
Memorandum

To: Mayor's Office, Planning & Development Department, and Legal Counsel at the City of Everett

From: Kasia Hart, MAPC Transportation Department

On: December 20, 2018

Re: Parking Benefit Districts Follow Up Items

Parking Benefit District Background

Under the Massachusetts Municipal Modernization Act (An Act to Modernize Municipal Finance and Government," [Chapter 218 of the Acts of 2016](#)), cities and towns are now able to create parking benefit districts. A parking benefit district is a specific geographic area from which parking revenue is collected, and then reinvested back into the district for transportation-related improvements.

These improvements may include:

- Acquiring, installing, maintaining or operating parking meters or other parking enforcement technology
- Parking enforcement
- Improvements to the public realm like street trees, curb cuts and parklets
- Bicycle and pedestrian infrastructure or facilities
- Improvements to bus shelters, access to public transportation, or transit operations, including bus rapid transit infrastructure, facilities, and technical improvements (such as improvements to signal timing)
- Salaries of parking management personnel

In order to establish a parking benefit district successfully, three key components to consider early on include defining a geography for the district, determining what parking revenue should be allocated to the district and how that revenue should be budgeted (if revenue estimates are available), and designating an entity to oversee the district. Once a plan for how these elements will be established are in place, a special revenue fund can be created in order to hold the parking revenue for the parking benefit district. Below are some more details about each of these steps of the process.

Key Steps for Establishing a Parking Benefit District

Define a geography: One of the first steps for establishing a parking benefit district is to define the boundaries of the district itself. If the intent of the district is to invest parking revenue throughout the city or town (as opposed to a specific district), then the boundary of the district should be the same as the municipal boundary. If the district is the same as the municipality's boundaries, the city or town does not need to allocate all municipal parking revenue to the parking benefit district; the statute allows all or a portion of the parking revenue generated within a parking benefit district to be reinvested back into that district. The remainder can continue to go to the general fund. M.G.L. only indicates that cities and towns

may establish parking benefit districts, but not indicate the process by which they need to do so, so the official designation of the geography should be at the determination of the municipality.

Determine parking revenue source and develop a preliminary budget: Determining what parking revenue will be allocated to the parking benefit district is another key first step, particularly if the geography of the district is the same as the municipal boundary and the amount of parking revenue that could potentially be included in the parking benefit district is substantial. Utilizing new parking revenue (i.e. revenue that was not previously allocated to the general fund) can help ensure funding for other municipal programs are not impacted by the creation of a parking benefit district.

Once the source of the parking revenue is determined, it is valuable, but not essential, to estimate the amount of revenue to be allocated to the parking benefit district and then to develop a budget for how the funds will be spent within the district. Given that there is some variability in revenue, it is worthwhile to consider what investments are priorities, in case revenue is lower than anticipated. Creating a budget could be one of the first tasks for the entity designated to oversee the parking benefit district (see below).

Designate an entity to oversee the PBD: According to the parking benefit district enabling statute, “a parking benefit district may be managed by a body designated by the municipality, including, but not limited to, a business improvement district or main streets organization.” Though not required, it is highly recommended there be an entity in place that is tasked with monitoring parking benefit district revenue, developing an annual budget, and performing other oversight tasks. This can be an existing body (such as an existing board or commission), or a new entity created by the municipality. Given the financial implications of a parking benefit district, having representation on this oversight body from the local finance department, finance committee, or other related group is recommended. For an example of a newly created parking benefit district oversight body composed of a range of stakeholders, please see the Town of Arlington’s [Parking Implementation and Governance Committee](#).

Establish a special revenue fund: Once the basic framework of a parking benefit district is developed, a special revenue fund should be established in order to hold the parking benefit district revenue. As this process generally has to come before City Council, it is recommended to have a proposal for a parking benefit district prepared in conjunction with the request to establish the special revenue fund. This proposal could include an outline of the three elements described above, although the actual budget could be established after the special revenue fund is created, but it is helpful to at least have a ballpark estimate of the total annual revenue that will be allocated to the fund.

For further questions, please contact Kasia Hart in the MAPC Transportation Department at khart@mapc.org or 617-933-0745.

Relevant Parking Benefit District Language in Massachusetts General Laws

[M.G.L. c. 40, sec. 22A](#): Parking meters; fees; exemption from fees for disabled veterans and handicapped persons; bicycle locking devices; motorcycle parking; restricted parking areas for veterans and handicapped persons (as amended by An Act to Modernize Municipal Finance and Government, 2016)

Section 22A. Any city or town, for the purpose of enforcing its ordinances, by-laws and orders, rules and regulations relating to the parking of vehicles on ways within its control and subject to the provisions of section two of chapter eighty-five, may appropriate money for the acquisition, installation, maintenance and operation of parking meters, or by vote of the city council or of the town may authorize a board or officer to enter into agreement for such acquisition, installation or maintenance of parking meters; provided, that the city of Boston, for the purpose of enforcing the rules and regulations adopted by its traffic and parking commission, or promulgated by its commissioner of traffic and parking, under chapter two hundred and sixty-three of the acts of nineteen hundred and twenty-nine, may appropriate money for the acquisition, installation, maintenance and operation of parking meters, or, by vote of the city council of said city, subject to the provisions of its charter, may authorize the traffic and parking commission of said city to enter into agreements for the acquisition, installation or maintenance of parking meters. In any city or town that accepts this sentence, the agreement for the acquisition or installation of parking meters may provide that payments thereunder shall be made over a period not exceeding 5 years without appropriation, from fees received for the use of such parking meters notwithstanding section 53 of chapter 44. Such fees shall be established and charged at rates determined by the city or town. Rates may be set for the purpose of managing the parking supply. The revenue therefrom may be used for acquisition, installation, maintenance and operation of parking meters and other parking payment and enforcement technology, the regulation of parking, salaries of parking management personnel, improvements to the public realm, and transportation improvements, including, but not limited to, the operations of mass transit and facilities for biking and walking. No fee shall be exacted and no penalty shall be imposed for the parking of any vehicle owned and driven by a disabled veteran or by a handicapped person and bearing the distinctive number plates authorized by section two of chapter ninety, or for any vehicle transporting a handicapped person and displaying the special parking identification plate authorized by said section two of said chapter ninety or for any vehicle bearing the official identification of a handicapped person issued by any other state or any Canadian Province. Any city or town may, in accordance with the provisions of this section, acquire and operate coin-operated locking devices for bicycle parking. A city or town may, in accordance with the provisions of this section, authorize the parking of more than one motorcycle in a single parking space and may impose a penalty for the full amount of a violation of an ordinance, by-law, order, rule or regulation related to the parking of vehicles on ways within its control and subject to section 2 of chapter 85 for each motorcycle so parked in violation of any such ordinance, by-law, order, rule or regulation. No motorcycle shall be parked in such a manner so as to inhibit the means of egress of another motorcycle currently parked in the same parking space.

[M.G.L. c. 40, sec. 22A 1/2](#): Parking benefit districts

Section 22A 1/2. A city or town may establish 1 or more parking benefit districts, as a geographically defined area, in which parking revenue collected therein may be designated in whole or in part for use in that district through a dedicated fund in accordance with the purposes and uses listed in section 22A. A parking benefit district may be managed by a body designated by the municipality, including, but not limited to, a business improvement district or main streets organization.