



Agenda Item

City Council

Item #: 10.1.

1/28/2025

File #: 24-0655

TO: Honorable Mayor and Members of the City Council

THRU: Tom Kisela, City Manager

FROM: Christopher Cash, Public Works Director

1. SUBJECT

Introduction and First Reading of an ordinance establishing paid parking in the Orange Plaza area, approval of an amendment to the agreement with Dixon Resources Unlimited for RFP support services, and modifications to the Neighborhood Permit Parking Program necessary to support paid parking. Ordinance No. 02-25. Resolution No. 11595.

2. SUMMARY

Previous parking studies and recent stakeholder discussions have identified a need for implementation of parking management strategies to maximize available parking for businesses within the Plaza area. The most effective method to accomplish this is to charge a nominal fee for parking near the Plaza. The idea of paid parking is supported by key players, including, among others, the Orange Chamber of Commerce, and many of the downtown merchants. The six recommended actions of this report are required to initiate and ultimately implement paid parking.

3. RECOMMENDED ACTION

1. Introduce and conduct First Reading of Ordinance No. 02-25. An Ordinance of the City Council of the City of Orange establishing Parking Meter Zones, operations; fees; and procedures.
2. Approve First Amendment to Agreement with Dixon Resources Unlimited in the amount of \$30,881 for RFP support services.
3. Authorize the appropriation of \$35,000 from the Parking in Lieu (555) unreserved fund balance to:
555.5031.56100.20522 CIP-St Light/Signal Install-Old Towne PMS
4. Modify City Neighborhood Permit Parking Program to adjust the boundaries of Area "A" and establish Permit Parking Opportunity Area "6."
5. Adopt Resolution 11595. A resolution of the City Council of the City of Orange adopting a revised master resolution of designated permit parking areas and established permit parking opportunity areas within the City of Orange.
6. Direct staff to identify appropriate curb restrictions, including time-limited parking and loading zones, and present to City Traffic Commission for approval.

4. FISCAL IMPACT

The expense for this amendment is \$35,000 and will be funded through Parking in Lieu (555): 555.5031.56100.20522 Evaluation of Smart Parking Devices in Old Towne.

If paid parking is approved, a request-for-proposals would be issued, the result of which is expected to be the award of a contract for a vendor to implement a paid parking system. The initial capital cost, estimated at approximately \$700,000, will be reported at that time. Moreover, the net revenue from paid parking is anticipated to be around \$1.2 million per year.

5. STRATEGIC PLAN GOALS

Goal 5: Improve Infrastructure, Mobility, and Technology

Objective 5.4: Develop and implement Old Towne parking management program

6. DISCUSSION AND BACKGROUND

Background

The continued economic success of Old Towne Orange has resulted in increasing calls for parking policy changes in and around the Plaza. Specifically, the current business composition in the Plaza is such that it would significantly benefit from a policy that (1) encourages parking turnover along storefronts, (2) facilitates enforcement of time-limited parking within the same area, and (3) provides long-term parking around the commercial “periphery.” This policy recommendation is supported based on both an analysis of available parking data and discussions with the Downtown Merchants and Orange Chamber of Commerce.

Chronology

In August 2022, the City commissioned the Old Towne Parking study, which evaluated parking inventory and occupancy on the streets and 14 city parking lots (including the Old Towne West Structure) around the Plaza. The study indicated that, while parking supply was adequate for current and future (intermediate term) parking demand, there is a parking distribution imbalance that renders the parking supply inefficient and incompatible with current land use patterns. This contributes to traffic congestion, visitor frustration, and potentially suppresses the economic potential of Old Towne. The results of the study were presented to City Council in April 2023.

In October 2023, the City Council awarded a professional services agreement to Dixon Resources Unlimited (Dixon) to develop a parking technology implementation plan. Specifically, Dixon’s scope of work included, among other things, identifying ways to apply modern parking management concepts and technologies in and around the Plaza. The Dixon report, attached for reference, discusses paid parking implementation (including equipment demos and financial analysis), enforcement improvements, wayfinding enhancements, and curb management strategies. The key takeaways from the report are that license plate-based paid parking and enforcement are the most effective ways to achieve these recommendations.

Concurrent with the development of its report, Dixon teamed up with Public Works and Economic Development staff to host three outreach meetings between January and October 2024 with the Downtown Merchants, as well as several vendor demonstrations with City staff to preview smart parking technologies and devices that could be deployed in the field. The feedback received at the outreach meetings indicated support for the paid parking concepts.

Staff has subsequently developed a framework to implement paid parking in the commercial core of Old Towne (a map of the affected area is shown in the attached Area Map), and related documents for the City Council’s consideration, including:

1. A paid parking ordinance - required to identify affected streets and lots, establish effective times, and approve parking rates.
2. Permit parking resolution - to ensure that surrounding residential areas are included in one of the city's pre-defined permit parking areas, thereby allowing residents a streamlined process to opt in to permit parking if future commercial parking displacement were to occur.
3. A contract amendment for Dixon to provide RFP development and support services - Smart parking technologies, including paid parking infrastructure, are such that the systems architecture, including selection and customization of specific equipment, is competitively developed by prospective vendors responding to a detailed request-for-proposals. Dixon would provide the technical expertise to oversee that process for the City.

