



Staff Report

File #: REPORT 23-0260, Version: 1

Honorable Mayor and Members of the Hermosa Beach City Council
Regular Meeting of May 9, 2023

**ADOPTION OF ORDINANCE NO. 23-XXXX OF THE
CITY COUNCIL OF THE CITY OF HERMOSA BEACH,
CALIFORNIA INCREASING PARKING METER RATES AND
FINDING THE SAME EXEMPT FROM THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT**
(Finance Director Viki Copeland)

Recommended Action:

Staff recommends City Council:

1. Waive second reading and adopt Ordinance No. 23-XXXX "An Ordinance of the City Council of the City of Hermosa Beach, California Increasing Parking Meter Rates and Finding the Same Exempt from the California Environmental Quality Act." (**Attachment 1**); and
2. Direct City Clerk to publish a summary ordinance.

Executive Summary:

Considering the recommendations included in the 2019 Coastal Zone Parking Management Study, City Council discussion, and recommendations at its January 31, 2022 Parking Study Session, February 28, 2023, March 14, 2023, and March 28, 2023 meetings, staff presents the item to adopt revised hourly parking meter and parking lot rates and hours of operation for the meters.

Background:

At its February 28, 2023 meeting, City Council discussed various issues related to parking in the City including parking meter rates. As discussed at the prior meeting, metered and pay-by-space parking is currently available for \$1.25 per hour, daily 10 a.m. to 8 p.m., and \$1.50 per hour, daily 8 p.m. to 2 a.m. in City lots, the downtown parking structure, and along streets and alleys. These rates were approved in 2010 and 2016, respectively. The dual-rate structure implements a demand-based pricing program where meters in higher demand areas (silver post) cost 25 cents more during peak (high usage) hours.

The following table details the history of meter rate increases.

Meter Rates-History of Rate Increases	
Year of Last Increase	Rate
2001	\$.75/hour
2003	\$1.00/hour
2010	\$1.25/hour
2016	\$1.50/hour Demand pricing implemented from a.m. for Upper Pier Avenue, Hermosa Avenue, and silver meters

The table below shows a survey of meter rate comparisons with other cities.

Meter/Pay by Space		
City	Location	Rate
Hermosa Beach	Upper Pier, Hermosa Avenue-	\$1.25/\$1.50
	Lot A, B & D (silver meters) 10	\$1.25/\$1.50
	Lot D-yellow meters only, F, G 2a.m.	\$1.25
	24-hour yellow meters and res spaces	\$5/day
Manhattan Beach	On-Street Meters Citywide	\$2.00
	County Parking Lots/Meters	\$2.50
Redondo Beach	Street Meters: Redondo Bike P George Freeth Way, Veterans	\$1/40 min; \$.25/10 min; \$.10/4 min; \$.05/2 min
	Parking Meter Permit thru 9/21 numbered parking sticker, CA	\$110/Annual per vehicle. 4 hr. limit
Santa Monica	On-Street Meters Citywide	\$1.25
	Downtown/Beach Meter Zones	\$2.50
West Hollywood	All Streets	
	Per 15 Minutes	\$0.50
	Per Hour, 5-minute grace betw	\$2.00
	Outdoor Dining Parking Meter	
	Daytime Hourly Rate per Parki	\$0.54
	Evening Hourly Rate per Parki	\$0.32
	Annual Flat Rate per Non-Enfo	\$107.50

	Annual Renewal Fees Subject Ana Area CPI Increase	
Culver City	Areas where employee parking businesses, by petition, opted to	\$0.25 per hour
	Areas with high-turnover, food area	\$0.75 per 15 minutes
	Outside of the Downtown area	\$1.00 per hour
	Downtown area	\$1.50 per hour

After completing its deliberations, City Council introduced on first reading a rate increase to \$2.00/\$2.50 per hour to align with current parking rates in other nearby coastal cities while maintaining the demand pricing structure. However, the language in the presented ordinance did not entirely reflect the current demand-based pricing locations. Staff brought this item back at the March 14, 2023 City Council meeting. There was still agreement that the rates should be raised to \$2.00/\$2.50 per hour and there was also agreement that demand-based pricing should be instituted citywide (*i.e.*, all meters will implement demand-based pricing between the hours of 8 p.m. and 2 a.m.). At its March 28, 2023 meeting, a majority of the City Council reached a consensus on an 8 a.m. start time and introduced on first reading Ordinance No. 23-XXXX.

Meeting Date	Description
June 6, 2018	The City Council held a Budget Workshop, with a Five-Year Financial Forecast, including recommendations for increased citation fines. At that time, the City Council requested a survey for all parking violations.
December 17, 2019	The City Council accepted the Coastal Zone Parking Assessment Study recommendations; directed staff to return to Council and the applicable City Commissions with the related implementation actions for each of the near-term recommendations; and directed staff to incorporate the policy recommendations into the Draft Local Coastal Program and, if appropriate, draft an amendment to the City's Coastal Development Permit for the Preferential Parking Program and Remote Beach Park and Ride System.
September 14, 2021	The City Council approved amending and updating the City's Certified Coastal Land Use Plan, focused on the Mobility Element, and authorized submittal to the California Coastal Commission.

