



Legislation Details (With Text)

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Title: Consideration of a Resolution to Establish Permit Fees for Parklets. [ROLL-CALL VOTE]
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Date	Ver.	Action By	Action	Result
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City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 1, 2022
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES F. PARAJON, CITY MANAGER /s/

DOCKET TITLE:
Consideration of a Resolution to Establish Permit Fees for Parklets. [ROLL-CALL VOTE]

ISSUE: Consideration of a resolution to establish permit fees for parklets for the parklet program approved in October 2021.

RECOMMENDATION: That the City Council approve the resolution (Attachment 1) to establish permit fees for parklets, effective July 1, 2022.

BACKGROUND: “Parklets” are the conversion of an on-street parking space into an extension of the sidewalk, to be used for open space, public seating, or the use of an adjacent business for dining or retail. As a response to the COVID-19 Pandemic, in May 2020, the City established a process for creating temporary

parklets that could be used for outdoor dining and retail. After receiving public support for these parklets, staff developed a permanent program to allow parklets, which was approved by the Council in October 2021. Under this program, parklets meeting specific location and design requirements may be approved administratively.

There were approximately 60 applicants who requested use of the parking spaces under the temporary parklet program (including businesses on the 100 block of King Street), using approximately 142 parking spaces. Some of these businesses have since removed their parklets and returned the space to parking. The majority of the businesses are in Old Town, with some located in Carlyle, Braddock, and Old Town North (see map in Attachment 2). The temporary program (including free permits) is authorized through June 30, 2022 (assuming approval of a separate ordinance to extend the temporary programs, which is docketed for March 12, 2022), after which businesses who want to continue their parklets must receive a permit from the City under the permanent program. Under the new program established in the City Code, fees for parklets are to be established by the City Council through a resolution (Attachment 1).

DISCUSSION: Early in the pandemic, economic assistance and recovery was a key priority for the City. The temporary parklet program was created quickly using guidelines from a pilot program, and no fees were assessed to private businesses for use of the City right of way. However, under the permanent program which will take effect July 1, 2022, parklets must apply for a permit and pay the associated fees. In establishing the fees, staff considered a variety of factors:

- Value of the City's public right of way for a private commercial use
- Varying land values across the City
- Parklet size and varying length of business frontage
- Duration of parklet and desire for short term use
- Fees that are currently assessed for other uses of the public right of way (Attachment 3).

The proposed fee structure took these factors into account and includes the following:

- Significantly lower costs for parklets intended for public use than those intended for commercial use
- Varying fee structures based on geography and substantially discounted fees for businesses located in Equity Emphasis Areas as defined by MWCOG (Attachment 4)
- Fees based on the length of parklet rather than by number of spaces used, allowing businesses to design a parklet that fits their needs and minimize loss of parking
- Pop-up parklet fees for short term curbside use
- Fees that generally align with previously approved private uses in the public right of way

The proposed fees are as follows:

Public Parklets:

- \$15/linear foot per year (1 parking space (20 feet long) = \$300/year)

Commercial Parklets:

Within the King Street Retail Strategy Area (roughly King Street from Potomac River to Metro Station and 1 block north and south)

- \$150/linear foot per year (1 parking space = \$3,000)

Equity Emphasis Areas (as defined by Metropolitan Washington Council of Governments (MWCOG) e.g., Arlandria, West End)

- \$50/linear foot per year (1 parking space = \$1,000)

All other areas (e.g. Carlyle, Old Town North, Del Ray, Braddock)

- \$100/linear foot per year (1 parking space = \$2,000)

Pop-Up Parklets (short term use, up to 7 days)

- \$100 permit fee plus \$40/day for metered parking spaces and \$30/day for non-metered spaces

As noted, the fees vary based on geography, with the highest fees proposed for locations in the King Street Retail Strategy Area and the lowest fees proposed for Equity Emphasis Areas. Staff had originally proposed a higher fee for parklets on the 100 block of King Street in recognition of unique conditions of this block now that it is closed to vehicular traffic. However, since impacts from the pandemic are still uncertain and the City is sensitive to recovery efforts by the businesses, the resolution proposes the same fee for all locations within the King Street Retail Area. In two years, staff will reassess the land values in this area and the City's investment on this block, and if appropriate, may bring a proposal to Council to increase the fees. At that time, staff will have more information about the value of these parklets to both the City and the businesses.

For the first year, staff recommends parklet fees be 50% of the permanent fees. This recognizes that there will be an additional expense to the business in the first year to design and construct their parklets to the new standards. Additionally, this allows for the fees to be phased in as there are currently no fees being assessed for the temporary program. The full fee will go into effect on July 1, 2023.

In August 2021, staff gathered input from businesses via an online feedback form and asked, "What is an economically feasible amount you would pay as an annual fee for use of one on-street parking space for dining, retail, or fitness classes?". The 51 responses ranged from \$0 (they felt the meals tax should offset any permit fees) to \$5,000 at the upper limit. See Attachment 5 for all responses.

During the process to create the permanent program, staff has been clear that fees will be assessed for parklets under the new program and has shared the proposed fees with the businesses who currently have a temporary permit as well as the Old Town Business Association, Carlyle Community Council, Del Ray Business Association, and Old Town North Community Partnership.

FISCAL IMPACT: Since there will now be an annual cost associated with parklets, staff does not expect all the existing parklets to apply for a permit. If half of the existing parklets apply to be permanent, this would generate approximately \$50,000 in permit fees the first year and approximately \$100,000 in subsequent years. Many of these locations would likely be in metered spaces in Old Town. On average, a metered space collects approximately \$2,000 in revenue a year, which is less than the cost of a parklet permit in most metered locations. Management of this program will be absorbed into existing staff resources.

ATTACHMENTS:

Attachment 1: Resolution

Attachment 2: Map of Parklets

Attachment 3: Comparison of fees

Attachment 4: Map of Equity Areas

Attachment 5: Feedback Form Responses

Attachment 6: Presentation

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