Agenda Item #16.3
For Council Meeting of: November 4, 2025

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: SCOTT WAGNER, INTERIM CHIEF FINANCIAL OFFICER, FINANCE
SUBJECT: DOWNTOWN SANTA ROSA PARKING AND RATE ADJUSTMENT

AGENDA ACTION: RESOLUTION

RECOMMENDATION

The Finance Department recommends that the Council, by resolution, approve the proposed new and revised fee schedule for the Parking District impacting all on-street and off-street parking that includes hourly and monthly fees.

EXECUTIVE SUMMARY

The purpose of this action is to follow up on the Study Session from September 9, 2025, and approve the new and revised fee schedule recommended by the Finance Department.

GOAL

This item relates to Council Goal #1 - Achieve and Maintain Budgeting Excellence and Fiscal Stability and will adjust parking rates to reflect current occupancy and utilization, as well as financially stabilize the Parking Enterprise Fund to continue providing needed security and improvements to parking facilities.

BACKGROUND/PRIOR COUNCIL REVIEW

In 2023, the City of Santa Rosa was awarded a grant by the Metropolitan Transportation Commission (MTC) to evaluate existing parking conditions and develop a comprehensive short- and long-term parking management strategy. The MTC selected the consulting firm Sam Schwartz/TYLin to lead the project, with support from their subcontractor, Convey.

As part of the study, TYLin analyzed data provided by the Parking Division, conducted a citywide community survey, and facilitated stakeholder focus group sessions to gather qualitative feedback. The results of this engagement were compiled into the City of Santa Rosa Downtown Parking Management Study Engagement Summary Report, published in August 2025.

Beginning in early 2025, TYLin submitted a series of recommendations to the City's Finance Division based on their findings. In response, the Parking Division initiated outreach efforts with key stakeholders, including Downtown and Railroad Square merchants and organizations, to collaboratively develop comprehensive rate adjustments aimed at addressing public concerns while ensuring the long-term fiscal stability of the Parking Enterprise Fund.

ANALYSIS

Community Parking Priorities and Current Utilization

Recent survey results indicate that the top two parking-related priorities for community members are proximity to their destinations and the availability of parking spaces. These are followed in importance by concerns about safety and security, and finally by pricing.

Occupancy data across the Downtown and Railroad Square parking districts show that, while there is generally ample parking availability throughout the day, certain key areas consistently experience high demand. Specifically, 4th and 5th Streets, Wilson Street in Railroad Square, and portions of Mendocino and D Streets in Downtown exhibit occupancy rates exceeding 95% during peak hours, typically from lunch through dinner time and on Saturdays. These high-demand periods result in limited availability near popular destinations.

Implementation of the Progressive Parking Model

The City of Santa Rosa adopted a Progressive Parking Model in 2017, which is designed to maintain on-street parking occupancy at approximately 85%. This target ensures that each block typically has one to two available parking spaces at any given time. The model provides parkers with a choice: pay a premium to park closer to their destination, or park farther away at a reduced cost.

In practice, Santa Rosa's Parking Division implements this model by charging higher rates in heavily utilized Premium Zones and surface lots, while maintaining lower rates in underutilized areas and public garages. This approach also supports greenhouse gas (GHG) emission reductions by minimizing vehicle circling and idling while searching for parking.

Focus Group Feedback and Additional Considerations

Focus group participants identified several opportunities for improvement. One key recommendation was to reevaluate parking permit fees to encourage long-term parkers to utilize garage facilities, thereby preserving on-street parking for short-term visitors. This change would also support economic development in Downtown and Railroad Square, especially for businesses that subsidize employee parking.

As residential development increases, there will also be a growing need to establish appropriate residential parking permit programs. Additionally, users consistently identified safety and cleanliness within the garages as a high priority and addressing these concerns will require ongoing investment from the Parking Enterprise Fund.

Garage Incentive Review: First Hour Free Parking
The current incentive of offering the first hour of parking free in garages has yielded mixed results. While intended to encourage garage use, data shows that this policy has not meaningfully shifted demand from on-street premium zones to garage facilities. In fact, premium zones continue to experience high occupancy rates, while hourly usage in garages has remained relatively stable.

Capital Improvements, Financial Sustainability and Operational Challenges
In October 2019, Walker Consultants completed a 10-year budget plan for capital improvements in all 5 garages for a total of $12 million. After the cost was adjusted for inflation, the 2023 cost rose to $15 million. No capital projects have been initiated due to declining revenues and uncertainty around the parking reserve funds.

Over the past four years, the Parking Division has undertaken a series of cost-saving measures to address a persistent operating budget deficit. These measures have included reducing contractual obligations, lowering staffing expenses, and deferring capital improvement projects.

