

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Private Parking Lot Operators – Fines and Practices

Meeting Date: November 30, 2011
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: B
Staff Contact: Jeff Petry
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ISSUE STATEMENT

This work session will provide information on private parking lot operations in the City of Eugene.

BACKGROUND

The City of Eugene operates three (3) public surface parking lots and eight (8) public parking structures. The City issues parking citations based on the Eugene City Code in City-owned parking lots and in the public right-of-way.

On private property, property owners may choose to allow only customer or tenant parking during certain parts of the day or all the time. They may also choose to allow members of the public to park their cars on their property, based on certain conditions. These conditions may include a fee to park. Currently, the City does not regulate parking fees or fines/penalties charged by private property owners.

Property owners often contract with private parking management services to manage and enforce the conditions they have placed on their parking property. A property owner may also choose to contract with tow companies to remove unauthorized vehicles from a private lot (e.g. dedicated parking spaces at an apartment complex). The City of Eugene does regulate towing. Many private lots charge a fee for parking, and some enforce the time limit and fee requirements by giving violators an invoice that resembles a parking ticket.

In the City of Eugene, Diamond Parking Services is the largest private parking operator that owns parking lots and contracts with private property owners to manage their parking lots. Other private businesses that charge fees or issue parking citations include the 5th Street Public Market, through their in-house Northwest Parking Services business, and Peace Health which issues its own parking fines.

There are numerous examples of property owners working together to meet their multiple parking needs. One example is the Very Little Theater that utilizes evening parking at a nearby commercial complex to park attendees for their after-hours events. In return, the employees of the commercial complex can park on the theater's lot during the day. Given the large number of parking spaces in Eugene, this is a common scenario.

Private Parking Questions

The City Council Work Session Request Form asked several questions that are addressed below.

1. Can the City regulate or restrict [parking fines charged by for-profit parking companies]?

The City could explore placing limits on the fines/payments that a lot owner may charge for vehicles parked without paying or staying past the allowed time.

The owner of a private parking lot has the right to exclude the public from their property. If properly signed, by parking in the private parking lot, a member of the public agrees to pay for using the parking lot for a certain amount of time. If the parker fails to pay, or leaves his or her car in the lot longer than the amount of time for which he or she has paid, the owner of the private lot may assert a claim for payment. These are not "tickets," or "citations." They are more like bills or invoices for payment for using private property to park.

The City of Portland regulates "Pay and Park and Non-Pay Private Parking Facilities" through city ordinance (Chapter 7.24.020; Charter, Code & Policies.) The City and private parking lot operators worked together to develop this code. The parking lot owner pays an annual lot registration fee to the city (\$200), regardless of the lot size. The amount of penalty that private lot owners may issue is tied to the City of Portland parking citation rates. The City of Portland (Revenue Bureau) also serves as a final adjudicator for privately issued parking penalties. The City of Portland has 168 active lots registered. It is estimated that there are about 75 privately managed lots in the City of Eugene where either a private parking operator owns the land or manages parking on behalf of a public or private land owner.

2. Could the City restrict towing companies to act only when the business is open?

The City of Eugene has regulations to deter and prevent abusive tow practices in Eugene Code 4.980-4.988. It is highly likely that an attempt by the City to limit when a private property owner can remove an unauthorized vehicle from their property would be challenged.

3. Is it in the City's interest to have unused lots available to possible customers of nearby businesses?

In the interest of efficient use of land, the City can encourage lot owners to share their parking and possibly develop incentives for them to do so. It is unlikely that the City can order a property owner to let other people use the property unless the City compensates the owner in some way.

4. Do the businesses that own the parking lots get a share of Diamond's fines for use of the property towing rights?

A typical private parking contract allows for revenue sharing after deducting parking services (enforcement, permit management) expenses. The types of revenue shared are specific to each contract. As an example, the City of Eugene has leased surface parking lots to Diamond Parking in the past and currently leases a parking lot at 901 Franklin Boulevard to Diamond Parking. The City's agreement with Diamond Parking allows a net of expense revenue sharing of daily parking fees. If a citation is issued by Diamond Parking on the City-owned portion of the parking

lot, then the City receives an amount equal to the daily parking rate (\$5 at the Franklin lot.) Diamond Parking keeps the remainder of the fee (\$25) as a fee for enforcement of the lot if the citation is paid.

The City of Eugene also has about a dozen contracts with private parking lot owners to enforce their lots. The City's contract requires the property owner to post signs, call the City when a vehicle violates the sign's parking terms, meet parking enforcement on site, and point out the car to a parking enforcement officer, who then issues a parking citation. The citation is adjudicated through the City's Municipal Court and all revenue is retained by the City of Eugene.

RELATED CITY POLICIES

- **Sustainable Development:** A community that meets its present environmental, economic and social needs without compromising the ability of future generations to meet their own needs.
- **Effective, Accountable Municipal Government:** A government that works openly, collaboratively, and fairly with the community to achieve measurable and positive outcomes and provide effective, efficient services.
- **Fair, Stable, and Adequate Financial Resources:** A government whose ongoing financial resources are based on a fair and equitable system of revenues and are adequate to maintain and deliver municipal services.

COUNCIL OPTIONS

This is a work session item for discussion; no options have been developed at this time.

CITY MANAGER'S RECOMMENDATION

No recommendation at this time.

SUGGESTED MOTION

No motion at this time.

ATTACHMENTS

No attachments.

FOR MORE INFORMATION

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