COUNCIL MEETING
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CITY OF PALO ALTO

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PERMANENT PARKLET PROGRAM DISCUSSION AND DIRECTION

CITY COUNCIL ITEM #6

March 13, 2023

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PURPOSE & OVERVIEW

1. Review and provide direction to staff on:
   a. The proposed changes to parklet standards (Attachment A)
      - Parklet size – max. 2 parallel parking spaces or 3 angled parking spaces
      - Heaters
      - Parklet location, eligibility and design standards
      - Application requirements
   b. Parklet fees to be collected – specifically the license fee
2. Amend the Fiscal Year 2023 Budget Appropriation for the General Fund (2/3 supermajority)
   a. Increasing the Public Works expenditure for contract services by $85k
   b. Decrease the Budget Stabilization Reserve by $85k

BACKGROUND

Legislative History

1. June 2020	• City Council Adopted Ordinance No. 5500 and Resolution 9909
2. April 2021	• City Council directed staff to develop a permanent program and extended the pilot program to end of 2021
3. June & September 2021	• Extension of pilot parklet program ordinance passed • Pilot program extended to new sunset date of June 2022
4. May 2022	• Council extended pilot program to end of 2022 and updated temporary guidelines
5. October 2022	• Council extended the pilot parklets through June 2023 and directed staff to require a letter of consent in certain cases beginning January 1, 2023. • Council directed staff to implement the draft permanent standards upon adoption of a permanent parklet ordinance. • Council directed staff to return with a recommendation for continuing propane use, establishing parklet fees, and limiting amplified sound to only come from buildings in the permanent standards.

BACKGROUND

Temporary program:

- As of January 1, 2023, new and existing parklets were required to renew their permits and demonstrate compliance, including the letter of consent requirement.

Permanent Program

- Several added dimensions have led to proposed changes to the permanent standards
  - The overall size and scale of parklets
  - The suitability of parklet regulations across varying sized parklets and structures

DISCUSSION

Areas of Focus:

1) Size and scale of parklets (limiting to 2 parking spaces)
2) Heaters
3) License Fee for use of public right-of-way and Cleaning Fee

Image Source: Meristem

1) SIZE AND SCALE OF PARKLETS

How large parklets should be:

Staff recommends limiting parklets to 2 parallel parking spaces or 3 angled parking spaces and requiring letters of consent consistent with October 2022 Council direction.

- Consistent and scaled back parklet footprints
- Balance the needs of restaurateurs and business with safety requirements while continuing to enliven the public realm and enhance the experience of diners, pedestrians, and vehicles.
- Streamline program administration for both applicants and staff

1) SIZE AND SCALE OF PARKLETS

How large parklets should be:

- New structures over 350 square feet require automatic sprinklers, with a water connection and fire permit (PA municipal code) – 2-space limit ensures they are within 350 square feet
- Electrical and lighting needs scale with parklet size – the size limitation and accompanying standards minimize these impacts.
- There is an interest in balancing the public and private use of the public right-of-way
- A maximum parklet size allows staff to estimate occupancy increases with a parklet
- Limiting parklet size ensures that street sweeping can take place on streets with parklets
- A smaller streamlined parklet footprint limits encroachment over neighboring storefronts, providing greater certainty for businesses and staff.

Other jurisdictions that limit parklet sizes to 2 parking spaces include San Francisco, Campbell, and San Mateo

1) SIZE AND SCALE OF PARKLETS

Bathrooms

Staff is not recommending requiring that permittees add additional bathroom capacity

- The recommendation to limit parklet size minimizes impacts on existing restroom facilities
- Similar approach to other jurisdictions
- Alternative option could be to reference bathroom standards in the California Building and Plumbing codes for indoor facilities
    - Consider feasibility (including space, cost, and practicality) or requiring additional bathroom facilities

2) HEATERS

Heaters

The permanent standards include provisions for both propane and electric heaters

- Following Council direction, the standards allow propane heater use in parklets with a valid hazmat permit (Palo Alto Fire Department).
  - Location and quantity of propane.
  - Cannot be stored on parklets, indoors, or in public right-of-way.
  - Min. 5 feet clear of flammable material
  - Not under roofs, canopies, or tents, etc.
  - Annual inspections.

