

Agenda Report

October 21, 2024

TO: Honorable Mayor and City Council

THROUGH: Municipal Services Committee (October 8, 2024)

FROM: Department of Transportation

SUBJECT: **DIRECT THE CITY ATTORNEY TO PREPARE AN ORDINANCE TO AMEND THE MUNICIPAL CODE TO ADOPT AN UPDATED METER RATE STRUCTURE FOR THE SOUTH LAKE PARKING METER ZONE, AND TO ADOPT A NEW RATE STRUCTURE FOR THE SHOPPERS LANE PARKING LOTS**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the action proposed herein is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15273 (Rates, Tolls, Fares, and Charges);
2. Direct the City Attorney to prepare and return with an ordinance within 60 days consistent with the provisions set forth in this Agenda Report amending Pasadena Municipal Code Chapter 10.45.225 (South Lake Parking Meter Zone) to:
 - a. Adopt an occupancy-based parking meter rate and authorize the Director of Transportation to adjust the base parking rate at no less than \$1.00 per hour and no greater than \$5.00 per hour as permitted by posted parking regulations.
 - i. The rates shall be based on parking demand, with the goal of reaching occupancy by vehicles at the rate of 70 to 90 percent for parking meter spaces on each block at such times and hours that payment is required;
 - ii. Rate changes will not occur more than once every six months;
 - iii. As defined in this report, adopt an escalated parking meter rate allowing the Director of Transportation to set the escalated parking rate to be up to two times the base meter rate for any parking beyond an initial base parking period; and
 - iv. Beginning on July 1, 2025, and on each July 1, thereafter, the maximum rates shall be raised by an amount equal to the change in the consumer price index and rounded down to the nearest quarter of a dollar; and
3. Adopt a resolution amending the Fiscal Year (FY) 2025 General Fee Schedule to adopt new rates for the Shoppers Lane Parking Lots.

SOUTH LAKE PARKING PLACE COMMISSION RECOMMENDATION:

On March 23, 2023, the South Lake Parking Place Commission unanimously recommended that the City Council approve the following changes to parking rates in the South Lake area, as further detailed in the body of this Agenda Report:

South Lake Parking Meters – On-street

- Adopt an occupancy-based parking rate structure similar to the one adopted for the Playhouse Parking Meter Zone.
- Adopt an escalated parking rate.
- Each fiscal year, raise the maximum rates by CPI.

Shoppers Lane Parking Lots

- Eliminate the 90 minute free period and replace with a validation program for merchants.
- Adopt an occupancy-based parking rate structure for the lots.
- Raise the daily maximum rate to \$12.
- Extend the hours of operation of the Shoppers Lane lots to 24 hours a day, 7 days a week.
- Each fiscal year, raise the maximum rates by CPI.

The SLPPC revisited and unanimously reaffirmed their recommend rate changes in May of 2024.

BACKGROUND:

The South Lake Parking Place Commission (SLPPC) operates, manages and controls the parking places within the South Lake parking district, and makes recommendations to City Council regarding expenditures of net revenues of parking meter funds. The parking places includes the Shoppers Lane public parking lots and the on-street parking spaces within the South Lake Parking Meter Zone District.

The Shoppers Lane lots are a combination of City-owned and privately owned parcels, which are controlled and maintained by the City. Efforts to manage parking demand in the South Lake area began in earnest in 1977, when the City entered into reciprocal easement agreements (REAs) with owners of frontage property on South Lake Avenue between Cordova Street and San Pasqual Street to create the Shoppers Lane public parking lots. The most recent parking rate change occurred in 2015, when the free period was reduced from two hours to 90 minutes, the hourly rate thereafter was raised from \$1 to \$2 per hour, and the maximum daily rate was increased from \$5 to \$6.

In 2007, in an effort to further manage parking demand in the South Lake area, the City Council approved the creation of the South Lake Parking Meter Zone District and authorized the installation of parking meters on South Lake Avenue between Green Street and California Boulevard. At that time, the meter rate was set at \$1 per hour, and the rate has not changed since the meters were installed.

In 2020, the Department of Transportation initiated the creation of a Parking Strategic Plan (PSP) with the help of a consultant. The PSP was finalized in September of 2023, and was presented to City Council in March of 2024. The PSP includes recommendations that the City adjust paid parking rates citywide and implement an escalating rate model with the goal of achieving 85% occupancy both on street and in off-street garages and lots. The 85% occupancy rate is an industry standard, and ensures that drivers visiting metered parking areas are able to quickly find a space and reduces cruising behavior where drivers circle City streets and off-street facilities looking for a parking space.

The SLPPC has been discussing existing rates since the early stages of the development of the Parking Strategic Plan, and in 2023 recommended rate changes that would assist with managing parking demand and create revenue opportunities to help upgrade and maintain the Shoppers Lane lots and continue to fund street and parking related improvements in the South Lake area. The SLPPC revisited and reaffirmed their recommended rate changes in May of 2024.

