

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: KIM NADEAU, PARKING MANAGER  
FINANCE DEPARTMENT  
SUBJECT: RESUMPTION OF PAID PARKING EFFECTIVE JULY 1, 2020  
AND APPROVAL OF REDUCED PARKING FEE SCHEDULE

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Finance Department that the Council, by resolution, effective July 1, 2020: 1) Lift the temporary waiver of parking fees to reinstate the Schedule of Parking Fees; and 2) Approve a Reduced Parking Fee Schedule as Addendum 1 to the Schedule of Parking User Fees, which would be effective July 1, 2020 through December 31, 2020.

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EXECUTIVE SUMMARY

This item recommends, effective July 1, 2020: 1) lifting the temporary waiver of parking fees and reinstating the Schedule of Parking Fees (Attachment 1) that the Council approved on April 14, 2020, and 2) approving the Reduced Parking Fee Schedule, as described in Addendum 1 to the Schedule of Parking Fees, which would be effective July 1, 2020 through December 31, 2020, furthering the Council Goal of ensuring financial stability. If approved by Council, the Reduced Parking Fee Schedule (Addendum 1 to the Schedule of Parking Fees) would provide the first hour free in all garages, provide free garage parking after 5 p.m., provide free garage parking on the weekends, reduce Value Zone parking meter rates to \$0.75/hour, offer one free parking session up to a value of \$3.15 when using the Passport mobile payment application, and through the end of the year waive meter reservation fees for the temporary use of the public right of way for parklets, outdoor seating and retail for the duration of the temporary use program.

BACKGROUND

The Parking program is funded through parking user fees, which includes parking meter fees, monthly permit fees and hourly fees charged in the garages. On March 17, 2020, the Sonoma County Public Health Officer announced a Health Order directing all individuals living in the County to shelter in their place of residence through April 7, 2020. Subsequent Public Health Orders have been issued that have incrementally begun easing the Shelter in Place restrictions. Non-essential City staff were directed to work from home from March 17, 2020 to May 3, 2020, which has been extended as Level 2 COVID-19 reopening is gradually implemented.

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The garages were closed from April 3, 2020 to May 21, 2020, and on April 14, 2020 the Council approved a temporary waiver of parking fees, with garage and lot permit fees waived retroactive to April 1, 2020, and other parking user fees for the City's parking garages, lots and parking meters waived effective April 15, 2020, and set to expire when the shelter in place order of the Sonoma County Public Health Officer was lifted. There has been no receipt of parking user fee revenue in April and May of 2020, and there is no expected receipt of parking user revenue in June 2020.

### PRIOR CITY COUNCIL REVIEW

On August 6, 2019, the City Council approved free holiday parking in the City's five public garages, and free parking on Sundays at the 5<sup>th</sup> Street and D Street garages.

On April 14, 2020, the City Council authorized a temporary waiver of parking user fees, with garage and lot permit fees retroactive to April 1, 2020, and other parking user fees for the City's parking garages, lots and parking meters waived effective April 15, 2020, due to the impacts of the COVID-19 shelter in place order, to extend until the Shelter in Place order was lifted by the Sonoma County Public Health Officer.

On May 19, 2020, the City Council approved free garage parking between the hours of 1 a.m. and 6 a.m.

### ANALYSIS

With the gradual lifting of shelter in place restrictions in Sonoma County, as authorized by the Public Health Officer, there is increased business activity and parking demand downtown, including curb access for retail and restaurant pick-up service, and interest in expanding business activities in the public right of way. As employees return to work and businesses reopen, it is critical to manage the high demand on-street curbside parking. Currently, with all parking free downtown, employees are dominating the use of the valuable curb spaces and inhibiting turnover of spaces and access to the most convenient parking for customers. Paid parking is an important parking management tool used to encourage the use of lower cost off-street parking alternatives.

When the City Council approved the temporary waiver of parking user fees, it was not anticipated that the Shelter in Place order would be gradually lifted to different sectors of the economy over many months. With the return of retail business and anticipated return of various dining alternatives at restaurants, the need to reinstate paid parking to manage access to parking has returned.

Staff recommends reinstatement of the previously adopted Schedule of Parking Fees for the garages, lots and meters, simultaneously with Council's approval of a Reduced Parking Fee Schedule (Addendum 1) attached to the Schedule of Parking Fees to be in effect July 1, 2020 to December 31, 2020. On January 1, 2021, the Council's previously approved Schedule of Parking Fees would then take effect. The Reduced Parking Fee Schedule (Addendum 1) to the Schedule of Parking Fees, effective through the end of the year, would do the following:

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- **Provide the first hour free in all parking garages.**

The reinstated Schedule of Parking User Fees offers the first hour free in the 1<sup>st</sup> Street and 7<sup>th</sup> Street garages for transient parking transactions (non-permit). To further encourage use of off-street facilities, the Reduced Parking Fee Schedule (Addendum 1) would offer the first hour free in all five City owned garages through the end of the year.

Estimated Revenue Reduction = \$23,000

- **Provide free garage parking after 5 p.m.**

The reinstated Schedule of Parking User Fees provides for free garage parking from 1 a.m. to 6 a.m. Metered parking spaces are free after 6 p.m. To encourage employees to use off-street parking in the evening, and free up valuable curb spaces for customers, the Reduced Parking Fee Schedule (Addendum 1) would, through the end of the year, provide free parking in all five garages from 5 p.m. to 6 a.m. Paid parking garage hours would be from 6 a.m. to 5 pm.

