



Legislation Text

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DATE: May 9, 2023

SUBJECT:

AMENDMENT TO SAN DIEGO UNIFIED PORT DISTRICT CODE, ARTICLE 8, SECTION 8.21 TO ESTABLISH NEW MARKET-BASED PARKING RATE RANGES FOR TIDELANDS PUBLIC PARKING LOTS AND GARAGES: CONVENTION CENTER PUBLIC PARKING GARAGE, BAYFRONT PUBLIC PARKING GARAGE, B STREET PIER PUBLIC PARKING LOT, AND NAVY PIER PUBLIC PARKING LOT

- A) CONDUCT PUBLIC HEARING AND ADOPT ORDINANCE FINDING THE BOARD ACTION EXEMPT UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) INCLUDING, BUT NOT LIMITED TO, SECTIONS 15273 AND 15301 OF THE CEQA GUIDELINES AND AMENDING SAN DIEGO UNIFIED PORT DISTRICT CODE, ARTICLE 8, SECTION 8.21 - PARKING RATES AT TIDELANDS PUBLIC PARKING LOTS AND GARAGES**
- B) ADOPT RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO NON-APPEALABLE COASTAL DEVELOPMENT PERMIT 2016-01 FOR THE "NEW MARKET-BASED PARKING RATES AT TIDELANDS PUBLIC PARKING LOT AND GARAGES" TO ESTABLISH NEW MARKET-BASED PARKING RATE RANGES AT CONVENTION CENTER PUBLIC PARKING GARAGE, BAYFRONT PUBLIC PARKING GARAGE AND B STREET PIER PUBLIC PARKING LOT**

EXECUTIVE SUMMARY:

Staff recommends amending the San Diego Unified Port District (SDUPD) Code Article 8, Section 8.21 - Parking Rates at Tidelands Public Parking Lots and Garages, to update the existing parking rate ranges to new market-based rate ranges at Tidelands public parking garages located at the Convention Center Public Parking Garage (underground at the Convention Center), Bayfront Public Parking Garage (adjacent to the Hilton Bayfront Hotel), B Street Pier Public Parking Lot and Navy Pier Public Parking Lot. The Navy Pier Public Parking Lot rates were recently approved by the California Coastal Commission (CCC), who issued a Coastal Development Permit (CDP) dated February 17, 2023 (CCC Permit Application Number 6-22-1069; filed as Clerk Doc No. 74984).

Staff recently completed a market review of competitive parking rates in the downtown San Diego area. Staff's review of market rates revealed that during high demand periods parking rates at the Convention Center Public Parking Garage and Bayfront Public Parking Garage can be between \$15-\$25 lower than other garages in the San Diego downtown area. Additionally, staff completed a market review of convention event parking rates in the Southern California area and found that District rates are \$5-\$10 lower than other similar parking garages.

A CDP amendment will be required to amend the existing parking rate ranges at the Convention Center Public Parking Garage (underground at the Convention Center), Bayfront Public Parking Garage (adjacent to the Hilton Bayfront Hotel), and B Street Pier Public Parking Lot as established by CDP-2016-01, included as Attachment H to this agenda sheet. A copy of the draft amendment to CDP-2016-01 is provided as Attachment D to this agenda sheet. The proposed project is consistent with the certified Port Master Plan (PMP).

Staff recommends the Board conduct a public hearing and adopt an Ordinance to set new market-based and reasonable parking rate ranges at the Convention Center Public Parking Garage, Bayfront Public Parking Garage, B Street Pier Public Parking Lot, and Navy Pier Public Parking Lot by amending SDUPD Code, Article 8, Section 8.21 - New Market-Based Parking Rate Ranges at Tidelands Public Parking Lot and Garages and authorizing Amendment No. 1 to Non-Appealable CDP 2016-01.

