



THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: September 12, 2025

IBA Report Number: 25-30

City Council Docket Date: September 15, 2025

Item Number: 201

Balboa Park Paid Parking User Fees

OVERVIEW

On September 15, 2025, the City Council will be asked to consider implementing a paid parking program in Balboa Park through the adoption of new parking user fees. This is a necessary action given the FY 2026 Adopted Budget's reliance on revenue that was assumed to be generated from this program. The current proposal is largely similar to what was presented to the City Council as an informational item on July 28, 2025 (Item 600¹). At that meeting, several council members expressed an interest in exploring certain adjustments to the Mayor's proposal with the primary goal of reducing the potential financial burden that new parking fees would have on park visitors. To support the Council's consideration, this report discusses several of those alternatives and the impact that they are projected to have on the FY 2026 Adopted Budget.

FISCAL/POLICY ANALYSIS

FY 2026 Adopted Budget

The FY 2026 Adopted Budget includes a total of \$15.5 million in parking revenue that is expected to be generated from Balboa Park, including \$12.5 million in user fee parking revenue in Balboa Park and at least \$3.0 million in revenue that is assumed to come from zoo parking. This report focuses on the

Description	FY 2026 Adopted Budget
Balboa Park User Fee Parking Revenue	\$ 12,500,000
Zoo Lot Revenue Share (assumed minimum)	\$ 3,000,000
Total Revenues	\$ 15,500,000
Total Expenditures	\$ 1,425,000
Total Net Revenue FY 2026 Budget	\$ 14,075,000

user fees in Balboa Park as the Zoo lot revenue share will come before Council at a later date. For context, the FY 2026 Proposed Budget assumed \$11.0 million in anticipated revenue from a new Balboa Park parking program to be established to mitigate budget reductions. Council added \$1.5

¹<https://sandiego.hyllandcloud.com/211agendaonlinecouncil/Meetings/ViewMeeting?id=6627&doctype=1&site=council>

million in its final budget action (for a total of \$12.5 million), which assisted in various budget restorations, based on an accelerated implementation timeline relative to the original January 2026 start date.

Additionally, while specific amounts were unknown at the time, \$1.4 million was budgeted to account for potential expenditures necessary to implement the program, resulting in \$14.1 million in assumed net revenues.

Proposed Balboa Park Paid Parking Program

The Mayor's proposed Balboa Park paid parking plan includes a three-tiered pricing structure for off-street parking based on demand and proximity to key destinations within the Park.

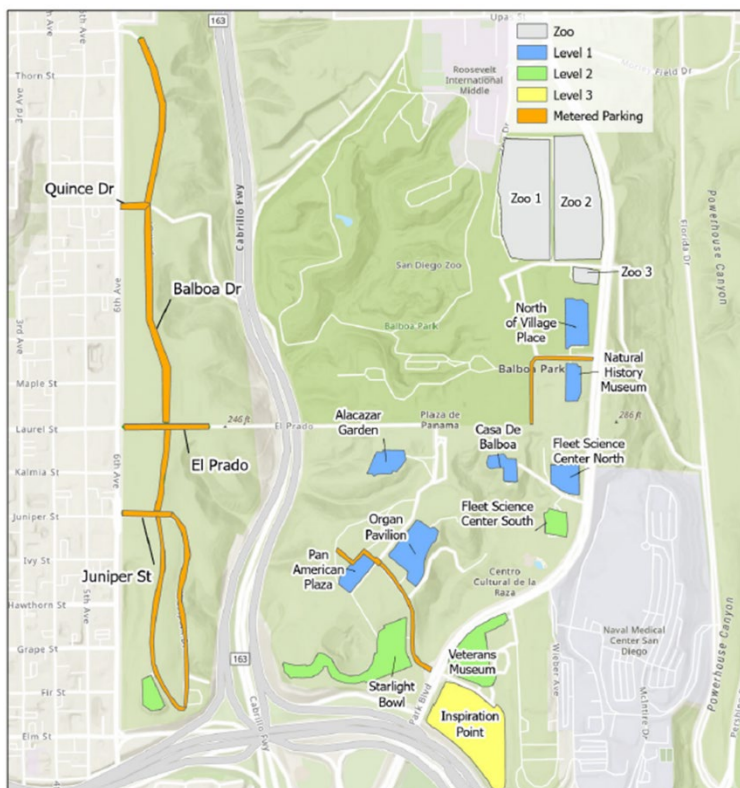
Level 1 parking lots (identified in blue on the map to the right) would be charged a rate of \$12 per day;