3) PARKLET FEES

Staff recommend establishing five fees that will be required to establish a parklet under the permanent program including:

a) An initial application fee of $2,000 to $2,250
b) An annual renewal fee of $750 to $1,000
c) A cleaning fee
d) A fully refundable deposit of $3,000
e) A license fee for use of the public right-of-way.

Staff seek specific guidance on the cleaning fee and license fee for use of the public right-of-way.

3) PARKLET FEES

License Fee - Pricing the Right-of-Way

Staff proposes establishing a rate per square foot using current ground floor retail lease rates and applying a "discount" to account for public right-of-way conditions (adjacent to travel lane, unfinished, no roof, walls, etc.)

There are three different rental rate options and yields an annual fee per parking space used in a parklet.

Fee Comparison Using Palo Alto Retail Rental Rates			
Ground Floor Retail Rental Rates*	**RATE/SQFT**	**COST/SPACE (160 sqft)**	**COST/PARKLET (320 sqft)**
Downtown (DT) *Includes Stanford Shopping Center	$79	**$12,595**	**$25,190**
Non-Downtown (NDT)	$56	**$8,947**	**$17,894**
All Palo Alto (APA)	$71	**$11,419**	**$22,839**

Source: 2022 average rental rates
Note: the average parallel parking space is 160 square feet

3) PARKLET FEES

License Fee - Pricing the Right-of-Way

- This table represents a sliding scale parklet fees after a discount

DT = Downtown (including Stanford Shopping Center)

NDT = Non-Downtown

APA = All Palo Alto

Parklet Fees after Discount									
	RATE/SQFT			COST/SPACE			COST/PARKLET		
Discount	DT	NDT	APA	DT	NDT	APA	DT	NDT	APA
90%	$8	$6	$7	$1,260	$895	$1,142	$2,519	$1,789	$2,284
80%	$16	$11	$14	$2,519	$1,789	$2,284	$5,038	$3,579	$4,568
70%	$24	$17	$21	$3,779	$2,684	$3,426	$7,557	$5,368	$6,852
60%	$31	$22	$29	$5,038	$3,579	$4,568	$10,076	$7,158	$9,135
50%	$39	$28	$36	$6,298	$4,474	$5,710	$12,595	$8,947	$11,419
40%	$47	$34	$43	$7,557	$5,368	$6,852	$15,114	$10,737	$13,703
30%	$55	$39	$50	$8,817	$6,263	$7,994	$17,633	$12,526	$15,987
20%	$63	$45	$57	$10,076	$7,158	$9,135	$20,152	$14,316	$18,271
10%	$71	$50	$64	$11,336	$8,052	$10,277	$22,671	$16,105	$20,555
0%	$79	$56	$71	$12,595	$8,947	$11,419	$25,190	$17,894	$22,839

3) PARKLET FEES

License Fees - Pricing the Right-of-Way

- Council may consider parklet fees in other jurisdictions

Peer Jurisdiction Fee Comparison						
	Palo Alto	Los Altos	Burlingame	Mountain View	Redwood City	San Mateo
Staff fees						
Initial Application Fee	$2,250.00	$500.00		$769.00	$2,226.00	$500.00
Annual Renewal fee	$1,000.00			$205.00	$583.00	
Cleaning Fee	**TBD**		$3,000.00	$576.00		
License Fee*	**TBD**	**$3/sqft**	**$5/sqft**	**$6/sqft**	**$10.16/sqft**	**$1.56/sqft**
License Fee (160sqft)		$480.00	$800.00	$960.00	$1,625.60	$249.60
License Fee (320sqft)		$960.00	$1,600.00	$1,920.00	$3,251.20	$499.20
Refundable deposit	$3,000.00					
Total 1st year (320 sqft)	**$5,250.00**	**$1,460.00**	**$4,600.00**	**$3,265.00**	**$5,477.20**	**$999.20**
Total ongoing (320 sqft)	**$1,000.00**	**$960.00**	**$4,600.00**	**$2,701.00**	**$3,834.20**	**$499.20**