Estimated Revenue Reduction = \$60,000

- **Free garage parking on weekends**

The reinstated Schedule of Parking User Fees offers free parking on Sundays in the D Street and 5<sup>th</sup> Street garages. Metered parking is free on Sunday. To further encourage the use of the off-street parking garages, the Reduced Parking Fee Schedule (Addendum 1) would offer free garage parking on Saturday and Sunday in all five of the City owned garages through the end of the year.

Estimated Revenue Reduction = \$24,000

- **Reduce Value Zone metered parking rates to \$0.75/hour**

The reinstated Schedule of Parking User Fees sets Value Zone parking meter rates at \$1.00/hour, and Premium Zone rates are \$1.50/hour. To encourage use of Value Zone parking spaces, that are located out of the downtown core, the Reduced Parking Fee Schedule (Addendum 1) would lower the Value Zone rates to \$0.75/hour. This would result in the Value Zone rates providing a 50% discount over Premium Zone rates which may incentivize greater utilization of these spaces, freeing up the high demand Premium Zone spaces.

Estimated Revenue Reduction = \$92,000

- **Offer one free metered parking session with mobile payment**

The City currently offers a mobile payment option for metered parking through Passport Parking. With the COVID-19 pandemic, people may be more interested in utilizing a payment method that does not require them to touch a parking meter. To support use of the Passport Parking smart phone application, it is proposed to offer a one-time use per account, free validated metered parking session, up to \$3.15 in

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value, to parkers who utilize the mobile payment option. This is the equivalent of a 4-hour parking session in the Value Zone and a 2-hour parking session in the Premium Zone, including the \$0.15 convenience fee. Staff recommends that the free parking promotion be limited to \$31,500 in revenue reduction, which would fund 10,000 unique Passport Parking account user transactions if they all utilized the maximum \$3.15 validation.

Estimated Revenue Reduction = \$31,500

- **Waive meter reservation fees for the temporary use of the public right of way for parklets, outdoor seating and retail**

The Planning and Economic Development Department has developed guidelines to provide for the temporary use of the right of way for parklets, outdoor seating and retail to allow businesses to expand their footprint into adjacent parking spaces to meet physical distancing requirements under the Sonoma County Public Health Order. The reinstated Schedule of Parking User Fees charges meter reservation fees of \$12/day per Value Zone metered parking space, and \$15/day per Premium Zone metered parking space (referred to as "Parking Cover"). To support businesses that receive an approved encroachment permit for this temporary use, staff recommends that parking meter reservation fees be waived for the duration of the temporary use permit and that this waiver of parking meter reservation fees be available through the end of the year.

Estimated Revenue Reduction:

Value Zone	= \$316/parking space per month
Premium Zone	= \$395/parking space per month

It is difficult to predict what parking demand will look like in the future as the economy recovers from the COVID-19 impacts. It is possible that more people will work from home, reducing parking demand. It is also possible that those who do need to commute may opt to drive their own vehicles and be reluctant to use public transportation, causing an increase in parking demand. Staff have worked with the City's parking data aggregator consultant who has provided estimates of revenue reductions based on recovery trends from the September 11, 2001 attacks and the Great Recession of 2008/09.

It is estimated that the Parking Fund will experience revenue reductions of \$1.2M in FY 2019/20, and revenue reductions of \$1M in FY 2020/21, if paid parking is resumed by July 1, 2020 with its existing Parking User Fee Schedule. An additional revenue reduction of \$230,500 is estimated for FY 2020/21, if the proposed fee reductions set forth in the Reduced Parking Fee Schedule (Addendum 1) are implemented. The Parking Fund is an enterprise fund that is entirely reliant on parking user fees to maintain and operate the parking facilities. Available Parking Fund reserves are being drawn down at a rate of approximately \$360,000 per month, while parking fees are waived. As of June 30, 2020, the available Parking Fund reserve is estimated to be \$8 million dollars. Resumption of paid parking will result in revenue to the Parking Fund that will help offset operations and maintenance costs and retain reserves for necessary capital improvement projects.

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### FISCAL IMPACT

The proposed fee reductions outlined in the Reduced Parking Fee Schedule (Addendum 1 to the Schedule of Parking Fees) are estimated to reduce revenue by approximately \$230,000. It is difficult to estimate the financial impact of the proposed rate reductions, as the rate of economic recovery and change in parking demand is unknown. It is also unknown how many users will take advantage of the Passport Parking promotion. Approval of this action does not have an immediate fiscal impact on the General Fund. If Parking Fund reserves are depleted another funding source would be required to maintain the parking facilities.

### ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

### BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

This item was reviewed on May 15, 2020 at the Economic Development Recovery Task Force.

### NOTIFICATION

Not applicable

### ATTACHMENTS

- Attachment 1 - Schedule of Parking User Fees (effective May 20, 2020)
- Resolution / Exhibit A - Addendum 1 to Schedule of Parking User Fees - Reduced Parking Fee Schedule Effective July 1, 2020 to December 31, 2020

### CONTACT

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