Level 2 parking lots (identified in green) would be charged a rate of \$6 per day; and

Level 3 parking lots (identified in yellow) would be free for the first two hours and charged \$6 per day if the vehicle is parked for more than two hours.

On street metered parking within the park (identified in orange) would be charged a rate of \$2.50 per hour.

City of San Diego residents are proposed to receive a 50% discount (\$6 per day) within Level 1 parking lots upon the launch of the Resident Program anticipated to begin on January 1, 2026. Paid parking would be enforced from 8:00 a.m. to 8:00 p.m.



More information regarding the Mayor's proposal can be found in the Staff Report² for this item.

It is difficult to anticipate precisely how the introduction of paid parking in Balboa Park will influence visitor behavior. Additionally, there is no data available on the proportion of non-resident visitation to the park, which is necessary to accurately judge the anticipated use of the Resident Program. That said, our Office has reviewed staff's financial projections for the Mayor's proposal and found the assumptions to be generally reasonable considering the challenges described above.

² <https://sandiego.hilandcloud.com/211agendaonlinecouncil/Documents/ViewDocument/Staff%20Report%20-%20Balboa%20Park.docx.pdf?meetingId=6675&documentType=Agenda&itemId=250265&publishId=1022253&isSection=false>

As shown on the table to the right, approximately \$11.1 million in parking revenue is projected based on the Mayor's proposal. This nets to \$10.3 million after accounting for updated expenditure assumptions, which represents a \$785,000 shortfall from the FY 2026 Adopted Budget.

Description	FY 2026 Adopted Budget	Mayor's Proposal (Proj.)
Balboa Park User Fee Parking Revenue	\$ 12,500,000	\$ 11,089,961
Total Revenues	\$ 12,500,000	\$ 11,089,961
Staff time, signs, pad installations, misc.	\$ -	\$ 50,000
Improved Tram Services	\$ -	\$ 750,000
Total Expenditures	\$ 1,425,000	\$ 800,000
Total Net Revenue	\$ 11,075,000	\$ 10,289,961
Net FY 2026 Budget Shortfall	-	\$ (785,039)

Councilmember Input from July 2025

At the Council meeting of July 28, 2025, several councilmembers discussed various adjustments to the Mayor's proposal. Several of these potential adjustments are listed below.

- Reducing the parking rates to \$10 per day for Level 1 and \$5 per day for Levels 2 and 3;
- Ending enforcement at 6:00 p.m. (10 hours total per day);
- For Level 3 lots, increase the amount of free parking to three or four hours; and
- Recategorize Veteran's Museum Lot (North Inspiration Point) to Level 3 from Level 2; and
- Offer free parking in the West Mesa.

Implementing any of the adjustments listed above will result in less revenue relative to the Mayor's proposal and increase the budget shortfall. The projected impact from each adjustment individually (i.e., assuming only one aspect of the Mayor's proposal is adjusted and the rest stay the same) is reflected in the table below, with the exception of the change in the West Mesa. Offering free parking to the general public in the West Mesa would have significant parking management consequences given that it would remain one of the only areas in the Park that does not require paid parking.