The proposed rates include principals of the PSP that were included in rates recently adopted by City Council for the new Playhouse Parking Meter District: occupancy based rates and escalating rates. Occupancy based rates establish a baseline and maximum rate, and allows for periodic adjustments of rates based on measured occupancy over a period of time. If occupancy rates are above 85%, then rates should be adjusted upwards. If occupancy falls below 70%, rates should be adjusted down.

In addition, the proposed rates also include another rate structure tool, allowing on-street parking beyond the initial time provided at a base rate through the use of escalated rates. The escalating rate model is a strategy to increase on-street parking availability by allowing a driver to decide the best parking session length of stay. In a two-hour-plus zone, the escalating rate model would have a base cost for the initial two hours, and if the driver chooses to stay for an additional hour, there would be an increased cost per hour. An escalated rate gives the customer flexibility by giving them the option to pay to stay. This rate structure also allows someone who is running beyond their initially anticipated time while shopping or visiting businesses within the meter zone to purchase additional time at an escalated rate, without the fear of citation for an expired parking meter.

The SLPPC is recommending the following:

South Lake Parking Meters – On-street

- Authorize the Director of Transportation to adjust the base parking rate at no less than \$1.00 per hour and no greater than \$5.00 per hours as permitted by posted parking regulations.
 - The rates will be based on parking demand, with the goal of reaching occupancy by vehicles at the rate of 70 to 90 percent for parking meter spaces on each block at such times and hours that payment is required.
 - Rate changes will not occur more than once every six months.

- Allow the Director of Transportation to set an escalated parking rate to be up to two times the base meter rate for any parking beyond an initial base parking period.
- Beginning on July 1, 2025, and on each July 1 thereafter, the maximum rates shall be raised by an amount equal to the change in the consumer price index and rounded down to the nearest quarter of a dollar.

Shoppers Lane Parking Lots

- Eliminate the 90 minute free period and replace with a validation program for merchants with businesses directly adjacent to the Shoppers Lane parking lots.
 - The validation program will initially be free to merchants, and the program will be reviewed annually by the SLPPC and extended if financially viable.
- Authorize the Director of Transportation to adjust the parking rate at no less than \$1.00 per hour and no greater than \$5.00 per hour as permitted by posted parking regulations.
 - Rate changes will not occur more than once every six months.
- Raise the daily maximum rate to \$12.
- Extend the hours of operation of the Shoppers Lane lots to 24 hours a day, 7 days a week.
- Beginning on July 1, 2025, and on each July 1 thereafter, the maximum rates shall be raised by an amount equal to the change in the consumer price index and rounded down to the nearest quarter of a dollar.

The City will partner with the South Lake Business Association (SLBA) to launch a comprehensive outreach campaign in preparation for these rate changes. The outreach campaign will include an educational component to communicate the benefits of paid parking, including the reduction of circling, increased on-street parking availability, and the overall enhancement to the customers' experience.

COUNCIL POLICY CONSIDERATION:

This project is consistent with the City Council's goal to improve, maintain, and enhance public facilities and infrastructure and supports and promotes the quality of life and the local economy. The project is consistent the Mobility Element of the General Plan objective to create a supportive climate for economic viability by working with existing businesses to assess parking needs and requirements.

ENVIRONMENTAL ANALYSIS:

The modification of the City's FY 2025 Adopted General Fee Schedule is statutorily exempt from CEQA pursuant to State CEQA Guidelines Section 15273 (Rates, Tolls, Fares, and Charges), which provides a statutory exemption for the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies, which the public agency finds are for the purpose of:

- (1) Meeting operating expenses, including employee wage rates and fringe benefits;
- (2) Purchasing or leasing supplies, equipment, or materials;
- (3) Meeting financial reserve needs and requirements;

- (4) Obtaining funds for capital projects, necessary to maintain service within existing service areas; or
- (5) Obtaining funds necessary to maintain such intra-city transfers as are authorized by City Charter.

FISCAL IMPACT:

The total fiscal impact of this action, due to the increased rates is an estimated revenue increase to the South Lake Meter Fund (23224016) by approximately \$96,000 and an estimated increase to the Shoppers Lane Fund (21724011) by approximately \$50,000 in FY2025

City staffing associated with the enforcement, operations, and administration of the new on-street parking meter and surface lot rates will be absorbed in the FY2025 operating budget. Outreach and education associated with the new parking meter rate is anticipated to be cost-neutral due to the partnership with the SLBA.

Respectfully submitted,




JOAQUIN T. SIQUES
Director, Department of Transportation

Prepared by:



Jon Hamblen
Parking Manager

Approved by:



MIGUEL MARQUEZ
City Manager

Attachments:

Attachment A – South Lake Parking Meter Zone Ordinance Redline