

**CITY OF MANHATTAN BEACH  
PARKING AND PUBLIC IMPROVEMENTS COMMISSION  
MINUTES OF A REGULAR MEETING  
July 26, 2018**

**A. CALL TO ORDER**

The regular meeting of the Parking and Public Improvements Commission of the City of Manhattan Beach, California, was held on the **26<sup>th</sup> day of July 2018**, at the hour of **6:08 p.m.**, in the City Council Chambers of City Hall, 1400 Highland Avenue, in said City.

**B. PLEDGE TO FLAG**

**C. ROLL CALL**

Present:	Longhurst, Paralusz, Lipps, Franklin, Chair Delk
Absent:	None
Staff Present:	Erik Zandvliet, Steve Charelian, Cynthia Mickschl
Clerks:	Angela Soo Seilhamer and Drew Teora

**D. CEREMONIAL**

**07/26/18-1 Recognition of Outgoing Commissioner Steven Nicholson**

**Chair Delk** recognized **Steven Nicholson** as an outgoing member of the Parking and Public Improvements Commission. **Outgoing Commissioner Steve Nicholson** received a certificate of appreciation for his service and expressed his gratitude to **Traffic Engineer Erik Zandvliet** and the Commission for their collaboration over the past six years.

**E. APPROVAL OF MINUTES**

**07/26/18-2 April 26, 2018 Minutes**

**MOTION:** **Commissioner Paralusz** made a motion to approve the minutes without any changes. The motion was seconded by **Commissioner Lipps**.

Ayes:	Longhurst, Paralusz, Lipps, Franklin, Chair Delk
Noes:	None
Abstain:	None
Absent:	None

**F. AUDIENCE PARTICIPATION**

**Chair Delk** opened Audience Participation (3-Minute Limit).

**Steve Nicholson, 566 36<sup>th</sup> Street**, said he noticed there has been an increase of people using the sidewalk to ride their bikes by Live Oak Park and Downtown, and is requesting more enforcement.

**Steve Collins, resident of Redondo Beach**, part owner of Hermosa Cyclery and on the South Bay Bicycle Coalition asked that the Commission take into consideration the bike rental companies to protect them from collateral damage and loss of business when considering possible bike share programs.

**James Quilliam, 124 12<sup>th</sup> Street**, stated more residence parking and free parking spots are being metered and more events are being held in the Downtown area, which make it difficult for the residents to have an opportunity to park near their homes. He is proposing a residential downtown parking permit program, like in other beach communities such as Hermosa Beach.

Discussion followed regarding parking regulations. **Traffic Engineer Erik Zandvliet** concluded by saying that a residential parking permit was suggested in the Downtown Specific Plan, and will be considered as part of an update to the Downtown Parking Management Plan.

**Chair Delk** closed Audience Participation.

**G. GENERAL BUSINESS**

**07/26/18-3      Reorganization of New Chair/Vice Chair**

**Chair Delk** took nominations for new Chair and Vice Chair for the 2018-2019 term.

**MOTION:** **Commissioner Lipps** made a motion to nominate Commissioner Paralusz for Chair and Commissioner Longhurst for Vice Chair, based on order of seniority. The motion was seconded by **Commissioner Franklin**.

Ayes:	Longhurst, Paralusz, Lipps, Franklin, Chair Delk
Noes:	None
Abstain:	None
Absent:	None

**07/26/18-4      Discuss Potential Increase in Citywide Parking Meter Rates**

Traffic Engineer Erik Zandvliet introduced to Interim Finance Director Steve Charelian and Acting Revenue Services Manager Cynthia Mickschl to summarize the staff report.

Interim Finance Director Steve Charelian asked the Commission to consider supporting a parking meter increase of \$0.50 for street meters and county/state lots, as well as an increase of \$0.75 for city owned lots. It has been 10 years since the last parking meter increase. He referenced parking meter rate policies established in 2008 for context. There are currently about 1800 meters in the City, distributed between streets, City owned lots, County lots and State lots. Parking revenue is deposited in three enterprise funds, which can only be spent on parking related projects or programs for specific areas. Current revenues are barely covering the expenses and will not be able to sustain or cover planned capital improvements. Structural analysis and repairs are needed for Lots 3 and 4, which is currently a \$13 million unfunded project.

Discussion with the Commissioners followed. Interim Finance Director Steve Charelian responded that there are not enough funds to move forward with that project, as well as for intelligent parking enhancements or replacement of current city parking meters. The current meters are at the end of life (7-8 years) and it would cost \$1.5 million to replace all meter heads. He added that the internal electronics will no longer work or be supported in approximately 2 years because they run on old 2G cellular technology. He explained that the parking meters are constantly being repaired due to wear and tear.

