenger Count (APC) data compiled for ridership on Muni buses east of Van Ness and north of 16th Street to determine the times of day during which Muni carries the most passengers downtown. This data shows that the average number of passengers getting on or off a Muni bus peaks at about 8:30 in the morning and about 5:30 in the evening. The average on/off number passes 20 at about 7:30 am, and does not dip below 20 again until 7:00 pm.

Roadway usage data from the San Francisco County Transportation Authority's Congestion Management Program monitoring report shows traffic peak periods similar to the peak periods for Muni service. For automobile travel, that report defines the "AM peak period" as "between 7:00am and 9:00am" and the "PM peak period" as "between 4:00pm and 6:00pm."⁷

In setting the initial off-peak discount times, SFpark staff balanced the Muni peak periods against the potential of the off-peak discount periods to reduce congestion. If the off-peak discount times are set too early or too late, they likely will fail to influence enough drivers to realize the goal of reducing congestion. According to the APC data, avoiding the Muni peak period completely would require setting the morning off-peak time before 7:00 am, and the evening off-peak time after 8:30 pm, periods when parking demand at garages is relatively low, thus reducing the potential to influence the behavior of enough drivers to effectively influence congestion.

The times set for the off-peak discount at SFpark garages are as follows: drivers receive discounts if they arrive between midnight and 8:30 am or leave between 6:30 pm and midnight. SFMTA staff will monitor the effectiveness of these times and recommend further adjustments if necessary to better achieve goals for parking and transportation management.

SFpark's enabling legislation allows off-peak discounts between \$0.50 and \$2.50 per time period. Off-peak discounts are set at \$2.00 (or a total of a \$4.00 discount if a driver qualifies for both the AM and PM off-peak discounts). This discount level may be adjusted to help better achieve goals.

⁶ SFpark staff is currently working with the garage revenue-control vendors to develop the capability to subtract an off-peak discount from the Daily Maximum charge. Once the garages have this technical capability, off-peak discounts will be deducted from Daily Maximum charges.

⁷ Revised Final Report, Congestion Management Program: Spring 2006 Level of Service Monitoring, October 18, 2006; Prepared for: San Francisco County Transportation Authority; Prepared by: Kimley-Horn and Associates, Inc.; page 4. Available at: <http://www.sfcta.org/images/stories/Planning/CongestionManagementPlan/sfcta-2006losfinalreport-revised.pdf>



4. SFMTA continues to have special event pricing at garages

In *SFpark* garages, the SFMTA will continue to administer special event rates at certain garages under existing rules for setting special event rates.

5. “Early bird” entry and exit times

Before the rollout of *SFpark*, several of the garages offered an early bird rate on weekdays, which provides a discount for entering in the morning and exiting in the evening before certain specified times. Under *SFpark*, garages that had early bird rates retained them, but early bird rates were not added to any garages.

To reinforce the intent of using discounts to encourage drivers to travel at off-peak times, the time periods when the early bird rate applies are as follows:

- For garages that close at night, a driver must arrive at the garage between the opening of the garage and 8:30am, and exit before the garage closes.
- For garages that operate 24 hours a day, a driver must arrive between Midnight and 8:30am, and exit by Midnight on the same calendar day. St. Mary’s Square is the only 24-hour garage that offers an early bird rate.

This adjustment is intended to encourage drivers who plan to park in a garage for an extended period of time to make their trips before 8:30am, to avoid the majority of traffic congestion and Muni’s peak morning hours.

For each garage that offers early bird, the early bird rates will be set in a range of 33% to 45% less than the daily maximum rates.⁸ Drivers who qualify for both the early bird and off-peak discounts will not be provided both discounts, but will receive the lower of the two charges.