Description	FY 2026 Adopted Budget	Mayor's Proposal	Categorize Vets Museum Lot to Level 3	Lower Rates to \$10/\$5	End Enforcement at 6pm (10 hrs)	3 hours Free for Level 3 Lots	4 hours Free for Level 3 Lots
Balboa Park User Fee Parking Revenue	\$ 12,500,000	\$ 11,089,961	\$ 9,699,264	\$ 9,270,750	\$ 9,070,136	\$ 8,402,839	\$ 4,288,547
Total Revenues	\$ 12,500,000	\$ 11,089,961	\$ 9,699,264	\$ 9,270,750	\$ 9,070,136	\$ 8,402,839	\$ 4,288,547
Staff time, signs, pad installations, misc.	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Improved Tram Services	\$ -	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Total Expenditures	\$ 1,425,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000
Total Net Revenue	\$ 11,075,000	\$ 10,289,961	\$ 8,899,264	\$ 8,470,750	\$ 8,270,136	\$ 7,602,839	\$ 3,488,547
Net FY 2026 Budget Shortfall	-	\$ (785,039)	\$ (2,175,736)	\$ (2,604,250)	\$ (2,804,864)	\$ (3,472,161)	\$ (7,586,453)
Difference from Mayor's Proposal	\$ -	\$ -	\$ (1,390,697)	\$ (1,819,211)	\$ (2,019,825)	\$ (2,687,122)	\$ (6,801,414)

To better inform the Council's decision-making process, **Attachment 1** to this report contains additional scenarios which include all possible combinations of the various adjustments listed above.

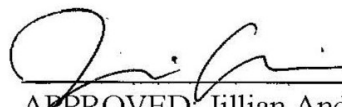
CONCLUSION

The FY 2026 Adopted Budget was balanced in part by assuming that \$12.5 million in revenue would be generated by implementing paid parking in Balboa Park (\$11.1 million net of expenditures). For context, this amount of revenue more than exceeds the combined amount of funding necessary for the City Council to restore proposed reductions to Recreation Center hours (\$4.8 million) and Monday hours at 17 library locations (\$3.3 million).

As is discussed in this report, the Mayor's proposal is projected to generate \$10.3 million in net revenue, which is approximately \$785,000 less than budgeted. If the City Council chooses to adjust the Mayor's proposal as was previously discussed in July 2025, further budgetary impacts are projected, as comprehensive summarized in **Attachment 1** to this report.



Baku Patel
Senior Fiscal and Policy Analyst



APPROVED: Jillian Andolina
Deputy Director

Attachment 1: Balboa Park Paid Parking Program Scenarios

Balboa Park Paid Parking Program Scenarios

ATTACHMENT 1

Assumptions	Mayor's Proposal	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6
Fee Amounts/Structure	\$12/\$6	\$12/\$6	\$12/\$6	\$12/\$6	\$12/\$6	\$12/\$6
Number of Hours Free in Level 3	2 hours	3 hours	2 hours	3 hours	2 hours	3 hours
End of Enforcement (6pm vs. 8pm)	8PM	8PM	6PM	6PM	8PM	8PM
Veteran's Museum Lot (Level 2 vs. Level 3)	Level 2	Level 2	Level 2	Level 2	Level 3	Level 3

Description	FY 2026 Adopted Budget	Mayor's Proposal	Scenario 2 Projection	Scenario 3 Projection	Scenario 4 Projection	Scenario 5 Projection	Scenario 6 Projection
Net Balboa Park User Fee Parking Revenue	\$12,500,000	\$11,089,961	\$ 8,402,839	\$ 9,070,136	\$ 7,016,438	\$ 9,699,264	\$ 7,252,491
Total Revenues	\$12,500,000	\$11,089,961	\$ 8,402,839	\$ 9,070,136	\$ 7,016,438	\$ 9,699,264	\$ 7,252,491

Staff time, signs, pad installations, misc.	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Improved Tram Services (New Routes + Frequency)	\$ -	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Total Expenditures	\$ 1,425,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000

Total Net Revenue	\$11,075,000	\$10,289,961	\$ 7,602,839	\$ 8,270,136	\$ 6,216,438	\$ 8,899,264	\$ 6,452,491
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Net FY 2026 Budget Shortfall	\$ -	\$ (785,039)	\$(3,472,161)	\$(2,804,864)	\$(4,858,562)	\$(2,175,736)	\$(4,622,509)
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Difference from Mayor's Proposal	\$ -	\$ -	\$(2,687,122)	\$(2,019,825)	\$(4,073,523)	\$(1,390,697)	\$(3,837,470)
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Balboa Park Paid Parking Program Scenarios

