



Staff Report

File #: REPORT 20-0677, Version: 1

Honorable Mayor and Members of the Hermosa Beach City Council Regular Meeting of October 27, 2020

CONSIDERATION OF A HOLIDAY FREE PARKING PROGRAM

(City Manager Suja Lowenthal)

Recommended Action:

Staff recommends that the City Council discuss and provide direction on alternatives for a holiday free parking program at citywide commercial zone silver-post meters¹.

Executive Summary:

The City Council has provided up to three hours of free parking with the holiday free parking program for a number of years to encourage shopping in the City's commercial areas during the holiday season.

Background:

The holiday free parking program was traditionally offered as a two-week period from December 11th -December 25th. In recent years, the City Council has extended the program to more closely reflect similar efforts in neighboring cities with a three-week program in 2017, and a four-week program in 2018 and 2019. In 2019, the City of Redondo Beach offered a three-week free holiday parking program, and Manhattan Beach offered a four-week program.

The City of Hermosa Beach has 445 silver-post meters (as shown in **Attachment 1**) located as follows:

- Bounded by the City border-Herondo Street on the south, Manhattan Avenue on the east, The Strand on the west, 27th Street on the north
- Pier Avenue-bounded by Hermosa Avenue on the west, Pacific Coast Highway on the east
- Lot D-at the intersection of Palm Drive and 14th Street
- Lot F-on 14th Street (behind the Beach Market)
- Lot G-the 10 spaces on the City-owned lot on the north side of 4th Street, east of Pacific Coast Highway

¹ Does not include the parking structure or downtown public parking lots A and B. Standard, full-time rates will still apply at these locations and at all non-bagged yellow-post (residential zone) meters.

Enforcement of silver-post meters runs from 10 a.m. to 2 a.m., seven days a week. The silver-post

meters also have a two or three-hour time limit to ensure a turnover of vehicles. The two- or three-hour time limit would not be affected by the program, as free or discounted parking would be offered in accordance with existing posted meter time limits. Vehicles exceeding the posted time limits would be cited.

Red festive meter covers are placed over all participating silver-post meters for the duration of the program. Meter covers have shown to be an effective branding tool for the program, while clarifying parking guidelines for those using the spaces.

Analysis:

The following three alternatives are presented for Council consideration in order of program length. The revenue loss associated with free holiday parking would be in meter revenue and parking citations for expired meters. The economic impact of the current Safer at Home health orders and rapidly changing economic landscape makes estimating 2020 revenue loss difficult. As such, the information presented below has been carried forward from 2019 as a best estimate. These totals are listed on a per-year basis and reflect current meter rates-should meter rates increase in the future, so too would program costs for the City.

Alternative 1: Implementation of a two-week (14-day) free holiday parking program from December 11th through December 25th would be consistent with City efforts prior to 2016. The estimated fiscal impact in total lost revenue for a period of this length is \$75,078, with a breakdown of these totals outlined in Table #1 below:

Table #1
(14-day Period)

HOLIDAY PARKING PROGRAM (Dec. 11 - Dec. 25)	
METER REVENUE LOSS	\$50,512
PARKING CITATION REVENUE LOSS	\$24,566
TOTAL ESTIMATED REVENUE LOSS	\$75,078

Alternative 2: Implementation of a three-week (21-day) free holiday parking program from December 4th through December 25th. The estimated total fiscal impact in lost revenue during the proposed 21-day period is \$112,617, with a breakdown of these totals outlined in Table #2 below:

Table #2
(21-day Period)

HOLIDAY PARKING PROGRAM (Dec. 4 - Dec. 25)	
METER REVENUE LOSS	\$75,768
PARKING CITATION REVENUE LOSS	\$36,849
TOTAL ESTIMATED REVENUE LOSS	\$112,617

Alternative 3: Implementation of a four-week (28-day) free holiday parking program from November 27th through December 25th. The estimated fiscal impact in total lost revenue during the proposed 28-day period is \$150,156, with a breakdown of these totals outlined in Table #3:

Table #3
(28-day Period)

HOLIDAY PARKING PROGRAM (Nov. 27 - Dec. 25)	
METER REVENUE LOSS	\$101,024
PARKING CITATION REVENUE LOSS	\$49,132
TOTAL ESTIMATED REVENUE LOSS	\$150,156

Additional Options:

Alternatively, City Council may opt for a free holiday parking program with a different time-period not listed above. In any case, special consideration should be given so that potential program dates are in line with the City's regular days of operation to ensure staff availability for set-up and removal of meter covers.