Commissioner Franklin inquired if there are any reserves or surpluses of money to use for parking projects. Interim Finance Director Steve Charelian stated that there are minimal balances available and any fund balance is used for a large backlog of parking related projects.

Interim Finance Director Steve Charelian stated the City conducted a survey of parking rates in similar cities and our proposed rates will be similar. He noted that Manhattan Beach stakeholders do not support different rates for different times of year or times of the day, so the rates will not change by season or by hour. In total, these changes would lead to a \$1.8 million a year increase of parking meter revenue. The Downtown Business and Professionals Association and LA County expressed support for these increases. This issue is scheduled to go to City Council on August 21<sup>st</sup>, 2018.

Commissioner Longhurst inquired if any of these funds will go to the city's General Fund.

Interim Finance Director Steve Charelian explained that the new revenues will not go into the General Fund, but will go into the parking enterprise funds for parking related projects.

**Commissioner Delk** asked if there is any cost associated with increasing the rates.

**Interim Finance Director Steve Charelian** explained that rates are changed through an online portal, so it is quite simple.

**Commissioner Franklin** inquired if there was a corresponding expense share with the State and County. **Interim Finance Director Steve Charelian** confirmed that there is.

Discussion followed on the 2008 parking meter increase, general meter operations, meter applications, remote parking meter payment and revenue increases due to application usage.

**Chair Paralusz** opened Public Comment.

**Jim Burton, resident of Manhattan Beach**, supported whatever the Downtown Business Association recommended because they understand the residents and the market. He wondered if there is correlation between cities that have a residential parking program and higher parking meter rates.

**Bill Victor, resident of Manhattan Beach**, he said he believes that this increase will hurt commercial business because people don't want to deal with high prices, potential tickets, and limited parking. The City should make it easier for residents, businesses and visitors to find public parking. He said the increase in Downtown events also makes parking worse for the residents and we should do something to help them. He believes we are spending too much money now, and should only spend what we currently receive from parking tickets and meters.

**Kelly Stroman, Executive Director for the Downtown Business Association**, said she sent a survey to 300 members with a 37% response rate and the recurring theme was to keep the Downtown business area parking friendly. The Association recommends staying in line with our neighboring cities in terms of parking rates. Their suggestion is to raise the street meter rates to \$1.50 an hour, so we aren't known for the highest parking prices in the beach cities. She cautioned the City about the use of online applications, because they are not always user friendly or convenient to use. She said the Association wants the rates and technology to be comprehensive and accessible for all, and noted that non-functioning solar powered meters can lose revenue if placed inside Metlox or when it rains. She also emphasized that maximum time limits and "zeroing out the meter" will hurt businesses; such as when a customer just needs a few more minutes to finish their service.

**Commissioner Franklin** inquired what "zeroing out the meter" meant. **Kelly Stroman** elaborated that they don't want remaining time on the meters to be cancelled when the car pulls out of a parking space. This is a friendly "gift" that customers appreciate.

Discussion followed regarding various parking meter time lengths for different areas, new parking meter technology, and possible parking application usage.

**Gary Osterhout, resident of Manhattan Beach**, suggested that meter rates be set high enough to achieve an 85% occupancy rate based on parking data algorithms. He disagreed that this revenue will only go to the parking enterprise funds, because \$0.50 of the on street parking meter rate currently goes to the CIP. He asked what the CIP parking money can be used for. Mr. Osterhout noted that parking meter rates should not have been kept artificially low during the recession and we should not bag the meters in December. He said that not “zeroing out” the meters hurt residents in the long run.

**James Quilliam, 124 12<sup>th</sup> Street**, stated that there might be unintended consequences by raising rates. Most downtown businesses do not provide parking for their employees, so raising the rates will hurt workers in Manhattan Beach. If we are raising rates, we should use that money for additional parking and parking structures, not parking related “projects”.

**Bill Victor, 40-year resident of Manhattan Beach**, stated that the Coastal Commission may not like a meter rate increase because it may not be friendly to beachgoers. He also suggested looking at adjusting the 2-hour time limit on meters.

**Chair Paralusz** closed Public Comment.

### **Commission Discussion**

**Commissioner Franklin** stated he has concerns about how much the parking meter rates are increasing; 40% for street meters, 100% for city owned lots, 33% for county owned lots. He was also concerned about distracted drivers using new online applications to find empty parking spaces. He believes we do need the money, but he wants to know exactly it will be spent so we can justify it to residents and visitors. The \$13 million for structural analysis also seems quite high, so it would be beneficial to tighten up the numbers. He prefers a more gradual increase in rates so it does not discourage people from coming to Downtown.

**Interim Finance Director Steve Charelian** confirmed that \$13 million is for both structural analysis and repairs in both lots.

