



CITY COUNCIL STAFF REPORT



November 5, 2024

ITEM TITLE

Downtown Parking District Meter Rates: Increase Parking Meter Rates in the Downtown Parking District and Amend Chula Vista Municipal Code Chapters 10.52 and 10.56, and Chapter 13 of the City's Master Fee Schedule

Report Number: 24-0203

Location: Downtown Parking District, bounded by E Street to the north, Del Mar Avenue to the east, Garret Avenue to the west, and H Street to the south

Department: Finance

G.C. § 84308: No

Environmental Notice: The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act ("CEQA") State Guidelines. Therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required

Recommended Action

Place an ordinance on first reading amending Chapter 10.56 of the Chula Vista Municipal Code "Parking Meters, Parking Meter Zones and Permit Parking" to amend section 10.56.020 "Meters – Installation and maintenance – Rates of use" to increase parking meter rates, and to amend section 10.56.040 "Meter zones – Designated – Time limits authorized in zone – Schedule XI" to reflect current parking meter zones and time limits, and amending Chapter 10.52 of the Chula Vista Municipal Code "Stopping, Standing and Parking" to amend section 10.52.480 "Municipal parking lots – Designated – Manner of parking required – Schedule XV" to reflect current parking lots **(First Reading)**; and adopt a resolution amending Chapter 13 of the City's Master Fee Schedule increasing the parking meter rates.

SUMMARY

The Downtown Parking District encompasses a roughly 120-acre area in downtown Chula Vista bounded by E Street to the north, Del Mar Avenue to the east, H Street to the south, and Garrett Avenue to the west. The Downtown Parking District provides more than 1,500 public parking spaces through metered and free parking. In September 2022, the City Council adopted a resolution approving the Downtown Parking Management Plan (DPMP) Report. The DPMP Report included the recommendation to increase parking meter rates to provide sufficient revenue to support Downtown Parking District operations and parking

turnover. City staff has analyzed the parking meter revenue and the Parking Meter Fund that supports the annual operating and maintenance, and capital expenses of the Downtown Parking District and projects annual deficits and negative fund balance by Fiscal Year 2029. In order to address projected deficits and maintain a positive fund balance and adequate reserves, staff recommends increasing parking meter rates from \$0.50 to \$0.75 per hour for Two-Hour and Four-Hour Meters and from \$0.25 to \$0.50 per hour for Ten-Hour Meters.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines, because it will not result in a physical change in the environment. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

The proposed parking meter rate increase in the Downtown Parking District was presented as an informational item to the Downtown Chula Vista Association, Board of Directors Meeting on October 9, 2024.

DISCUSSION

Background

The Downtown Parking District was formed in 1963 via Ordinance 847 under the provisions of the Parking District Law of 1943 (California Streets and Highways Code 31500 - 36745), which allows construction of parking facilities and imposition of parking fees. The Downtown Parking District encompasses a roughly 120-acre area in downtown Chula Vista bounded by E Street to the north, Del Mar Avenue to the east, H Street to the south, and Garrett Avenue to the west. Third Avenue, a major commercial corridor, runs in a north/south direction through the center of the Downtown Parking District. Businesses fronting Third Avenue include bars, restaurants, offices, commercial shops, and numerous other uses. Within the Downtown Parking District, Third Avenue is characterized by wide sidewalks, streetscape improvements (such as curb bulb-outs and mid-block crosswalks), numerous store fronts and bar/restaurant entrances, and angled on-street parking, all of which facilitate pedestrian access and circulation along this roadway. Memorial Park is located on the west side of Third Avenue, between G Street and F Street, and the Third Avenue corridor is the site of numerous community-wide special events. Areas outside of the Downtown Parking District are mostly residential, with single family and multi-family residences throughout.

The Downtown Parking District includes over 1,500 public parking spaces, which are located on-street, off-street parking lots, and in one multi-level parking structure located at 340 F Street (the "Park Plaza Parking Structure"). Of the total parking spaces, nearly half are available at no charge. Paid parking facilities include the following:

Paid Parking Facilities	Time Limits	Current Meter Rate	Spaces
On-Street Metered Spaces	2 Hours	\$0.50/hour	480
Pay Lot 1	10 Hours	\$0.25/hour	14
Pay Lot 2	4 Hours	\$0.50/hour	74

Paid Parking Facilities	Time Limits	Current Meter Rate	Spaces
Pay Lot 3	10 Hours	\$0.25/hour	118
Pay Lot 5	4 Hours	\$0.50/hour	42
Pay Lot 8	10 Hours	\$0.25/hour	53
Pay Lot 10	10 Hours	\$0.25/hour	28

Current Parking Meter Rates, Zones, and Limits

Downtown Parking District meter rates are established by Chula Vista Municipal Code (CMVC) Section 10.56.020. The rates for parking in a space regulated by a meter are as follows:

- Thirty (30) Minute Meters: A \$0.25 deposit up to the maximum time limit established for the zone in which the meter is located; or
- Two, Three, and Four-Hour Meters: A \$0.25 deposit for each 30-minute interval or a \$0.50 deposit for each one-hour interval up to the maximum legal time limit established for the zone in which the meter is located; or
- Ten (10) Hour Meters: A \$0.25 deposit for each one-hour period up to the maximum legal time limit established for the zone in which the meter is located.