ATTACHMENT 1

Assumptions	Scenario 7	Scenario 8	Scenario 9	Scenario 10	Scenario 11	Scenario 12	Scenario 13
Fee Amounts/Structure	\$12/\$6	\$12/\$6	\$12/\$6	\$12/\$6	\$10/\$5	\$10/\$5	\$10/\$5
Number of Hours Free in Level 3	4 hours	2 hours	3 hours	4 hours	2 hours	3 hours	2 hours
End of Enforcement (6pm vs. 8pm)	8PM	6PM	6PM	6PM	8PM	8PM	6PM
Veteran's Museum Lot (Level 2 vs. Level 3)	Level 3	Level 3	Level 3	Level 3	Level 2	Level 2	Level 2

Description	Scenario 7 Projection	Scenario 8 Projection	Scenario 9 Projection	Scenario 10 Projection	Scenario 11 Projection	Scenario 12 Projection	Scenario 13 Projection
Net Balboa Park User Fee Parking Revenue	\$ 4,288,547	\$ 8,256,869	\$ 6,009,883	\$ 3,416,431	\$ 9,270,750	\$ 7,341,653	\$ 7,832,853
Total Revenues	\$ 4,288,547	\$ 8,256,869	\$ 6,009,883	\$ 3,416,431	\$ 9,270,750	\$ 7,341,653	\$ 7,832,853

Staff time, signs, pad installations, misc.	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Improved Tram Services (New Routes + Frequency)	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Total Expenditures	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000

Total Net Revenue	\$ 3,488,547	\$ 7,456,869	\$ 5,209,883	\$ 2,616,431	\$ 8,470,750	\$ 6,541,653	\$ 7,032,853
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Net FY 2026 Budget Shortfall	\$(7,586,453)	\$(3,618,131)	\$(5,865,117)	\$(8,458,569)	\$(2,604,250)	\$(4,533,347)	\$(4,042,147)
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Difference from Mayor's Proposal	\$(6,801,414)	\$(2,833,091)	\$(5,080,078)	\$(7,673,529)	\$(1,819,211)	\$(3,748,307)	\$(3,257,108)
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Balboa Park Paid Parking Program Scenarios

ATTACHMENT 1

Assumptions	Scenario 14	Scenario 15	Scenario 16	Scenario 17	Scenario 18	Scenario 19	Scenario 20
Fee Amounts/Structure	\$10/\$5	\$10/\$5	\$10/\$5	\$10/\$5	\$10/\$5	\$10/\$5	\$10/\$5
Number of Hours Free in Level 3	3 hours	2 hours	3 hours	4 hours	2 hours	3 hours	4 hours
End of Enforcement (6pm vs. 8pm)	6PM	8PM	8PM	8PM	6PM	6PM	6PM
Veteran's Museum Lot (Level 2 vs. Level 3)	Level 2	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3

Description	Scenario 14 Projection	Scenario 15 Projection	Scenario 16 Projection	Scenario 17 Projection	Scenario 18 Projection	Scenario 19 Projection	Scenario 20 Projection
Net Balboa Park User Fee Parking Revenue	\$ 6,121,437	\$ 8,422,007	\$ 6,383,030	\$ 3,913,076	\$ 7,155,131	\$ 5,282,642	\$ 3,121,432
Total Revenues	\$ 6,121,437	\$ 8,422,007	\$ 6,383,030	\$ 3,913,076	\$ 7,155,131	\$ 5,282,642	\$ 3,121,432

Staff time, signs, pad installations, misc.	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Improved Tram Services (New Routes + Frequency)	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Total Expenditures	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000

Total Net Revenue	\$ 5,321,437	\$ 7,622,007	\$ 5,583,030	\$ 3,113,076	\$ 6,355,131	\$ 4,482,642	\$ 2,321,432
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Net FY 2026 Budget Shortfall	\$(5,753,563)	\$(3,452,993)	\$(5,491,970)	\$(7,961,924)	\$(4,719,869)	\$(6,592,358)	\$(8,753,568)
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Difference from Mayor's Proposal	\$(4,968,523)	\$(2,667,954)	\$(4,706,931)	\$(7,176,885)	\$(3,934,830)	\$(5,807,319)	\$(7,968,529)
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