



**PERMANENT  
PARKLET PROGRAM  
DISCUSSION AND  
DIRECTION**  
City Council Item #11

**March 27, 2023**

[www.cityofpaloalto.org](http://www.cityofpaloalto.org)

*Image Source: Feeney Inc*

# CUSTOMER EXPERIENCE

## Traffic Safety

- Balancing customer safety in urban setting
- Parklets on slower streets, minimum setbacks from driveways and alleys, design standards

## HAZMAT Use and Storage

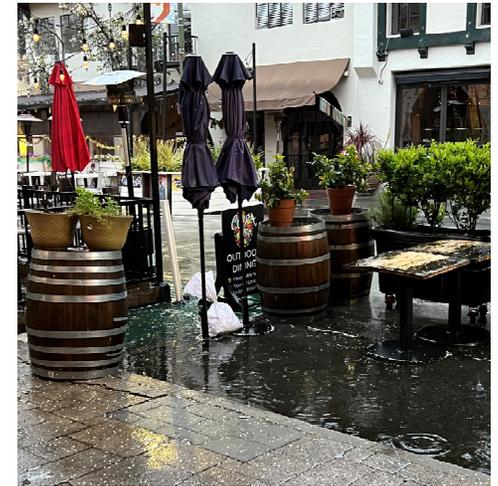
- Propane usage vs. storage

## Drainage

- Standards to allow free flow of water and maintaining cleanliness under parklets

## General Experience

- Balancing aesthetics, cleanliness and safety in the public right-of-way



# DISCUSSION

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## Continued Areas of Focus:

(cont'd from 3/13 meeting)

- 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





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**PERMANENT  
PARKLET PROGRAM  
DISCUSSION AND  
DIRECTION**  
City Council Item #6

*Image Source: Feeney Inc*

**March 13, 2023**

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## PURPOSE & OVERVIEW

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1. Review and provide direction to staff on:
  - a. The proposed changes to the 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

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## Legislative History

- |                                     |  |
|-------------------------------------|--|
| <b>1. June 2020</b>                 | <ul style="list-style-type: none"><li>• City Council Adopted Ordinance No. 5500 and Resolution 9909</li></ul>  |
| <b>2. April 2021</b>                | <ul style="list-style-type: none"><li>• City Council directed staff to develop a permanent program and extended the pilot program to end of 2021</li></ul>   |
| <b>3. June &amp; September 2021</b> | <ul style="list-style-type: none"><li>• Extension of pilot parklet program ordinance passed</li><li>• Pilot program extended to new sunset date of June 2022</li></ul>   |
| <b>4. May 2022</b>                  | <ul style="list-style-type: none"><li>• Council extended pilot program to end of 2022 and updated temporary guidelines</li></ul>   |
| <b>5. October 2022</b>              | <ul style="list-style-type: none"><li>• Council extended the pilot parklets through June 2023 and directed staff to require a letter of consent in certain cases beginning January 1, 2023.</li><li>• Council directed staff to implement the draft permanent standards upon adoption of a permanent parklet ordinance.</li><li>• 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.</li></ul> |

# BACKGROUND

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## 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

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## 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



# 1) SIZE AND SCALE OF PARKLETS

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## 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

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## 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

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## 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) of requiring additional bathroom facilities

## 2) HEATERS

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### 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

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*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) <small>*Includes Stanford Shopping Center</small>	\$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
<b>Staff fees</b>						
<b>Initial Application Fee</b>	\$2,250.00	\$500.00		\$769.00	\$2,226.00	\$500.00
<b>Annual Renewal fee</b>	\$1,000.00			\$205.00	\$583.00	
<b>Cleaning Fee</b>	TBD		\$3,000.00	\$576.00		
<b>License Fee*</b>	TBD	\$3/sqft	\$5/sqft	\$6/sqft	\$10.16/sqft	\$1.56/sqft
<b>License Fee (160sqft)</b>		\$480.00	\$800.00	\$960.00	\$1,625.60	\$249.60
<b>License Fee (320sqft)</b>		\$960.00	\$1,600.00	\$1,920.00	\$3,251.20	\$499.20
<b>Refundable deposit</b>	\$3,000.00					
<b>Total 1st year (320 sqft)</b>	<b>\$5,250.00</b>	<b>\$1,460.00</b>	<b>\$4,600.00</b>	<b>\$3,265.00</b>	<b>\$5,477.20</b>	<b>\$999.20</b>
<b>Total ongoing (320 sqft)</b>	<b>\$1,000.00</b>	<b>\$960.00</b>	<b>\$4,600.00</b>	<b>\$2,701.00</b>	<b>\$3,834.20</b>	<b>\$499.20</b>