Ongoing Investments in the City's Downtown:

Since 2013, the City has foregone revenues estimated to be approximately \$1,000,000 in free parking programs aimed at encouraging patronage of downtown businesses. These costs exclude incentives provided for electric vehicles or special event programming. In addition to these subsidies, the City has committed to a suite of projects over the past several years to bolster economic development throughout the City. The following is a non-exhaustive list of some of the City's most recent efforts:

COVID-19 Economic Development Efforts:

- Extended Business License renewal due dates
- Extended Parking Permit renewal due dates
- Delayed Parking Citation unbilled late fees
- No Parking Citations will be placed on hold at the DMV
- Waived Temporary Banner/Sign permit fees

- Suspended Restaurant Encroachment fees until further notice for existing encroachments
- New outdoor dining and dining deck program-waived encroachment fees until further notice; no charges for loss of parking meter revenue for decks
- New outdoor retail and personal care program-waived encroachment fees until further notice; no charges for loss of parking meter revenue if applicable
- New outdoor fitness program for brick and mortar establishments

Pre-Pandemic Economic Development Efforts:

- Temporary retail encroachments allowed during special events
- Development of a 'Limited Live Entertainment' permit program
- Implemented an A-frame permit program for interested businesses
- Council-adopted Downtown Enhancement Plan
- Downtown lighting project - safety, security and aesthetic lighting enhancements throughout downtown
- Enhanced Athens cleaning services of Pier Plaza, Pier and Hermosa Avenues, Strand
- Private downtown security contract
- Hermosa Avenue median landscaping improvements
- Downtown crosswalk designs
- Pier Avenue and Hermosa Avenue aesthetic projects
- Citywide holiday decoration
- Establishment of Downtown Ride Share Zone
- Development of the Cypress District
- Committed funds for Business Improvement District consultant services
- Development of the Green Business Program

Economic Impact of Holiday Parking Subsidies

In addition to recent major investments aimed at improving the business climate, the City has foregone significant revenues in free parking subsidies without access to the business sales data that would quantify any economic benefit to local businesses that the program provides. While bagged parking meters during the holidays present an effective branding tool, local retailers have struggled through the years to capitalize on these efforts through a streamlined marketing strategy. This year may offer different opportunities as the unprecedented economic conditions the global pandemic has rendered on all sectors have incentivized partnerships and efforts toward recovery.

Past Council Actions

Meeting Date	Description
October 22, 2019	Approval of fourweekholidayfreeparking program.
October 9, 2018	Approval of fourweekholidayfreeparking program.

General Plan Consistency:

PLAN Hermosa, the City's General Plan, was adopted by the City Council in August 2017. The supports several PLAN Hermosa goals and policies that are listed below.

Governance Element

Goal 6. A broad-based and long-term economic development strategy for Hermosa Beach that supports existing businesses while attracting new business and tourism.

Policies:

- **6.4 Business Support.** Support the Chamber of Commerce, retailers, tourist service businesses, artists, and other agencies to develop an aggressive marketing strategy with implementation procedures.

Mobility Element

Goal 4. A parking system that meets the parking needs and demand of residents, visitors, and employees in an efficient and cost-effective manner.

Policies:

- **4.8 Ensure commercial parking.** Ensure that prime commercial parking spaces are available for customers and other short-term users throughout the day.

Fiscal Impact:

The fiscal impact to the City depends on the duration of the program. Should Council approve one of the three alternatives listed above, the estimated revenue loss associated with the holiday free parking program in meter revenue and parking citations for expired meters (on a per-year basis) is estimated to be as follows without adjusting for COVID-related reductions in holiday patronage:

- \$75,078 for a 14-day program
- \$112,617 for a 21-day program
- \$150,156 for a 28-day program

Attachments:

1. Citywide Silver-Post Meter Map

2. Letter from Chamber of Commerce President Maureen Hunt

Respectfully Submitted by: Peter Ahlstrom, Community Services Division Manager

Concur: Paul LeBaron, Chief of Police

Noted for Fiscal Impact: Viki Copeland, Finance Director

Approved: Suja Lowenthal, City Manager