Despite these efforts, the Division has not been able to fully mitigate the fiscal impact of inflation and the lasting structural changes to Downtown's workforce that emerged following the COVID-19 pandemic. While parking utilization has shown year-over-year growth, it continues to lag behind pre-pandemic levels. As a result, current revenue generation remains insufficient to fully support the Division's ongoing operational costs.

Parking Fine Structure and Fiscal Impact
The City's Parking Fine Schedule of Fees was last updated in 2012, with the addition of payment plan options implemented in 2018. Revenue from parking citations is deposited into the City's General Fund, which in turn reimburses the Parking Enterprise Fund for enforcement-related expenditures.

However, rising enforcement costs have outpaced citation revenue, resulting in a net loss to the General Fund in two of the past four fiscal years. In addition to staffing and equipment expenses, the City is required to remit a $12.50 surcharge per citation to the County of Sonoma and the State of California (Government Cose 76000.3- Chapter 12, Senate Bill 857, CVC40220). This mandatory surcharge totals approximately $300,000 annually, further impacting the City's overall parking enforcement cost recovery.

Proposed Changes
To support the City's economic development objectives and accommodate the parking

needs associated with new residential growth, the Parking Division must address ongoing fiscal challenges while continuing to provide safe, accessible, and well-managed parking for residents, workers, and visitors in both Downtown and Railroad Square.

In alignment with the Santa Rosa Downtown Parking Management Study, and with feedback from community stakeholders, the Parking Division is proposing a series of targeted rate and fine adjustments. These adjustments are designed to enhance revenue generation, allocate parking for frequent long-term users more effectively, and support the anticipated demand from new residential developments.

Revenue generated through these adjustments will be reinvested into the Parking Enterprise Fund to support facility improvements, security enhancements, and ongoing operations and maintenance across both parking districts. Citation revenue will continue to cover enforcement-related operational costs, with any surplus retained by the General Fund.

Summary of Parking Rate and Fee Adjustments:

- Meter Rate increases to $1.50 in Value Zone and $2.50 in Premium Zone, remove meters in underutilized areas in the Downtown parking district.
- Lot hourly rate increases to $1.50 in Value Zone and $2.00 in Premium Zone in the Downtown district.
- Make Garage hourly rate and paid parking hours consistent across all five facilities at $1 an hour.
- Make garages free on Sundays and holidays to match on-street parking.
- Raise meter rate to $2.50 in Railroad Square and Depot Lot.
- Lots 13 and 14 to remain at $1.00 for long-term parking in Railroad Square and for SMART users.
- Reduce cost of non-reserved permits for employees that work in Downtown and Railroad Square to $60/month in Garages 1, 3, 9 and 12.
- Expand Low-Wage Parking Permit to employees working downtown to include Garages 3 and 9 and reduce cost to $25/month.
- Introduce a new Part-Time Employee Permit for employees working flex or part-time schedules for Garages 1, 3, 9, and 12 at $25/month.
- Pilot of a New Business Account reduced cost permit to encourage businesses to lease downtown.
- Reduce costs of permits in under-utilized lots, $70/month in Lot 7 and $25/month in Lots 13/14 and Morgan Street.
- Reduce cost of SMART Commuter permits in Lots 13/14 to $25/month.
- Add residential permit options in garages for new multi-use developments, a monthly permit zone for 888 4th Street, and a reserved permit in Lot 13 for the Cannery residents.
- Increase the Residential Parking Permit from $20 a transaction per year to $30 per vehicle per year.

- Introduce a new Garage Parking Validation program in coordination with the Downtown Action Organization for customers shopping and dining downtown.
- Increase the three lowest cost citations by $15 each ($35 citations to $50, $40 citations to $55 and $50 citations to $60).

FISCAL IMPACT

Projected outcomes of the proposed adjustments include an estimated $1 million in additional annual revenue for the Parking Enterprise Fund and approximately $350,000 in additional annual revenue for the General Fund.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the recommended action is not a "project" subject to the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the recommended action is exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

To notify and obtain input on the proposed parking rates and fines adjustments, a Notice of Public Hearing was published in the Press Democrat on October 24, 2025, and October 29, 2025, announcing the Public Hearing on November 4, 2025.

ATTACHMENTS

- Attachment 1 – City of Santa Rosa Downtown Parking Management Study Engagement Summary Report
- Attachment 2 – DAO Memo re: Proposed Parking Rates
- Resolution
- Exhibit A - Schedule of Parking User Fees
- Exhibit B – Schedule of Parking Fines and Penalties

PRESENTER(S)

Chad Hedge, Parking Manager
Tania Cordova, Parking Administrative Analyst