



STAFF REPORT

AGENDA NO: 10a

MEETING DATE: July 1, 2024

To: Honorable Mayor and City Council

Date: July 1, 2024

From: Ruben Hurin, Interim Community Development Director – (650) 558-7256
Joseph Sanfilippo, Econ Development & Housing Specialist – (650) 558-7264

Subject: Adoption of a Resolution Setting a Parklet Use Fee Structure and Amending the Master Fee Schedule Accordingly

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution setting a parklet use fee structure and amending the Master Fee Schedule accordingly.

BACKGROUND

The temporary parklet program has been extended several times since 2020. At the December 4, 2023, City Council meeting, the Council indicated support for establishing a semi-permanent parklet program, beyond the current temporary program's expiration on June 30, 2024. The matter was then brought to the Economic Development Subcommittee (EDS) for discussion on March 13, 2024.

Staff subsequently developed requirements for parklet owners under the new program that begins on July 1, 2024. The City Council reviewed and accepted the Draft On-Street Parklet Outdoor Dining Policy at their meeting on May 6, 2024, and adopted the On-Street Parklet Outdoor Dining Policy by resolution at their June 17, 2024, meeting. Additionally, the City Council provided direction regarding the parklet fee structure at their June 3, 2024, meeting based on recommendations by the EDS. However, the fee structure for the new program was not included as a part of the parklet policy and was to be brought back to the Council as a separate matter.

At their January 3 and January 18, 2022, meetings, respectively, the City Council adopted resolutions setting a \$1,500 per year parklet use fee for use of City owned right-of-way and a \$250 per month cleaning fee for the temporary parklet program. These fees are subject to adjustments by the Bay Area Consumer Price Index (CPI). Currently, the parklet use fee is \$1,590 per year, and the cleaning fee is \$265 per month. In addition, the Building, Fire, and Public Works Divisions have been performing quarterly inspections charged at approximately \$1,800 per quarter (based on staff time), or \$7,200 annually.

DISCUSSION

The EDS discussed the parklet fee structure and the term agreement for the new parklet program at their May 22, 2024, meeting. The analysis and recommendation by the EDS regarding the annual use fee structure and term agreement were presented to the City Council for consideration at their meeting on June 3, 2024 (see attached June 3, 2024 City Council staff report for details, incorporated in the record by reference).

The Council discussed the parklet fee structure and term for the new parklet program and provided direction to staff, which included switching to a revenue-recovery model based on lost parking revenues, charged at a dollar per square foot value (see attached June 3, 2024 City Council Minutes). After reviewing the analysis and recommendation by the EDS, the City Council unanimously agreed on the following parklet use fee structure:

- Application Fee: \$1,801 (one-time fee)
- Space Use Fee: \$15/sf per year (Downtown Burlingame Area)*
\$6/sf per year (Broadway Area)*
* calculation will include area of water walls
- Cleaning Fee: \$3,180 per year
- Inspection Fee: \$1,800 per year

In addition to the new fee structure, parklet owners now can sign a multi-year agreement. During the discussion at their meeting on June 3, 2024, the City Council agreed that the term for the parklet program should be for up to a three-year period, and that parklet owners would not be required to rebuild their parklet should the parklet program get extended after the three-year period. Furthermore, the Council directed that the parklet agreement acknowledge that the annual use fee would not change for the 2024-2027 agreement period, but that the cleaning and inspection fees may be escalated to account for inflation and changes in staff costs. These items will be included in the respective agreements between the City and parklet owners.

Legal Considerations

By allowing a parklet in the public right-of-way, the City is allowing only a temporary use of the right-of-way and is not granting an ownership interest. Applicants will be required to obtain a permit or license from the City to temporarily encroach upon the right-of-way. The terms of the permit or license will specify that the applicant will only have a temporary right to occupy the parklet space. The permit or license will further specify that by granting the application, the City is not granting any permanent rights to or ownership of the parklet area to the applicant. The permit or license will expire after a set period of time, and the applicant will be required to re-apply for a new permit or license.

FISCAL IMPACT

As of October 2023, there are total of 30 parklets both in the Downtown Burlingame Avenue Commercial Area (27 parklets) and in the Broadway Commercial Area (three parklets), occupying a total of 63 parking spaces combined.

The total yearly accrued use fees, based on a dollar per square foot value, is unknown at this time since those fees would depend on the size of the parklets. Parklets will now be limited to a business's frontage under the new program, which may change parklet sizes and correspond to occupying fewer or more parking spaces. Staff anticipates a modest change in use fees accrued on a revenue-recovery model based on lost parking revenues, charged at a dollar per square foot value.

Exhibits:

- Resolution
- June 3, 2024 City Council Minutes
- June 3, 2024 City Council Staff Report