6. Demand-responsive pricing replaces “evening” and “overnight” rates

Before the rollout of *SFpark*, several garages offered low overnight or evening flat rates, which usually required a driver to enter after a certain time (like 5pm or 8pm) and exit before a certain time the next morning (like 8am). Under *SFpark*, the flat rates have been eliminated, but the hourly rates in the evenings and early mornings are lower than at peak times, achieving an effect similar to evening/overnight flat rates through time-of-day pricing. At first, evening parkers may pay more than they

⁸ The resolution approved by the SFMTA Board that authorizes the *SFpark* program requires that “non-hourly parking rates” cannot be adjusted by more than 50% from those rates as of November 30, 2008. Thus, whenever the formulas in this policy would dictate an early bird rate that exceeds that Board resolution’s requirement, the early bird rate will be set at a 50% change from the November 30, 2008 early bird rate.



do under current rates, but if demand in the evenings is low, rates will continue to drop. All garages, including those that are not open 24 hours a day, will charge for parking at all hours of the day.

7. Charging increments match those in place before the introduction of SFpark

Before SFpark, all SFMTA garages aside from Golden Gateway and St. Mary's Square, charged customers in 60-minute increments (e.g., a customer who parks for two hours and eight minutes is charged for three hours). Golden Gateway and St. Mary's Square charge customers in 30-minute increments. Under SFpark, these charging increments will continue, so that Golden Gateway and St. Mary's Square will charge in 30-minute increments, while all other garages will charge in 60-minute increments.

Because of limitations in the revenue control software and equipment, Golden Gateway and St. Mary's Square garages must charge in multiples of \$0.50; all other garages may charge in multiples of \$0.25.

8. Consistent “grace periods” and “lag times” to improve customer service

Parking garages typically have “grace periods” to prevent customers from being charged for an entire additional hour or half-hour if they leave the garage just a few minutes after the end of a rate period. For example, if there is no grace period, if a customer intends to park for 60 minutes to avoid paying for 90 minutes of parking and attempts to pay after 59 minutes, but waits in line for 3 minutes to pay and therefore appears to have parked for 62 minutes, the customer will then be charged for 90 minutes. This is a significant, if not the most prominent, source of customer complaints in SFMTA-administered garages. The SFpark program has instituted a consistent grace period of 2 minutes. As an example, if a customer parks for 1 hour and 32 minutes, he is charged only for parking for 1 hour and 30 minutes.

In addition, garages with self-pay systems (in which customers pay at a pay station before returning to their cars, instead of paying an attendant upon exiting the garage), customers require a certain amount of “lag time” after they have paid to get from the pay station, to their cars, and to the garage exit. SFpark has standardized this practice, so that all garages with self-pay systems offer customers a lag time of 15 minutes.

9. Demand-responsive pricing simplifies rate types

In SFpark garages, some rate types have been eliminated because they were so little used and/or used in so few garages. Demand-responsive time-of-day pricing offers other opportunities to eliminate rate types and simplify the user experience while still offering similar rates.



Before *SFpark*, garages in the *SFpark* pilot areas had 22 different rate types they charged to customers, resulting in complex signage that could be confusing to customers. Garages in *SFpark* pilot areas reduced the number of rate types, and reduced the number of rate types that are posted on the entry sign, in order to reduce complexity for customers and make it easier to design and update effective signage that quickly and clearly communicates rates. This makes *SFpark* garages more friendly and attractive. The following table shows the rate types that have been retained, replaced, or eliminated.

Current Garage Parking Rate Types (number of garages that used the rate)	SFpark Garage Parking Rate Types
Hourly – length of stay (15)	Hourly – demand-responsive by time of day
Weekend (2)	Weekend
Evening (8)	<i>(replaced by demand-responsive hourly pricing)</i>
Overnight (2)	<i>(replaced by demand-responsive hourly pricing)</i>
Sunday (2)	Sunday
Early bird (9)	Early bird and Off-peak discount (for hourly parkers)
12-hour max (1)	<i>Eliminated</i>
Max up to 5pm (1)	<i>Eliminated</i>
24-hour max (15)	Daily maximum
Juror (1)	<i>Retained but not advertised</i>
Student (1)	<i>Retained but not advertised</i>
Monthly (15)	Monthly
Monthly reserved (15)	Monthly reserved
Monthly M-F daytime (6)	<i>Retained but not advertised</i>
Monthly evening (6)	<i>Retained but not advertised</i>
Monthly carpool/carshare (13)	Monthly carpool/carshare
Monthly resident (1)	<i>Retained but not advertised</i>
Daily motorcycle (9)	Daily motorcycle
Monthly motorcycle (11)	Monthly motorcycle
Validation (7)	Validation
Park & Ride Validation (1)	<i>Retained but not advertised</i>



Daily rates that are “retained but not advertised” keep their existing prices. The monthly rates that will be “retained but not advertised” are priced using their approximate current ratios to regular monthly parking rates. SFMTA staff will continue to evaluate the usefulness of these “retained but not advertised” rates, and this evaluation may lead to the elimination of some of these rates in the future.