September 28, 2021	The City Council requested that City Parking Programs and Parking Management be discussed at a future meeting.
January 31, 2022	The City Council reviewed and discussed the status and priorities of the 12 recommendations in the Parking Management Study and challenges of coordinating these efforts with goals of Plan Hermosa and the City's efforts to certify a Local Coastal Program with the Coastal Commission. Council directed staff to move forward with the sale of the renewal of the 2022-2023 residential and employee parking permits; place an item on a future agenda to enable Council to consider a fee increase; and restrict the out-of-state vehicles except for active military.
November 3, 2022	The City Council awarded a contract for mobile parking payment systems (Pay-By-App) to ParkMobile, LLC and directed staff to explore opportunities to utilize the system to provide real-time parking availability information to the public.
November 29, 2022	The City Council approved the conclusion of all incentives for public electric vehicle charging and implementation of charging fees for electricity usage at public chargers.
February 28, 2023	The City Council approved changes to the City's residential parking permit program, employee permit program, and hourly parking meter and parking lot rates.
March 14, 2023	The City Council gave City Manager or designee the discretion to waive the vehicle registration requirement, upon showing a good cause, amending the previously adopted resolution.
March 28, 2023	The City Council approved the introduction and waived the first reading of an ordinance entitled "Ordinance of the City Council of the City of Hermosa Beach, California Increasing Parking Meter Rates and Finding the Same Exempt From the California Environmental Quality Act" with a start time of 8:00 a.m. for parking meters in the City. Council also directed staff to create an annual parking pass for parking meter spaces only during the hours of 8:00 a.m. to 10:00 a.m. Early Bird Sticker at a fee of \$180 per year, and to implement the sale of this parking pass.

Discussion:

For City Council's consideration of adoption is an ordinance which would eliminate the bifurcated

approach and implement demand-based pricing for all meters in the City regardless of location and operational hours for meters commencing at 8 a.m. and terminating at 2 a.m. daily (**Attachment 1**).

Environmental Determination

Pursuant to the California Environmental Quality Act ("CEQA"), the City finds that there is no evidence that the Project would have a significant effect on the environment. Thus, pursuant to CEQA Guidelines section 15061 (b)(3), it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. Furthermore, section 15273 of the CEQA Guidelines states that CEQA does not apply to modification of fees by public agencies for meeting operating expenses or financial needs.

General Plan Consistency:

This report and associated recommendation have been evaluated for their consistency with the City's General Plan. Relevant Policies are listed below:

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:

- **4.2 Encourage coastal access.** Ensure parking facilities and costs of such facilities are not a barrier to beach access by the public.
- **4.3 Reduce impacts.** Reduce spillover parking impacts due to employee parking and seasonal event-based demands.
- **4.4 Preferential parking program.** Periodically study and evaluate the current inventory of public parking supply and update the preferential parking program.
- **4.6 Priority parking.** Provide priority parking and charging stations to accommodate the use of Electric Vehicles (EVs), including smaller short-distance neighborhood electric vehicles.
- **4.7 Parking availability.** Optimize parking availability through dynamically adjusted pricing and new technology to manage available spaces for short-term parking use to encourage rates of turnover that are responsive to fluctuating demands.
- **4.8 Ensure commercial parking.** Ensure that prime commercial parking spaces are available for customers and other short-term users throughout the day.
- **4.9 Encourage TDM strategies.** Encourage use of transportation demand management strategies and programs such as carpooling, ride hailing, and alternative transportation modes as a way to reduce demand for additional parking supply.
- **4.10 Visitor parking information.** Manage information about passes and accessing public parking lots to facilitate use by longer-distance visitors with limited transportation choices.
- **4.11 Consolidated parking facilities.** Consider the development of new small-scale parking structures or shared facilities outside of the Downtown core and incorporate adaptability standards so that they may serve other uses in the future.

Fiscal Impact:

The recommended increase of meter rates from \$1.25 per hour, daily 10 a.m. to 8 p.m., and \$1.50 per hour, daily 8 p.m. to 2 a.m., to \$2.00 per hour and \$2.50 per hour to align with current parking rates in other nearby Coastal cities would result in an estimated annual revenue increase of \$1,838,489. This estimate would change if the hours of operation or locations or both are changed. The addition of demand-based pricing of \$2.50 per hour from 8 p.m. to 2 a.m. to yellow post meters would result in an estimated annual revenue increase of \$174,799. Additional hours of operation from 8 a.m. to 10 a.m. on all meters would result in an estimated annual revenue increase of \$815,452.

Updated Fiscal Impact Since March 28, 2023 Meeting:

Based on updated meter reports by time, the recommended increase of meter rates from \$1.25 per hour, daily 10 a.m. to 8 p.m., and \$1.50 per hour, daily 8 p.m. to 2 a.m., to \$2.00 per hour and \$2.50 per hour to align with current parking rates in other nearby Coastal cities would result in a revised estimated annual revenue increase of \$1,696,823.

Attachments:

1. Draft Ordinance Increasing Parking Meter Rates and Instituting Demand Pricing City Wide and Establishing Operational Hours
2. Link to June 6, 2018 City Council Budget Workshop (see Draft Forecast and Financial Plan Attachment p.11)
3. Link to December 17, 2019 City Council Staff Report
4. Link to September 14, 2021 City Council Staff Report
5. Link to September 28, 2021 City Council Meeting Agenda
6. Link to January 31, 2022 City Council Parking Study Session Agenda
7. Link to November 3, 2022 City Council Staff Report
8. Link to November 29, 2022 City Council Staff Report
9. Link to February 28, 2023 City Council Staff Report
10. Link to March 14, 2023 City Council Staff Report
11. Link to March 28, 2023 City Council Staff Report

Respectfully Submitted by: Viki Copeland, Finance Director

Concur: Carrie Tai, AICP, Community Development Director

Noted for Fiscal Impact: Viki Copeland, Finance Director

Legal Review: Patrick Donegan, City Attorney

Approved: Suja Lowenthal, City Manager