**Chair Paralusz** reopened the Public Comment.

In response to questions from the Commission, **Kelly Stroman** clarified that the Downtown Business Association gave mixed feedback on how much to increase meters, but the general consensus was to have street meters and lot meters at the same rate.

**Chair Paralusz** reclosed the Public Comment.

**Commissioner Franklin** stated he is in favor of Downtown Business Association recommendation to increase both the streets and lots to \$1.50 per hour.

**Commissioner Delk** said he agrees with raising parking meter rates as long as the revenue collected is spent responsibly. He wondered what we will be spending the additional \$1.8 million a year on after replacing parking meters.

**Interim Finance Director Steve Charelian** reassured Commissioner Delk that this money would go into the Parking Fund balance for parking related projects only.

**Commissioner Delk** said he supports staff recommendation for parking meter increase but is concerned that this money will get lost in the General Fund and wants to see a parking fund master plan.

**Commissioner Longhurst** said he supports staff recommendation and wants to see the additional revenue flow into parking. It is important that the public see something in return for the rate increase, like a new parking structure, even if it's long term. He suggested something like the "Downtownner".

**Commissioner Delk** suggested that the "Downtownner" could be subsidized from the revenue we bring in from the increased parking meter rates.

**Commissioner Longhurst** also added that he would like to see a residential parking program addressed by City Council, maybe similar to Hermosa Beach, as well as address the issue of employee parking for downtown businesses.

**Commissioner Lipps** said he agrees with staff recommendation. He believes that parking has been an issue since the 1930s and smart meters will bring "smarter" and more efficient parking. He felt it was a good idea to have a separate CIP for parking from the General Fund for improvements. He suggested that the parking programs can include ways to get people Downtown without their cars. This revenue increase must go to parking improvements and we should be transparent to the public by announcing why we are raising the rates and positive outcomes are coming from it. He said while he has concerns about distracted drivers and parking applications, it does seem like a good idea in terms of parking space turnover. He also echoes concerns about protecting parking for our residents through a permit program and wants to find a solution for Downtown business employee parking.

**Chair Paralusz** emphasized that we do not increase parking meter rates every year and that any increase after 10 years will seem large. The cost of maintenance, improvements, staffing, etc. continues to increase over time, so we need to also increase rates in a responsible way. Deferring maintenance due to limited funds has its own cost and might end up costing more than if it was just replaced. She doesn't want to see the City dip into General Fund to pay for parking related projects, so she supports staff recommendation. She also reiterated that the increase would be in line with surrounding

cities. She agreed that we should publicize why the increases are happening and what improvements we plan to pursue. She wanted to make a note for City Council that the Commission believes that parking for downtown business employees and a residential parking program are very important issues and they would like to receive direction on them.

Discussion followed regarding potential parking meter rate calculations, General Fund contribution and usage, and timelines for review of parking meter increases. The Commission agreed that parking meter rate increases should be reviewed more often.

**MOTION:** **Commissioner Lipps** made a motion to recommend staff proposal regarding parking meter increases for on-street meters, City lots, and County/State lots. The motion was seconded by **Commissioner Delk**.

Ayes:	Longhurst, Delk, Lipps, Chair Paralusz
Noes:	Franklin
Abstain:	None
Absent:	None

**Commissioner Franklin** stated for the minutes that he is voting no on the motion because he supported the Downtown Business Association's proposal for parking meter rate increases.

#### H. **OTHER ITEMS**

##### **07/26/18-5 Monthly Revenue and Expenditure Reports: Receive and File**

Received and Filed.

##### **07/26/18-6 Staff Updates**

**Traffic Engineer Erik Zandvliet** stated that there will be items for the next two Parking and Public Improvements Commission meetings; a petition from 11<sup>th</sup> Street residents regarding turning restrictions and an appeal from a resident on Poinsettia Avenue regarding staff requirement for a sidewalk. He also mentioned the Work Plan Joint meeting and a staff meeting with the Coastal Commission regarding the Downtown Specific Plan. Updates on the Manhattan Village Mall, Gelson's, and Skechers construction projects were provided as well as information on Bike Sharrows and bike sharing.

Discussion followed regarding e-scooters, bike rentals, and changing the name of Sepulveda Boulevard to Pacific Coast Highway.

##### **07/26/18-7 Commissioner Items**

**Commissioner Franklin** commended staff about the City of Manhattan Beach online application and how quickly Public Works responded to maintenance needs.

**I. ADJOURNMENT**

The meeting was adjourned at **8:22 p.m.** to the regular Parking and Public Improvements Commission Meeting on Thursday, August 23, 2018, in the City Council Chambers of City Hall, 1400 Highland Avenue, in said City.