

c. **DISCUSSION OF PARKLET FEE STRUCTURE AND TERM OF AGREEMENT FOT THE PARKLET PROGRAM BEGINNING JULY 1, 2024**

Economic Development and Housing Specialist (“EDHS”) Joseph Sanfilippo discussed the City’s parklet program:

- December 4, 2023 – Council expressed support for establishing a semi-permanent parklet program beyond June 30, 2024
- May 6, 2024 – Council adopted parklet program policy guidelines effective July 1, 2024
- May 22, 2024 – Economic Development Subcommittee (“EDS”) discussed fee structure and terms for the participants

Mr. Sanfilippo stated that staff reviewed several long-term programs in other jurisdictions including Belmont, Campbell, Los Gatos, Mountain View, and Walnut Creek. He discussed the various types of fees that these cities included in their parklet programs.

Mr. Sanfilippo reviewed the two recommended options for parklet use fees:

- Option one: Maintain current use fee of \$1,590 per year
- Option two: Revenue recovery model based on lost parking revenues – charged at dollars per square foot value

Interim CDD Hurin reviewed the EDS recommendation for the parklet use fees:

- Application fee: \$1,801 - one-time fee to cover staff time and review plans
- Space Use Fee: \$15 per square foot in the Burlingame Ave Commercial District and \$6 per square foot in the Broadway Commercial District (based off parking meter fees)
- Cleaning Fee: \$3,180 per year
- Inspection Fee: \$1,800 per year (based on staff time)

Mr. Hurin reviewed the proposed fee versus the existing fee:

<b>Parklet Use Fees (based on 250 square foot parklet)</b>			
	<b>Existing</b>	<b>Proposed</b>	<b>Difference</b>
Space Use Fee	\$1,590/year	\$15/sf: \$3,750/year \$6/sf: \$1,500/year	+\$2,160/year (Downtown Burlingame) -\$90/year (Broadway)
Cleaning Fee	\$3,180/year	\$3,180/year	No Change
Inspection Fee	\$7,200/year (\$1,800/quarter)	\$1,800/year	-\$5,400/year

Total:	\$11,970/year	\$8730/year \$6,480/year	-\$3,240/year (Downtown Burlingame) -\$5,490/year (Broadway)
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Mr. Hurin reviewed the EDS recommendations for the agreement terms:

- Minimum three-year agreement
- Owners would not be required to rebuild parklets for next 2027-2030 agreement period
- Annual Space Use Fee will not change for the three-year period (cleaning and inspection fees may be escalated for inflation and changes in staff costs)

Councilmember Stevenson asked about the language regarding not needing to rebuild their parklets when agreements come back up for renewal. City Manager Goldman replied that the City is making current parklet owners tear down and rebuild their parklets to a new standard if they want to continue having a parklet. She explained that the EDS thought it was important to provide the parklet owners with some reassurance that they wouldn't need to rebuild again when the agreement comes back for renewal.

Councilmember Brownrigg asked if the City is confident that the new parklet design won't block storm drains and will mitigate the rodent issue as best as possible. Interim CDD Hurin replied in the affirmative and noted that the new design standard allows the City access to the utilities under the parklet.

Councilmember Brownrigg asked about the application fee. Interim CDD Hurin replied that because of the new design guidelines, parklet owners would need to submit plans for staff review. Therefore, the application fee covers the cost of staff time.

Vice Mayor Beach asked about the potential wear and tear on the sidewalks by the parklets. Interim CDD Hurin replied that the parklets are regularly inspected. DPW Murtuza added that the parklet permit covers wear and tear costs.

Mayor Colson asked about the timeline for parklets to meet the new design standards. Interim CDD Hurin replied that the City sent design guidelines to the parklet owners. He noted that it appears the parklet owners are waiting to see the fee structure before deciding whether to continue utilizing a parklet.

DPW Murtuza stated that if an owner no longer wants to be a part of the parklet program, they must notify the City and remove their parklet by June 30. He explained that if an owner decides to participate in the new parklet program, they have four months to seek approval and build their new parklet.

Mayor Colson opened the item for public comment. No one spoke.

Vice Mayor Beach stated that it might be a challenge to have the parklets torn down by June 30. She discussed the significant investment owners would need to make in rebuilding their parklets. She added that due to the cost of the rebuild, she approved of the three-year term.

DPW Murtuza stated that staff anticipates it will take longer for businesses to tear down their parklets and that staff would work with the businesses.

Councilmember Brownrigg discussed the importance of communicating with the public about the new parklet program. He explained that staff needed to make sure that the public understood that the City wasn't making businesses tear down their parklets.

Mayor Colson discussed Park and Howard's concerns about droppings from the tree above their parklet. She asked staff if there might be exemptions from the no roof requirement for parklet.

Councilmember Pappajohn concurred with Councilmember Brownrigg about the public outreach concern. She suggested including messaging in water bills. City Manager Goldman replied that there was a cost associated with including messages in the water bill and that the water bill doesn't go to all residents.

The Council voiced support for the EDS' recommended fee structure.

Vice Mayor Beach asked about businesses that want to stop using their parklets before the end of the agreement.

Mayor Colson explained that a business could end their parklet usage earlier, but they would need to give the City a 60-day notice.

Interim CDD Hurin asked Council if they wanted the square footage of the parklet fee calculation to include the total square footage of the parklet or just the usable square footage. The Council voiced support for total square footage.

Councilmember Stevenson asked whether the program outlined what would happen after the initial three-year term. City Attorney Guina replied that the agreement would include language that the three-year time period is an evaluation period and that this isn't a permanent program.

Mayor Colson thanked staff for the report.

## **12. COUNCIL COMMITTEE AND ACTIVITIES REPORTS AND ANNOUNCEMENTS**

Council reviewed their committee appointments.

## **13. FUTURE AGENDA ITEMS**

Councilmember Brownrigg asked to agendaize a discussion over the procurement of PFAS free turf fields. City Manager Goldman replied that the Parks and Recreation Commission will be discussing turf fields and that afterwards this discussion would come to Council.

## **14. ACKNOWLEDGMENTS**