

S.F. parking in tight spot

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Business is booming for City Park.

The family-run parking and transportation company pulled in record revenue of \$65 million in 2006, and will look to add to that this year as parking space in San Francisco's downtown core grows increasingly scarce and daily, monthly and valet parking fees rise with demand.

The company oversees parking at 65 properties with more than 9,000 parking spaces -- including the Four Seasons, St. Regis and Mark Hopkins hotels along with the Union Square Garage and the Transamerica Pyramid garage. City Park has been adding six to eight locations a year, employs 600 and will look to add about 30 workers a year going forward, said CEO Tim Leonoudakis.

"Parking demand in San Francisco is rising daily," Leonoudakis said. "The 'Manhattanization' of downtown parking will be complete with the opening of the residential towers in South of Market, which are all 'under parked.'"

Legislation passed last summer limits parking at new residential projects in the city's downtown to one space per every four units -- though developers can secure up to three spots for every four units under certain conditions.

Leonoudakis said most tenants need more than one space and that demand is not being satisfied on site. Tenants, he said, will overflow into the surrounding neighborhood and "that's going to impact commuter parking."

"There's a dynamic under way that we should all be paying attention to," he said.

The issue has already gotten attention, in part due to a controversial measure to increase parking allotments all over the city that is likely to appear on the ballot in November.

The plan, known as the "Parking for Neighborhoods Initiative," is backed by the San Francisco Council of District Merchants Associations, a coalition of small business owners, and funded primarily by the founder of [Gap Inc.](#), Don Fisher, and Webcor Construction CEO Andy Ball.

The measure would boost the number of allowed spaces at new multi-unit residential projects downtown from a maximum to a minimum of three slots for every four units, according to Jim Ross, a political consultant who's running the campaign for the initiative. It would also increase parking to a minimum of one space for each new residential unit built outside of downtown, and "allows for but doesn't require" minimum numbers of spaces for new retail and other commercial projects, Ross said.

"People still need cars. It's not like we can mandate a car-free city," he said.

A recent flurry of development downtown has contributed to a reduction of existing parking lots. One of the Infinity condo towers, for example, is being built on what was a commuter surface parking lot; the 22-story condo tower at 501 Beale St. replaced a lot owned by the Port of San Francisco, which could see lots on its seawall properties, some of which are surface parking, developed soon.

A lot at 535 Mission St. is being entitled for an office building. A 511-car garage near the bay at 75 Howard St. was recently purchased by [Paramount Group](#) and is considered one of the best parcels for development in the city. And a number of Caltrans-owned lots around the Transbay Terminal will be lost when development of a new terminal and nearby office, hotel and residential projects get under way there. Terminal construction could begin as soon as 2009.

"There's going to be a significant jump in demand," City Park's Leonoudakis said. "Rates are over \$400 a month downtown, and hotel rates are upwards of \$45 to \$50 a day. Our rates are getting closer to Manhattan rates."

That might be good for City Park, but others say the rising rates are also good for the city.

"This is a sign of the market working as it's supposed to," said Gabriel Metcalf, executive director of San Francisco Planning and Urban Research Association. "As real estate prices rise in San Francisco, it becomes more profitable to use urban lands for other uses than parking, which makes parking more scarce, which makes prices go up."

The city, Metcalf said, has moved toward a transit-based downtown since the 1970s, and "the throughput of workers in and out of downtown is vastly larger in a transit-based infrastructure than a road and parking infrastructure," he said.

"We simply could not have the size of employment we have downtown if we had done it the other way."