Proposed Paid Parking Program Details

Footprint

Paid parking is the most effective way to achieve the desired storefront turnover and enforce time limits, e.g. 2-hour parking, in and around the Plaza. The parking supply in Old Towne can viewed as a three-zone system (as shown in Area Map):

1. The Commercial Core (eight square blocks closest to the Plaza), generally bounded by Maple Avenue to the north; Almond Avenue to the south; Lemon Street to the west; and Grand Street to the east. This area includes City Parking Lots 1 through 8.
2. The Transitional Zone between the Commercial Core and the surrounding residential neighborhoods. This includes portions of Cypress Street, Center Street, Glassell Street, and Maple Avenue; the City Hall and Library parking Lots, the Metrolink Station parking lot, and the Old Towne West Parking Structure.
3. The Residential and Commercial Periphery beyond the Commercial Core and Transitional Zone

Based on parking supply and demand, staff recommends implementing paid (short-term) parking in the Commercial Core (except along residential frontages); preserving free (long-term) parking in the Transitional Zone and Periphery, where allowed; and expanding the neighborhood permit parking program to provide coverage for all portions of the Residential Periphery, as needed.

Key Parameters

The draft ordinance reflects paid parking within the Commercial Core on Monday through Sunday, from 9 a.m. to 6 p.m., with pricing as follows:

- \$1.25 per hour in city parking lots.
- \$1.50 per hour on city streets.
- \$2.00 per hour in marked parking spaces around the circular roadway.

Parking sessions would be paid for through a designated mobile payment system or pay stations

strategically placed throughout the area. Visitors would enter their license plate number, along with their payment. The license plate information is then stored in a parking management system, which can communicate with licensed plate readers (“LPR”) deployed by Parking Enforcement officers.

Enforcement

The license plate-based approach facilitates efficient parking enforcement, as LPR-equipped vehicles can simply canvas an entire street, lot, or area by driving down the aisles. Any violators can be quickly and automatically identified, with the decision to issue a citation up to the officer on site.

Exceptions/Permits

Because there is the potential need to accommodate City sponsored special events, the ordinance allows staff to administratively suspend paid parking operations. Moreover, permits exempting payment and/or time limits can be issued to Senior Center patrons and residents of certain mixed-use buildings.

Similarly, should the library parking lot experience excessive spillover, a digital permit parking system may be put in place, whereby the lot would be restricted but library patrons could obtain a permit by registering their vehicle during their visit.

The ordinance would also allow the Director of Public Works to issue a certain number of permits for long-term parking within the paid parking footprint, in exchange for an administrative fee to be determined by staff.

Revenues and Expenditures

The annual recurring net revenue from implementing the above paid parking program is projected to be approximately \$1.2 million, excluding any citation revenue. Moreover, the initial capital outlay is expected to be about \$700,000, which would reduce Year 1 revenue to approximately \$500,000.

In addition, there would be administrative support needed to run the program. This cost is factored into the revenue projections, and would provide for oversight of vendor contracts, coordination of maintenance efforts, program and parking data analysis, and auditing of parking fees collected and deposited with the City. Staff anticipates initially contracting this function out to a qualified consultant and may assess the need to hire in-house staff at a future date.

As Old Towne evolves, and parking needs change, City Council may, by Ordinance, expand the paid parking footprint beyond the Commercial Core and into the Transitional Zone. That modification, if necessary, could be implemented piecemeal. Expanding the footprint and/or adjusting the parking rates can significantly increase future revenue.

Permit Parking “Shield”

The City’s Neighborhood Permit Parking Program NPPP contains pre-defined areas of high parking demand potential, known as Permit Parking Opportunity Areas (PPOA.) Within PPOAs, residents may opt into permit parking under a streamlined process that simply requires 55% support of residents on a block(s). There are no application fees or parking occupancy studies required.

As part of the proposed paid parking program, staff also recommends the NPPP be modified such that all residential areas around the Commercial Core and Transitional Zone be incorporated into one of the city’s PPOAs. In doing so, residents of those areas would have a mechanism to request permit parking if any displacement or spillover were to occur as a result of adjacent paid parking.

Through Resolution 11595, the boundaries of Area A are being modified to cover residential areas north of Chapman Avenue; and PPOA #6 is being established to cover residential areas south of Chapman Avenue.

Next Steps

Curb Regulations for CTC Consideration

To achieve the desired turnover, paid parking would need to be supplemented with updated time limits, e.g. “2-hour” and “3-hour” parking, in the Commercial Core. Staff will present recommendations to the City Traffic Commission for approval, along with modification of any loading zones.

Develop and Issue RFP

Staff will work with DIXON to develop specifications for a smart parking system. The specifications will be used to procure a vendor, through an RFP process. Prospective vendors will identify equipment and architecture needed to achieve the City’s parking objectives and provide cost proposals for consideration. At the end of this process, staff will present a recommendation to City Council to award a vendor contract. This process is expected to take approximately three months.

Procurement and Integration

Once a vendor is on-boarded, various equipment would need to be procured, installed, programmed, and integrated in the field. This process, dependent on lead-times, is expected to take 4-6 months.

Based on the above timelines, paid parking is expected to “go live” sometime in early to late fall this year. Economic Development staff and the Public Information Officer will assist with ensuring adequate information is provided to the community prior to enforcing paid parking.

7. ATTACHMENTS

- Area Map
- DIXON Study
- Ordinance No. 02-25
- Resolution No. 11595
- First Amendment to agreement with Dixon