3) PARKLET FEES

Cleaning Fee

- A cleaning fee is challenging to determine as the cleaning cost is fixed and the number of parklets is variable
- Downtown area sidewalks are steam cleaned 1x month.
- At this time, *staff does not have a recommendation but offers potential options for cleaning.*

Estimated Annual Cost for Current and Increased Cleaning in Downtown Areas	
Frequency	**Annual Cost**
Monthly*	$59,040
Semi-monthly	$100,680
Weekly	$149,040

- Table above demonstrates current and increased cleaning costs
- Another option is to have a full-time staff person dedicated to cleaning

AMENDMENTS TO FY 2023 BUDGET APPROPRIATION FOR THE GENERAL FUND

- Over the past two and a half years, over 40 temporary parklet permits have been issued, including review, enforcement, inspection, administration, and ongoing project management
- On January 1, 2023, staff began work to implement Council direction to require a letter of Consent are more than half of a parking space in front of their neighboring business' frontage.
  - This effort has taken over 160 hours of additional work by Public Works staff and additional hours from other departments.
- Staff anticipate a large percentage of the 35 existing parklet permit holders will transition to the permanent program
- The Public Works department requires staffing resources to implement the permanent program

NEXT STEPS

- Following Council direction, staff will refine design standards and program operations as needed and return in the spring with a formal ordinance to enact the program.

Additional Information

- Temporary parklet program is authorized through June 2023
- Continuing this temporary parklet program would require an ordinance amendment (two readings + 30 days)
- Staff can bring an amendment to Council on consent in early April to extend the program to the end of 2023 (or another date)
- If a permanent program ordinance is adopted in the meantime, the temporary program can be shortened accordingly

