For Council Meeting of: December 14, 2021

## CITY OF SANTA ROSA CITY COUNCIL

TO: MAYOR AND CITY COUNCIL

FROM: ALAN ALTON, ACTING CHIEF FINANCIAL OFFICER,

FINANCE DEPARTMENT

SUBJECT: EXTENSION OF COVID-19 RELATED TEMPORARY PARKING

USER FEE REDUCTIONS THROUGH JUNE 30, 2022

AGENDA ACTION: RESOLUTION

### RECOMMENDATION

It is recommended by the Finance Department that the Council, by resolution, authorize an extension through June 30, 2022 of: 1) the first hour free at the 3<sup>rd</sup> Street, 5<sup>th</sup> Street and D Street garages (first hour is already free at the 1<sup>st</sup> and 7<sup>th</sup> Street garages); 2) free parking at all five garages, Monday- Friday from 5PM to 6AM (Parking is already free from 1AM to 6AM); 3) free parking at all five garages on Saturday and Sunday (the D Street and 5<sup>th</sup> Street garages already have free parking on Sunday); 4) one free metered parking session using the Passport mobile payment application, up to \$3.15 in value, to a maximum of \$31,500.00 since inception on July 1, 2020; and 5) a waiver of meter reservation fees for temporary parklets, outdoor seating and retail to expand business footprint to meet physical distancing requirements related to COVID-19 health order.

## **EXECUTIVE SUMMARY**

Certain business operations have been required to cease or dramatically reduce all indoor operations since March 2020 due to either social distancing requirements or specific restrictions on indoor operations set forth in State and County health orders. To assist the business community, the City authorized a temporary reduction of certain parking user fees and a waiver of parking reservation fees associated with outdoor seating areas.

Downtown businesses have expressed interest in extending the temporary parking fee waivers through June 30, 2022. The following parking user fee waivers are set to expire December 31, 2021: (1) Free parking at all five garages, Monday – Friday from 5 PM to 1 AM (Parking is already free from 1 AM to 6 AM); (2) Free parking at all five garages on Saturday and Sunday (the D Street and 5<sup>th</sup> Street garages are already free on

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Sunday); (3) First hour of parking free at the 3<sup>rd</sup> Street, 5<sup>th</sup> Street and D Street garages (the 1<sup>st</sup> and 7<sup>th</sup> Street garages already have the first hour free); (4) One free metered parking session using the Passport mobile payment application, up to \$3.15 in value; (5) Waiver of meter reservation fees for temporary parklets, outdoor seating and retail to expand business footprint to meet physical distancing requirements related to COVID-19 health order.

### **BACKGROUND**

As part of the State's response to address the global COVID-19 outbreak, Governor Gavin Newsom declared a State of Emergency on March 4, 2020 to formalize emergency actions across multiple state agencies and departments. The declaration required all residents within the State to immediately heed the State public health directives and shelter at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure sectors.

Since March 2020, the County of Sonoma Health Officer has issued a series of health orders that in part limit business operations. This has resulted in reduced indoor operations, a collapse in revenue streams and reduced workforce hours.

On April 14, 2020, the City suspended parking fees. On June 16, 2020, the City Council approved resumption of paid parking and a variety of parking fee reductions and waivers intended to encourage activity and support the downtown economy. Specific waivers were implemented to remove the meter reservation fees associated with the placement of outdoor seating or parklets within existing areas designed as paid street parking. Council extended most of the parking fee reductions on December 15, 2020 to the earlier date of June 30, 2021 or when the County reaches the Yellow Tier of the State's COVID-19 restriction levels, whichever comes first. On April 27, 2021, Council approved extending the fee reductions to June 30, 2021, regardless of when the Yellow Tier was achieved. On June 22, 2021, the City Council extended the fee reductions to December 31, 2021.

## PRIOR CITY COUNCIL REVIEW

On April 14, 2020, the City Council approved the waiver of hourly parking fees at the City's five public garages and all parking meter fees until the Shelter in Place Order was lifted for the City of Santa Rosa (RES-2020-059).

On June 16, 2020, the City Council approved the following parking user fee reductions effective July 1, 2020 – December 31, 2020 (RES-2020-087).

- Parking meter rates in the Value Zone reduced to \$0.75/hour
- Free parking at all five garages, Monday Friday from 5 PM to 1 AM (Parking is already free from 1 AM to 6 AM)

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- Free parking at all five garages on Saturday and Sunday (the D Street and 5<sup>th</sup> Street garages already have free parking on Sunday)
- First hour of parking free at the 3<sup>rd</sup> Street, 5<sup>th</sup> Street and D Street garages (the 1<sup>st</sup> and 7<sup>th</sup> Street garages already have the first hour free)
- One free metered parking session using the Passport mobile payment application, up to \$3.15 in value
- Waiver of meter reservation fees for temporary parklets, outdoor seating and retail to expand business footprint to meet physical distancing requirements related to COVID-19 health order

On December 15, 2020, the City Council approved the extension of the following parking user fee reductions, effective January 1, 2021 through June 30, 2021 or when Sonoma County reaches the Yellow Tier of the California state COVID-19 restriction levels, whichever comes first (RES-2020-225):

- Free parking at all five garages, Monday Friday from 5 PM to 6 AM (Parking is already free from 1 AM to 6 AM)
- Free parking at all five garages on Saturday and Sunday (the D Street and 5<sup>th</sup> Street garages already have free parking on Sunday)
- First hour of parking free at the 3<sup>rd</sup> Street, 5<sup>th</sup> Street, and D Street garages (the 1<sup>st</sup> and 7<sup>th</sup> Street garages already have the first hour free)
- One free metered parking session using the Passport mobile payment application, up to \$3.15 in value
- Waiver of meter reservation fees for temporary parklets, outdoor seating and retail to expand business footprint to meet physical distancing requirements related to COVID-19 health order

On April 27, 2021, the City Council approved the extension of the parking user fee reductions previously authorized on December 15, 2020, to be extended to June 30, 2021 regardless of when Sonoma County reaches the Yellow Tier (RES-2021-067).

