



Council Agenda Correspondence

DATE: July 5, 2022

TO: Mayor and Council

FROM: Matt Horn, Public Works Director

VIA: Derek Johnson, City Manager

SUBJECT: ITEM 6a – INTRODUCE AN ORDINANCE TO AMEND CHAPTER 5.50 (SIDEWALK CAFES) TO ADD CHAPTER 5.51 (PARKLETS) AND APPROVE THE SLO OUTDOOR DINING GUIDE

The purpose of this correspondence is to respond, staff responses are shown in *italics*, to general questions and comments received, to date, in preparation of the July 5, 2022 Council Meeting, Agenda Item 6a, Introduction of an Ordinance Amending Sidewalk Cafes, Creating Parklets, and Adopting the Outdoor Dining Guide.

Question 1: Why is the parklet use fee so high?

The parklet use fee was generated by estimating the additional cost to the City for maintenance services and lost parking revenue for parklet installations in the roadway. It is important to note that these are estimated additional costs and do not include costs for the other standard services that are provided to downtown streets like street paving, sidewalk replacement, standard roadway sweeping and standard tree pruning. These are just the additional costs to work around existing parklets or the estimated direct loss of revenue due to the parklet installation. Council could choose to not fully recover these additional costs, but staff did not feel it was appropriate to recommend this action because the installation of parklets do not benefit all downtown businesses and many businesses are not eligible to have parklets either due to type of business operated or location of the business.

Question 2: The parklet rate assumes that people will not come downtown and park any longer, but they will actually park elsewhere.

Downtown on street parking is the most premium parking service the City provides and it is both in highest demand and provides the largest revenue per parking space the City has in its inventory. Removing one parking space and using it for a parklet installation is estimated to lose \$4,000 per on-street parking space per year and this is the proposed cost recovery for this lost parking. These lost parking spaces will likely shift more parking demand into one of the three existing parking structures.

During peak parking demand, there is a higher demand for parking than supply. To address this, the City is currently developing plans to install a new parking structure in the downtown that is estimated to start construction in the fall of 2023 with an estimated cost of \$53.3M for 403 parking spaces or roughly \$130k per parking space. A large portion of the funding for the new parking structure is planned to be debt financed.

It is important to note that parklet installations will be in place during both peak and non-peak parking demand timeframes and the \$4,000 per on-street parking spaces represents the actual revenue lost and not the per hour price to occupy a parking space 24 hours per day, 7 days per week, and 365 days per year. It is especially important right now to have a robust and properly monetized parking program as the City solicits debt service rates for the new parking structure.

Question 3: If bicycle parking is a requirement for parklet installations, why am I required to pay for that space?

Incorporating bicycle corrals into parklet installations was a successful feature of the pilot program. Staff recommends the inclusion of bike parking in any parklet installations that remove two or more parking spaces as this is a goal of the Active Transportation Plan and reduces demand for vehicle parking.

The addition of bicycle parking is a design amenity and intended to provide parking for customers of the parklet owner as well as adjacent businesses to reduce the impacts of that parklet on adjacent businesses. Council has the option to remove the bicycle corral design feature from future parklets or remove the bicycle coral square footage from the parklet use fee calculation.

Question 4: Why is staff recommending only charging 50% of the fee for the first six months?

The intent of this recommendation was to follow Council's guidance received at the July 2021 study session. The intent of this recommendation was to reduce the economic impacts to business that choose to transition these temporary parklet installations into permanent parklets and allow those businesses to invest more capital into their permanent parklets to make them even more of an amenity to the downtown.

Question 5: We find it hard to believe that sweeping around our parklet costs the City \$75 for parking space. Why can't we sweep our own without the fee?

The annualized cost for increased parklet maintenance is independent of the number of parklets in use except for Weekly Manual Street Sweeping. The cost for this work is largely independent of the number of parklets in the downtown, as the City's cost is consistent whether there are 25, 50, or 75 parking spaces used for parklets. The cost is largely due to the personnel, equipment, mobilization to the

downtown and less about the actual time spent in the downtown doing this work as it would not vary that much. The annual cost for Weekly Manual Street Sweeping is \$30,000 for the contract and \$9,000 to manage and coordinate this work for a total cost of \$39,000.

With the public outreach, communications, and survey work that occurred many temporary parklet owners expressed that if a use fee were implemented, they would be less interested in making that parklet permanent. Based upon this information staff calculated the fee based upon the premise that 10 parking spaces would remain in use for permanent parklets. Below is a table showing the City's annual cost for permanent parklets based upon the number of parking spaces occupied.

Number of Parking Spaces	Manual Street Sweeping Annual Fee	Total Annual Cost per Parking Space
10	\$ 3,900	\$ 8,710
20	\$ 1,950	\$ 6,760
30	\$ 1,300	\$ 6,110
40	\$ 975	\$ 5,785
50	\$ 780	\$ 5,590

Based upon community feedback Council could direct staff to revise this annual cost using a different assumption of the total number of parking spaces used for the permanent parklet program.

Question 6: We don't have trees around our parklet. Why would we need to pay a tree trimming fee?

Most parklet areas in the downtown area are adjacent to trees. Trimming trees in these areas requires a boom truck to carefully trim trees (especially large branches) so that they do not fall on to and harm parklets. The fee for this work is the difference over and above what the City normally pays to trim trees and is accomplished through a contract. While some parklet areas may have no trees, some have multiple trees but the estimated cost of \$310 is for annual trimming and assumes one tree per parking space.

Question 7: Downtown parking is already heavily impacted. Why allow the parking space reduction for parklets?

In the downtown area, the City manages over 1,000 on street parking spaces of which 50 on street parking spaces (or 2%) are occupied by temporary parklets. Through the Downtown Concept Plan and the Active Transportation Plan, the community has prioritized the use of the public right of way in different ways to increase active transportation opportunities and to enhance the pedestrian experience in the downtown area.