The current parking meter rates were last increased in 2007 via Ordinance 3094 to generate additional revenue to make necessary maintenance and improvements in the Downtown Parking District.

Downtown Parking District meter zones and limits are established by CVMC Section 10.56.040. Current Parking time limits permitted are: 30 minutes, one-hour, and two-hours for on-street meters, four-hours at pay lots 2 and 5, and 10 hours at pay lots 1, 3, 8, and 10. The current parking meter zones and limits were last updated in 2009 via Ordinance 3138 to expand the district boundaries and general clean-up of certain parking related definition and regulations.

Downtown Parking Management Plan

The Downtown Parking Management Plan (DPMP) report, dated August 2022, was prepared by Chen Ryan Associates and approved by the City Council on September 27, 2022. The DPMP report analyzed existing and projected future parking conditions within the Downtown Parking District and provided a series of recommendations to optimize parking facilities and parking availability throughout the Downtown Parking District. One of the recommendations of the DPMP report was to increase on-street metered spaces to \$0.75 per hour and pay lot meter spaces to \$0.50 per hour to make the acceptance of the credit card payments on single space smart meters financially feasible when implemented.

In October 2023, single space smart meters were installed throughout the Downtown Parking District providing coin, credit and debit cards, and contactless pay options. Prior to implementation of the single space smart meters, only coins were accepted at on-street meters.

Parking Meter Revenue and Fund Analysis

In accordance with CVMC Section 10.56.260, all revenue collected from Downtown Parking District meters is deposited into the Parking Meter Fund, a special revenue fund, for the following purposes:

- For the purchasing, leasing, installing, repairing, maintaining, operating, removing, regulating and policing of parking meters in this City and for the payment of any and all expenses relating or incidental thereto.
- For the purchasing, leasing, acquiring, improving, operating and maintaining of off-street parking facilities in the City.
- For the installation and maintenance of traffic control devices and signals.
- For the painting and marking of streets and curbs required for the direction of traffic and parking of motor vehicles.
- For the proper regulation, control and inspection of parking and traffic upon the public streets.
- To be pledged as security for the payment of principal and interest on off-street parking revenue bonds issued by the City or any parking district organized within the City.

Parking meter revenue provides resources to support the annual operating and maintenance, and routine and minor capital expenses of the Downtown Parking District. The following are examples of current uses of Parking meter revenue:

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| <ul style="list-style-type: none"> • Parking District Management and Enforcement Contract • Parking Structure Maintenance Contract • Supplies and Services (such as meter data services, meter rental, repair and replacement costs) • Utilities • City Staff Services • Pass Through Penalty to County (\$12.50 per citation) | <ul style="list-style-type: none"> • Credit Card Transaction Fees • Minor Capital Expenditures (such as lighting, elevator, parking structure, and parking lot repairs/replacements) • Funding Operating Reserves (6 Months Operating Expenditures) • Funding Capital Reserves (12 Months Operating Expenditures) |
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Additionally, the parking meter revenue is needed to support major capital outlay and projects on assets of the Downtown Parking District. The following are examples of these types of major capital projects and potential future needs of the Downtown Parking District:

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| <ul style="list-style-type: none"> • Parking Lot 3 Purchase • ADA Parking Improvements • Parking Structure Lighting Improvements • Parking Lot Resurfacing • Parking Lot Lighting Improvements | <ul style="list-style-type: none"> • Parking Wayfinding/Signage Replacements/Improvements • Curbside and Mobility Improvements • Parking Structure Elevator Replacement |
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The Government Finance Officers Association (GFOA) recommends that governments periodically review and update charges and fees. As mentioned above, the last time parking meter rates were increased was in 2007. As such, staff analyzed the Parking Meter Fund, forecasting projected revenues, expenditures, and impacts to fund balance and reserves using current parking meter rates. The following table outlines the projected revenues, expenditures, and impacts to fund balance and reserves over the next five-years using current parking meter rates and assumptions. The analysis highlights projected annual deficits starting in Fiscal Year 2025 resulting in the use of reserve funds and a negative fund balance by Fiscal Year 2029. The projection also indicates that the City would need to delay the major capital needs highlighted above (or

identify an alternative funding source such as the General Fund) in Fiscal Year 2028 due to limited fund balance. Lastly, the City would likely need to reduce operational costs in Fiscal Year 2029, via service level reductions in the Downtown Parking District to maintain a positive fund balance.