RECOMMENDATION:

- A) Conduct public hearing and adopt Ordinance finding the board action exempt under the California Environmental Quality Act (CEQA) including, but not limited to, Sections 15273 and 15301 of the CEQA guidelines and amending San Diego Unified Port District Code, Article 8, Section 8.21 - Parking Rates at Tidelands Public Parking Lots and Garages
- B) Adopt Resolution authorizing Amendment No. 1 to Non-Appealable Coastal Development Permit 2016-01 for the “New Market-Based Parking Rates at Tidelands Public Parking Lot and Garages” to establish new market-based parking rate ranges at Convention Center Public Parking Garage, Bayfront Public Parking Garage and B Street Pier Public Parking Lot

FISCAL IMPACT:

If the proposed rates are adopted, staff projects that parking revenues net of operating expenses may increase by up to approximately \$1,020,000.

COMPASS STRATEGIC GOALS:

The increased flexibility of the parking rates by establishing new market-based ranges is responsible fiscal management to ensure District parking assets are at their full potential and compete equally with the San Diego downtown market.

This agenda item supports the following Strategic Goal(s).

- A Port that the public understands and trusts.
- A vibrant waterfront destination where residents and visitors converge.
- A Port that is a safe place to visit, work and play.
- A financially sustainable Port that drives job creation and regional economic vitality.

DISCUSSION:

Special Event Parking Rates

The District last conducted a review of market parking rates in 2016. There have been significant developments since that time from both an attraction standpoint as well as increasing parking rates in the downtown area. The District has contributed to the development with the opening of the Rady Shell, Portside Pier and the Lane Field Hotels. In addition, demand for Padres games and other Petco events have increased significantly. Padres' attendance in 2022 increased 25% over pre-COVID numbers and is expected to further increase in 2023. Notwithstanding these increases, large conventions have not yet returned to pre-COVID levels. Other San Diego downtown garages and lots have increased parking rates over the last few years; some garages are up to \$65 per day to park. For special events such as Padres games or other Petco events, the District can currently only charge up to \$35. See Attachment F to this agenda sheet for Parking Rates at Downtown Garages.

Convention Event Parking Rates

The Convention Center draws several major events annually, such as, Comic-Con, Car Show, medical conferences, and marathons to name a few. The parking is sold out for the larger events with parking utilized in both the Convention Center and Bayfront Garages; however, large conventions still have not yet returned to pre-COVID levels. Staff has completed a review of convention event parking rates in Southern California and found that other convention center garages are charging up to \$30 for convention event parking, while the District can currently only charge up to \$20 for these major events. As an example, during Comic-Con the District garages fully sell out at the \$20 rate for what is considered on-site parking, while off-site garages and lots charge more than double this rate. See Attachment G, for Southern California Convention Center Parking Rates.

B Street Pier Public Parking Lot Rates

The recommended B Street Pier Public Parking Lot rates include segments of time to allow for flexibility for demand, which is often less than a full day of parking. The rate ranges and additional time periods proposed will allow the public several options from one (1) hour up to twelve (12) hours of parking versus paying one flat all-day rate. The parking operator recommends this as an optimal offering similar at surface lots in the downtown area.

Navy Pier Public Parking Lot Rates

The Navy Pier Public Parking Lot is currently within the CDP jurisdiction of the California Coastal Commission (CCC). On February 9, 2023, the CCC approved a CDP (CCC Permit Application 6-22-1069; issued February 17, 2023; also filed as Clerk Doc No. 74984), which approved new parking rate ranges for the Navy Pier Public Parking Lot as shown below. These new approved rates will be incorporated into SDUPD Code Section 8.21.

Market-Based Parking Rate Ranges

Market-based parking rate ranges are recommended to create flexibility for the public parking at the Convention Center Public Parking Garage, the Bayfront Public Parking Garage, B Street Pier Public Parking Lot, and Navy Pier Public Parking Lot. This will allow for competitive pricing at each location based on demand, type of event (including whether convention or non-convention), and size of event. At times of high and low demand, prices can be increased or reduced accordingly.