It is also important to note that if a garage did not already have a certain rate type, the SFpark garage pricing plan has not added that rate type to the garage’s pricing plan. For example, garages that did not offer early bird have continued without early bird under the SFpark garage pricing plan.

Examples of Hourly Charges

In SFpark garages, different hourly rates are charged for different time frames during the day. If a driver enters the garage during one time frame but exits during another, he will be charged at one hourly rate for the time parked during the first time frame, and a different hourly rate for the time parked during the second time frame (subject to the technical limitations discussed above). The total charge will then be rounded *down* to the nearest quarter to reduce coin handling at garages; thus, a driver whose park time would yield a charge of \$16.37 will be charged \$16.25.



The following examples of potential customer parking receipts illustrate charges with this approach to pricing. First, assume the following rate structure:

Time of day	Hourly rate
Midnight-9am	\$2.50
9am-Noon	\$3
Noon-3pm	\$3
3pm-6pm	\$2.50
6pm-Midnight	\$2.50

1. Driver parks 9:00am to 5:00pm

<p>SFpark Moscone Center Garage 255 3rd Street, San Francisco, CA 94103 (415) 777-2782</p> <p>San Francisco Municipal Transportation Agency sfmta.com sfpark.org</p> <p>November 16, 2010, 5:00pm</p> <p>Thank you for parking with us! Parking charged in 60-minute increments Prices include all tax</p>			
Hours parked	Price per hour	Hours charged	Total charge
9:00am (entry) – Noon	\$3.00	3	\$9.00
Noon – 3:00pm	\$3.00	3	\$9.00
3:00pm – 5:00pm (exit)	\$2.50	2	\$5.00
Total			\$23.00
You pay			\$23.00

2. Driver parks from 8:53am to 9:40am

<p>SFpark Moscone Center Garage 255 3rd Street, San Francisco, CA 94103 (415) 777-2782</p> <p>San Francisco Municipal Transportation Agency sfmta.com sfpark.org</p> <p>November 16, 2010, 9:40 am</p> <p>Thank you for parking with us! Parking charged in 60-minute increments Prices include all tax</p>			
Hours parked	Price per hour	Hours charged	Total charge
8:53am (entry) – 9:53am (exit)	\$2.50	1	\$2.50
Total			\$2.50
You pay			\$2.50



3. Driver parks from 2:32pm to 8:17pm

<p>SFpark Moscone Center Garage 255 3rd Street, San Francisco, CA 94103 (415) 777-2782</p> <p>San Francisco Municipal Transportation Agency sfmta.com sfpark.org</p> <p>November 16, 2010, 8:17pm</p> <p>Thank you for parking with us! Parking charged in 60-minute increments Prices include all tax</p>			
Hours parked	Price per hour	Hours charged	Total charge
2:32pm (entry) – 3:32pm	\$3.00	1	\$3.00
3:32pm – 6:32pm	\$2.50	3	\$7.50
6:32pm – 8:17pm (exit)	\$2.50	2	\$5.00
Off-peak discount			- \$2.00
Total			\$13.50
You pay			\$13.50



Daily Maximum and Monthly Rates

In *SFpark* garages, daily maximum, monthly, monthly area reserved (in which a certain area of the garage is set aside for monthly parkers) and monthly reserved (in which customers are guaranteed a spot in the garage) rates are based on a formula in relation to the hourly parking rates.⁹ This allows daily and monthly parking rates to fluctuate based on demand along with hourly rates.

Under pre-*SFpark* garage pricing plans, the 24-hour maximum rates averaged 8.6 times the hourly rates charged by the garages; in other words, the 24-hour maximum rates averaged 36% of what a customer would be charged to park her car for 24 hours at the regular hourly rate. Monthly rates were, on average, 10.6 times the 24-hour max rates, or 35% of the amount a driver would be charged to park at the daily maximum rate for 30 days. Monthly reserved rates at the garages were, on average, 50% more than regular monthly rates.