### 3) PARKLET FEES

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#### 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

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- 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 if 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

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- 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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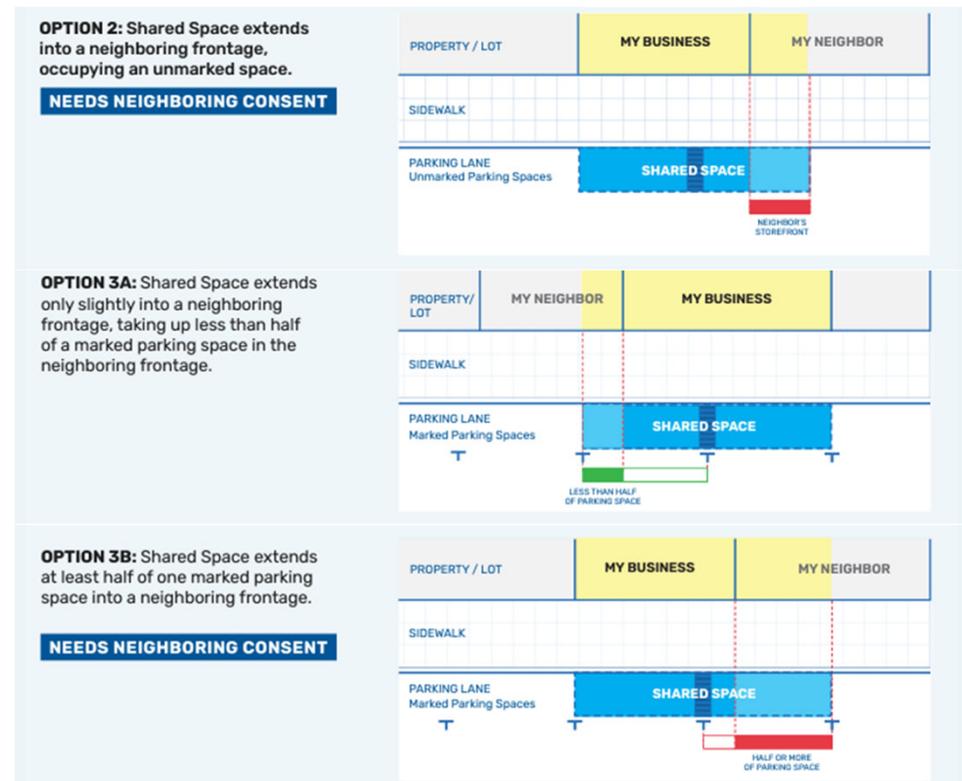
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# APPENDIX – Letter of Consent

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
<p><b>Requirements: HAZMAT permit:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Create California Environmental Reporting System (CERS) account and annually update propane use.</li> <li>• Pay applicable permit fees (\$500 to \$3,000 annually)</li> <li>• 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.</li> <li>• Propane must be stored and operated 5 feet clear of flammable material.</li> <li>• Propane must be use and stored a minimum of 5 feet from exits or exit discharge (10 feet from buildings having only one exit)</li> <li>• Propane heaters cannot be used under roofs, canopies, or tents, etc.</li> <li>• 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.</li> <li>• Undergo annual inspections.</li> </ul>	<p><b>Requirements:</b></p> <ul style="list-style-type: none"> <li>• Must be an outdoor-approved type</li> <li>• Must be located on the parklet in accordance with the manufacturer’s instructions and specifications.</li> <li>• Electric heaters must be placed at least 3 feet away from any combustible materials.</li> <li>• Must be plugged into an approved GFCI receptacle, no extension cords.</li> <li>• 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.</li> </ul>
<p><b>Cost:</b> Permit Fee: \$500 to \$3,000 annually (depending on the quantity of propane being stored)</p>	<p><b>Cost:</b> Electrical Panel upgrade (if needed) one-time estimated cost: \$3,000 to \$5,000</p>
<p><b>GHGs:</b> 0.024 MT of CO2 emissions per propane tank</p>	<p><b>GHGs:</b> Net-neutral – the City provides carbon-neutral electricity</p>