Based on staff's market review of parking rates, the District is making the following recommendations per location in the tables below:

Convention Center Public Parking Garage (Underground at the Convention Center)

RATE TYPE	EXISTING RATES	PROPOSED NEW RATES
Special Event Rate (Non-Convention Center Events)	\$15.00 to \$35.00	\$15.00 to \$50.00
Convention Center Event Rate *Demand based tier pricing	\$15.00 to \$20.00	\$15.00 to \$25.00
Daily Employee Rate	\$4.00 to \$6.00	\$4.00 to \$6.00
Monthly Parking Rate (Convention Center Staff)	\$50.00 to \$100.00	\$50.00 to \$100.00
Monthly Parking Rate (Non-Convention Center Staff)	\$150.00 to \$200.00	\$100.00 to \$200.00
Waterfront Shuttle	\$5.00 to \$20.00	\$5.00 to \$20.00
Public Twilight Rates - after 6.00 p.m. (Subject to demand and advance purchase)	N/A	\$7.00 (Sun thru Thurs) \$10.00 (Fri thru Sat and Holidays)

Bayfront Public Parking Garage (Adjacent to the Hilton Bayfront Hotel)

RATE TYPE	EXISTING RATES	PROPOSED NEW RATES
Public Rate Up To 1 Hour	\$8.00	\$11.00
Public Daily Rate, to include Special Event Rate (Non-Convention Center Events)	\$15.00 to \$35.00	\$15.00 to \$50.00
Convention Center Event Rate	\$15.00 to \$20.00	\$15.00 to \$25.00
Monthly Parking Rate	\$60.00 to \$200.00	\$60.00 to \$200.00
Waterfront Shuttle	\$5.00 to \$20.00	\$5.00 to \$20.00
Public Twilight Rates - after 6.00 p.m. (Subject to demand and advance purchase)	N/A	\$7.00 (Sun thru Thurs) \$10.00 (Fri thru Sat and Holidays)

B Street Pier Public Parking Lot

RATE TYPE	EXISTING RATES	PROPOSED NEW RATES
Public Rate (1 Hour)	\$6.00 to \$15.00	\$6.00 to \$15.00
Public Rate (1 to 3 hours)	N/A	\$8.00 to \$25.00
Public Rate (3-5 hours)	N/A	\$12.00 to \$35.00
Public Rate (5-8 hours)	N/A	\$14.00 to \$40.00
Public, Daily Max Rate	\$12.00 to \$40.00 (7 to 20 Hours)	\$16.00 to \$50.00 (8 to 12 Hours)
Special Events Rate	\$20.00 to \$40.00	\$20.00 to \$50.00
Valet Parking Rate	\$10.00 to \$15.00	\$10.00 to \$50.00
Bus/RV/Oversized Vehicles Flat Rate	\$20.00 for up to 4 Hours	\$20.00 to \$80.00 (Time Limit Flexible)

****Navy Pier Public Parking Lot***

RATE TYPE	EXISTING RATES	NEW RATES**	
		April 1- September 30	October 1 – March 31
Public Rate up to 2 Hours	N/A	Up to \$5.00 per Hour	Up to \$3.75 per Hour
Public Rate up to 6 Hours	\$10.00	Up to \$20.00	Up to \$15.00
Public Rate Maximum (6-24 Hours)	N/A	Up to \$25.00	Up to \$18.75
Special Event Rate	\$20.00	Up to \$30.00	Up to \$22.50
Midway Educational Overnight Rate (after 4PM)	\$10.00	Up to \$10.00	Up to \$10.00
Monthly Rate***	\$145.00 to \$180.00	\$145.00 to \$180.00	\$145.00 to \$180.00
Motorcycle Rate	N/A	50% of Posted Rate	50% of Posted Rate

* Navy Pier Public Parking Lot rates recently approved in the Coastal Development Permit dated February 17, 2023 (CCC Permit Application Number 6-22-1069; filed as Clerk Doc No. 74984)

** Pursuant to the above referenced Coastal Development Permit, parking rates may be adjusted annually consistent with the Consumer Price Index.