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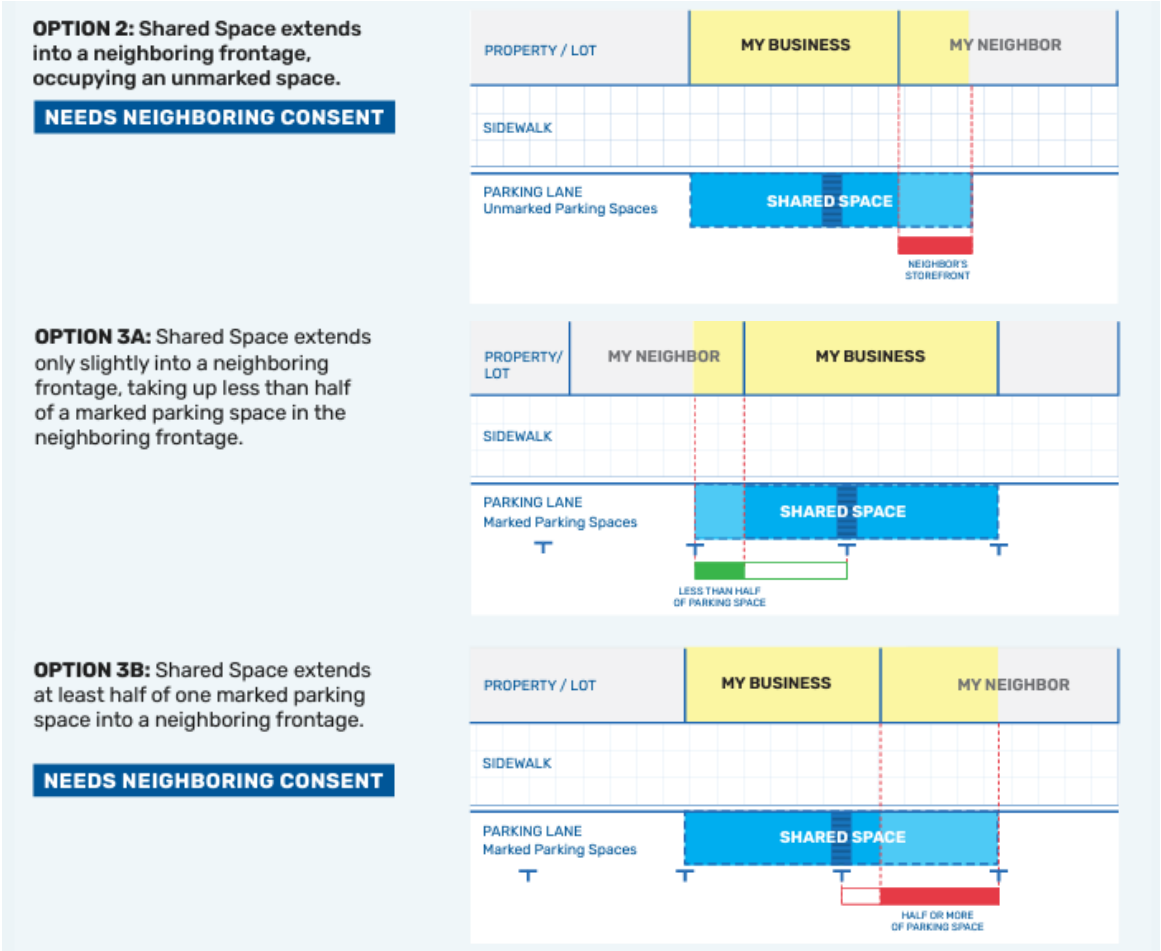
Amy French
Chief Planning Official
Amy.French@CityofPaloAlto.org

Hannah Chan Smyth
Consulting Associate Planner
hchansmyth@up-partners.com

APPENDIX – Letter of Consent

Letter of Consent required from both neighbor tenant and property owner when *a parklet occupies more than half (50%) of a marked parking space that is not in front of the applicant's storefront, or if any part of an unmarked parking space is not in front of the applicant's storefront.*



Source: City of San Francisco, 2022. Shared Spaces Manual

APPENDIX – PROPANE VS ELECTRIC HEATERS

PROPANE	ELECTRIC
Requirements: HAZMAT permit: • Submit parklet plans to PAFD showing how and where propane will be stored, where the heaters will be used, and the quantity of propane to be stored. • Create California Environmental Reporting System (CERS) account and annually update propane use. • Pay applicable permit fees ($500 to $3,000 annually) • Store propane outside in secure metal cages (i.e., anchored to the ground) – propane cannot be stored on parklets, indoors, or in public right-of-way. • Propane must be stored and operated 5 feet clear of flammable material. • Propane must be use and stored a minimum of 5 feet from exits or exit discharge (10 feet from buildings having only one exit) • Propane heaters cannot be used under roofs, canopies, or tents, etc. • If businesses do not have an approved private outdoor storage area, all propane containers must be removed from the premises at the close of business every day. • Undergo annual inspections.	Requirements: • Must be an outdoor-approved type • Must be located on the parklet in accordance with the manufacturer's instructions and specifications. • Electric heaters must be placed at least 3 feet away from any combustible materials. • Must be plugged into an approved GFCI receptacle, no extension cords. • A panel upgrade requires an electrical permit from the Building Department. Any electrical equipment must be listed and carry a product certificate for its intended use by a recognized electrical testing laboratory.
Cost: Permit Fee: $500 to $3,000 annually (depending on the quantity of propane being stored)	**Cost:** Electrical Panel upgrade (if needed) one-time estimated cost: $3,000 to $5,000
GHGs: 0.024 MT of CO2 emissions per propane tank	**GHGs:** Net-neutral – the City provides carbon-neutral electricity