Table 1 – Current Meter Rates

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Beginning Fund Balances	\$ 1,300,000	\$ 1,239,700	\$ 365,000	\$ 126,200	\$ 33,600
Revenues	\$ 780,400	\$ 790,400	\$ 800,400	\$ 810,600	\$ 820,900
Expenditures	\$ 840,700	\$ 1,665,100	\$ 1,039,200	\$ 903,200	\$ 917,400
Projected Surplus / (Deficit)	\$ (60,300)	\$ (874,700)	\$ (238,800)	\$ (92,600)	\$ (96,500)
Ending Fund Balance	\$ 1,239,700	\$ 365,000	\$ 126,200	\$ 33,600	\$ (62,900)
Operating Reserve - Target \$400K	\$ 439,700	\$ 365,000	\$ 126,200	\$ 33,600	\$ -
Capital Reserve - Target \$800K	\$ 800,000	\$ -	\$ -	\$ -	\$ -
Total Reserve Funds	\$ 1,239,700	\$ 365,000	\$ 126,200	\$ 33,600	\$ -

Proposed Parking Meter Rates, Zones, and Limits

In order to address the projected deficits and maintain a positive fund balance and adequate reserves, staff is recommending a parking meter rate increase of \$0.25 per hour district wide, increasing the rate for Two-Hour and Four-Hour Meters from \$0.50 to \$0.75 and increasing the rate for Ten-Hour Meters from \$0.25 to \$0.50 per hour. The following table outlines the projected revenues, expenditures, and impacts to fund balance and reserves over the next five-years using the proposed parking meter rates and assumptions. The updated analysis highlights a reasonable projected annual surplus, funding for major capital needs, positive fund balance, and maintenance of reserves with no reliance on an alternative funding source.

Table 2 – Proposed Meter Rates

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Beginning Fund Balances	\$ 1,300,000	\$ 1,372,100	\$ 765,100	\$ 796,900	\$ 828,000
Revenues	\$ 912,800	\$ 1,058,100	\$ 1,071,000	\$ 1,084,300	\$ 1,097,700
Expenditures	\$ 840,700	\$ 1,665,100	\$ 1,039,200	\$ 1,053,200	\$ 1,067,400
Projected Surplus / (Deficit)	\$ 72,100	\$ (607,000)	\$ 31,800	\$ 31,100	\$ 30,300
Ending Fund Balance	\$ 1,372,100	\$ 765,100	\$ 796,900	\$ 828,000	\$ 858,300
Operating Reserve - Target \$400K	\$ 572,100	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Capital Reserve - Target \$800K	\$ 800,000	\$ 365,100	\$ 396,900	\$ 428,000	\$ 458,300
Total Reserve Funds	\$ 1,372,100	\$ 765,100	\$ 796,900	\$ 828,000	\$ 858,300

Staff is also recommending minor modifications to meter zones and time limits to reflect current zones and time limits within the Downtown Parking District.

The proposed modifications to CVMC Chapters 10.52 and 10.56, and Chapter 13 of the City's Master Fee Schedule related to the proposed rate increase and minor modification to meter zones and time limits are redlined in Attachment 1, 2 and 3 for CVMC Chapters 10.56, 10.52, and Chapter 13 of the City's Master Fee Schedule, respectively.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 1,000 feet of the boundaries of the Downtown Parking District which is the subject of this action. Consequently, this item does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(7) or (8), for purposes of the Political Reform Act (Cal. Gov't Code §87100, et seq.).

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

There is no current year fiscal impact to the General Fund as a result of this action. Additional parking meter revenue resulting from the proposed rate increases will be deposited within the Parking Meter Fund to fund current year operating and maintenance, and capital expenses of the Downtown Parking District.

ONGOING FISCAL IMPACT

There is no ongoing fiscal impact to the General Fund as a result of this action as currently presented. Additional parking meter revenue resulting from the proposed rate increases will be deposited within the Parking Meter Fund to fund current-year and ongoing operating and maintenance, and capital expenses of the Downtown Parking District.

ATTACHMENTS

1. Redline Amendments to CVMC Chapter 10.56
2. Redline Amendments to CVMC Chapter 10.52
3. Redline Amendments to City's Master Fee Schedule Chapter 13

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