*** Rate range with no change; rate will sunset with opening of Freedom Park at Navy Pier.

Stakeholder and Public Outreach

Staff met with District tenants at the Hilton Bayfront Hotel, Convention Center, and Marriott Marquis Hotel to review the recommended market rate pricing changes in January of 2023. The overall feedback was positive, and all tenants were pleased and had no objection to the proposed changes. Staff also met with Sharon Cloward with the Working Waterfront Group in February of 2023 and sent a letter to the City of San Diego's Chief Operating Officer, Eric Dargan, regarding the market rate recommendations with Board approval in March of 2023. In addition, a public outreach meeting was held on April 12, 2023, with 8 people in attendance. No objections were made for the parking rate changes. Those in attendance understood the competitive market rates as well as the flexibility of the proposed rate ranges.

The Public Hearing Notice was posted twice in the San Diego Daily Transcript on April 21, 2023, and April 28, 2023.

CDP Amendment

On May 12, 2015, the Board authorized issuance of a non-appealable CDP to the District for Market-Based Rates Up to Existing Maximum Rates at District Parking Lots and Garages (Resolution No.

2015-60). The CDP was issued on July 6, 2015 (CDP-2015-02; Clerk's Document No. 63901). The Project enabled the Executive Director to set flexible parking rates to allow for affordable parking on Tidelands, thereby shifting the parking demand from the meters to the parking lots and garages and encouraging public access with more available waterfront meters. Subsequently, in April 2016, the Board authorized issuance of a non-appealable CDP to the District for New Market-Based Parking Rates at Tidelands Public Parking Lot and Garages (Resolution No. 2016-52). The CDP was issued on May 27, 2016 (CDP-2016-01; Clerk's Document No. 65285) (Attachment H to this agenda sheet). The Project amended the existing market-based parking rates established by CDP-2015-02 to align with market-based pricing. The goal of the new rate categories and time limits at the meters was to accomplish a higher turnover enabling more of the public to park on the waterfront, with longer term (i.e., more than 3 hours) parking being provided in the garages or B Street.

The Board requested an updated market parking pricing review in Spring of 2022. Staff recently completed the analysis which included a market review of competitive parking rates in the downtown San Diego area and a market review of convention event parking rates in Southern California. Based on the results, the District recommends that the existing parking rate ranges be amended to reflect the findings made by the recently completed market reviews. A CDP amendment would be required to amend the existing parking rate ranges established by CDP-2016-01.

The proposed material Amendment No. 1 to CDP-2016-01 includes: (i) amending the existing parking rate ranges at the Convention Center Public Parking Garage (underground at the Convention Center), Bayfront Public Parking Garage (adjacent to the Hilton Bayfront Hotel), and B Street Public Parking Lot as shown in the proposed amendments to SDUPD Code, Article 8, Section 8.21; and (ii) updating the "Standard Provisions" and "Special Provisions" to reflect current permit language.

In accordance with Section 14.d. of the District CDP Regulations, the Development Services Director determined that an amendment to CDP-2016-01 is necessary and that the proposed amendment would be a material change due to the nature and extent of the proposed changes. The District's CDP Regulations require material amendments to be considered by the Board, along with the consideration of consistency with the Port Master Plan.

The proposed project is located within Planning District 3, Centre City Embarcadero, which is delineated on Precise Plan Map Figure 11 of the certified Port Master Plan. The Port Master Plan land use designation within the limits of the proposed project is Commercial Recreation. The proposed project conforms to the certified Port Master Plan because it includes amendments to the Port Code to amend existing parking rate ranges to allow for new market-based rate ranges. Furthermore, parking, including paid parking, is an allowable use in all Port Master Plan land use designations. Thus, the proposed project will not change the use of the site, nor will it interrupt or expand the existing conforming use of the site.