To calculate daily maximum rates at *SFpark* garages, SFMTA uses a multiplier between 8 and 14 times the average hourly rate. The average hourly rate is calculated using the average of hourly rates charged between 9am and 6pm on weekdays. To calculate monthly rates, SFMTA uses a multiplier between 8 and 14 times the daily maximum rate. This multiplier range closely matches existing average ratios, and provides the SFMTA with flexibility in responding to market conditions. This approach to setting daily and monthly rates is intended to be a transparent, rules-based, and easy to understand method for setting daily and monthly rates:

- **Daily maximum:** The maximum daily rate (which is also the lost ticket rate) is 8 to 14 times the average hourly rate. This is approximately a 60% discount from the amount a driver would be charged if he were required to pay for 24 hours of parking.
- **Monthly rates:** The monthly rate is 8 to 14 times the daily maximum rate, which is approximately a 67% discount from the amount a driver would be charged if he were required to pay the daily maximum rate for 30 days.
- **Monthly area reserved rates:** Approximately a 10% surcharge above the monthly rate.
- **Monthly reserved rates:** A 40-67% surcharge above the monthly rate.
- **Monthly carpool/carshare rates:** Garages that offer special rates for carpools and carshares calculate their carpool/carshare rates as 50% of the monthly rate.

Other important notes about daily and monthly rates:

⁹ The resolution approved by the SFMTA Board that authorizes the *SFpark* program requires that "non-hourly parking rates" cannot be adjusted by more than 50% from those rates as of November 30, 2008. Thus, whenever the formulas in this policy would dictate daily or monthly rates that exceed that Board resolution's requirement, the rate will be set at a 50% change from the November 30, 2008 rate.



- Daily maximum rates are rounded to the nearest dollar (rates ending in \$0.49 or lower rounded down, rates ending in \$0.50 or higher rounded up), while all monthly rates will be rounded to the nearest \$5 (rates ending in \$2.49 or lower rounded down, rates ending in \$2.50 or higher rounded up).
- Drivers who pay monthly rates at the garages tend to be repeat customers who are likely to expect consistency in those rates. The SFpark pricing formula provides such consistency by making monthly rates approximately 100 times hourly rates (8 and 14 x average hourly rate = daily maximum, 8 and 14 x daily maximum = monthly rate).
- Multipliers may be adjusted going forward to better achieve parking and transportation goals.
- The steep discounts afforded by the pre-SFpark daily and monthly parking rates in comparison to hourly rates tended to encourage daily and monthly parking, encourage driving, and insulate drivers from paying marginal costs for parking as when parking is charged by the hour. These outcomes run counter to the goals of the SFpark program. In the short-term, SFpark has employed daily and monthly rate multipliers that closely track the current rate multipliers in an attempt to avoid surprises to customers and operators and sharp changes in demand. However, SFpark staff will monitor parking demand closely and, as necessary, adjust the SFpark pricing policy to better achieve SFpark's goals of reduced congestion and faster, more reliable Muni service.

Motorcycle Rates

In SFpark garages, motorcycles are charged a flat daily rate that is between a 67% and 80% discount off the daily maximum rate charged to cars. The rationale for offering this discount is that, in garages, one car space can accommodate three to five motorcycles. This is also consistent with the pre-SFpark average discounts for motorcycles. The actual charges to motorcycles are rounded to the nearest dollar to reduce coin handling. The monthly rates for motorcycles are set as follows: motorcycle daily flat rate times a multiplier between 9 and 13 equals the monthly motorcycle rate.

Projected Revenue Impacts

SFMTA staff has closely monitored the potential revenue impacts of the price changes necessitated by the debut of the SFpark garage pricing program. The changes made to this updated version of the Pricing Policy are based on this analysis. As SFpark continues, SFMTA staff will continue to monitor closely the actual revenue impacts of price changes, and will make the policy updates necessary to ensure that SFMTA revenue is not significantly compromised by the SFpark program.