On June 22, 2021, the City Council approved the extension of the parking user fee reductions previously authorized on April 27, 2021, through December 31, 2021 (RES-2021-114).

# <u>ANALYSIS</u>

Since the inception of temporary parking fee waivers on July 1, 2020, the proportional use of the parking facilities by daily parkers (non-permit holders) has remained nearly the same as it was pre-COVID: 65% at on-street meters; 15% at lots, and 20% in the garages. Free garage parking options have not resulted in a higher proportional use of the garages. Parking volume has been steadily increasing since the end of February, when COVID restrictions were eased, with transaction volumes down about 35% from

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pre-COVID levels. The estimated costs to extend parking user fee waivers through June 30, 2022 are shown below:

## 1. Free parking at all five garages, Monday – Friday from 5 PM to 1 AM

Estimated monthly revenue reduction January 1, 2022 – June 30, 2022 = \$104,000

## 2. Free parking at all five garages Saturday and Sunday

The D Street and 5<sup>th</sup> Street garages already have free parking on Sunday; revenue reductions for those facilities on Sunday is not included below.

Estimated monthly revenue reduction January 1, 2022 – June 30, 2022 = \$124,000

# 3. First hour of parking free at the 3<sup>rd</sup> Street, 5<sup>th</sup> Street and D Street garages

The 1<sup>st</sup> and 7<sup>th</sup> Street garages already have the first hour free; revenue reductions for those facilities is not included below.

Estimated monthly revenue reduction January 1, 2022 – June 30, 2022 = \$70,000

# 4. One free metered parking session using the Passport mobile payment application, up to \$3.15 in value

To support use of the Passport Parking smart phone application, the City offers mobile payment users, a one-time use per account, free validated metered parking session, up to \$3.15 in value, to parkers who utilize the mobile payment option. This is the equivalent of a 3-hour parking session in the Value Zone and a 2-hour parking session in the Premium Zone, including the \$0.15 convenience fee on a first-come, first-serve basis up to a total maximum revenue reduction amount of \$31,500.

130 of Passport validations utilized July 1, 2020 through November 22, 2021

Revenue reduction from Passport validations through November 22, 2021= \$333

Maximum total revenue reduction \$31,500

### 5. Waiver of meter reservation fees for temporary parklets

Specific to the waiver of meter reservation fees (meter covers) for parklets, outdoor seating and retail: The 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 "Meter Cover"). The City has waived these fees for City encroachment permit holders for the duration of the permit, where the permittee is temporarily using 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.

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Estimated revenue reduction for 20 temporary parklets from January 1, 2022 through June 30, 2022 = \$104,000

Staff recommends extending the fee waivers for: the first hour free at the 3<sup>rd</sup> Street, Fifth Street and D Street garages, evening parking Monday-Friday in all garages from 5PM-6AM, weekend parking at the 1<sup>st</sup>, 3<sup>rd</sup>, and 7<sup>th</sup> Street garages, Saturday parking at the D and 5<sup>th</sup> Street garages, and the waiver of meter reservation fees for temporary parklets through June 30, 2022. Staff also recommends continuation of one free validated parking session, up to \$3.15 in value, until the maximum revenue reduction of \$31,500 has been met. The recommended reductions are set forth in Addendum 4 to the Schedule of Parking User Fees attached to the Resolution as Exhibit A.

The Parking Fund reserves for contingencies as of June 30, 2021 was \$7.6 million, with an estimated Parking Fund reserve for contingencies balance on June 30, 2022 of \$5.9 million.

### FISCAL IMPACT

Impacts to the Parking Fund from January 1, 2022 to June 30, 2022 are estimated at \$402,000 which is broken down as follows:

- \$104,000 for free parking in the garages Monday-Friday from 5PM-1AM
- \$124,000 for free parking on the weekends in the 1<sup>st</sup>, 3<sup>rd</sup>, and 7<sup>th</sup> Street garages, plus Saturdays in the D and 5<sup>th</sup> Street garages (parking is already free on Sundays in these two garages)
- \$70,000 for the first hour free in the D, 3<sup>rd</sup>, and 5<sup>th</sup> Street garages (1<sup>st</sup> and 7<sup>th</sup> Street garages already have first hour free)
- \$104,000 for the waiver of meter reservation fees for the temporary parklets.

The maximum revenue reduction from the free mobile payment session offer is \$31,500. There is no impact to the General Fund.

The revenue that was lost from July 1, 2020 - October 31, 2021 has been \$715,000 which is based on actual garage and parklet usage during that time period.

#### 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 Guidelines Section 15378. Construction activities

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associated with the specific permits experiencing fee modifications under this action will remain subject to environmental review under CEQA.

# BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable

## **NOTIFICATION**

Not applicable.

## **ATTACHMENTS**

• Resolution/Exhibit A- Reduced Parking Fee Schedule

# **CONTACT**

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