District staff recommends the Board authorize an amendment to non-appealable CDP-2016-01 to allow for an update to existing parking rate ranges at Tidelands public parking lot and garages to align with market-based pricing. A copy of the draft amendment to CDP-2016-01 is provided as Attachment D, and a copy of CDP-2016-01 is provided as Attachment H to this agenda sheet.

Conclusion and Recommendation

Based on analysis of competitive parking rates in the downtown area, District public parking is priced

below market. Therefore, staff recommends the Board conduct a public hearing and adopt an Ordinance finding the Board action exempt under the California Environmental Quality Act (CEQA), including, but not limited to, Sections 15273 and 15301 and setting new market-based and reasonable parking rate ranges at the Convention Center Public Parking Garage, Bayfront Public Parking Garage, B Street Pier Public Parking Lot, and Navy Pier Public Parking Lot by amending SDUPD Code, Article 8, Section 8.21 - New Market-Based Parking Rate Ranges at Tidelands Public Parking Lot and Garages and authorizing Amendment No. 1 to Non-Appealable CDP 2016-01. The approval of the increase in parking rate ranges at the garages and lots noted may result in an estimated incremental surplus of \$1,020,000 in Fiscal Year 2024.

General Counsel's Comments:

The Office of the General Counsel has reviewed this agenda as presented to it and approves the same as to form and legality.

Environmental Review:

The proposed project amending San Diego Unified Port District Code, Article 8, Section 8.21 to establish new market-based parking rate ranges for Tidelands public parking lot and garages, are Statutorily Exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15273 (Rates, Tolls, Fares, and Charges) and/or Categorically Exempt pursuant to CEQA Guidelines Section 15301 (Class 1 - Existing Facilities) and Sections 2.h and/or 3.a of the District's Guidelines for compliance with CEQA. The existing facilities exemption is proper because the activity in question will only involve an operational change and will involve negligible expansion of use beyond that previously existing. The District has determined none of the six exceptions to the use of a categorical exemption apply to this project (CEQA Guidelines Section 15300.2). As part of these actions and based upon the facts and analysis set forth in this agenda sheet and during the public hearing of this matter at the May 9, 2023, Board meeting, staff recommends that the Board make the following finding pursuant to CEQA Guidelines Section 15273, subsection (c). The proposed amendment to existing parking rate ranges, allowing for new market-based rate ranges at the Convention Center Public Parking Garage, Bayfront Public Parking Garage, B Street Pier Public Parking Lot, and Navy Pier Public Parking Lot, may increase parking revenue by approximately \$1,020,000 per year and are to meet the operational expenses of the District.

The proposed Board actions comply with Sections 21, 35, and 36 of the Port Act, which authorizes the Board to pass all necessary ordinances and resolutions for regulation of the District; to do all acts necessary and convenient for the exercise of its powers; and, by ordinance fix the rate of wharfage charges and other charges which are appropriate for the use of any of the facilities owned and constructed or services furnished or provided by the District. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board actions are consistent with the Public Trust Doctrine.

Diversity, Equity, and Inclusion Program:

This agenda sheet has no direct DEI impact on District workforce or contract reporting at this time.

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Attachment(s):

Attachment A:	Tidelands Parking Lots and Garages Location Map
Attachment B:	Proposed Amendments to San Diego Unified Port District Code Section 8.21 (Strike-out/Underline Version)
Attachment C:	San Diego Unified Port District Code Section 8.21 (Clean Version)
Attachment D:	Draft Amendment to Coastal Development Permit 2016-01 New Market-Based Parking Rates at Tidelands Public Parking Lot and Garages
Attachment E:	Final Coastal Development Permit (6-22-1069) New Parking Rates, Head House Structure Demolishment, and Construction of Freedom Park at Navy Pier (Clerk Doc No. 74984)
Attachment F:	Downtown Garage Parking Rates
Attachment G:	Southern California Convention Center Parking Rates
Attachment H:	Coastal Development Permit 2016-01 New Market-Based Parking Rates at Tidelands Public Parking Lot and Garages