



September 2, 2022

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer 

Subject: City of Santa Ana Parking Revenue Losses and Additional Security Costs

Overview

The City of Santa Ana is offering free parking in Downtown Santa Ana during certain hours of the day to assist businesses during the construction of the OC Streetcar. Staff has worked with the City of Santa Ana to better understand the extent of parking revenue losses and additional security costs. The Orange County Transportation Authority could reimburse the City of Santa Ana for actual parking revenue losses and security costs, during the period of February 2022 and December 2022, which could allow for expanded hours of free parking in Downtown Santa Ana.

Recommendation

Provide up to \$679,748 to the City of Santa Ana based on actual losses in parking revenues and verifiable additional costs incurred between February 2022 and December 2022.

Discussion

The Orange County Transportation Authority (OCTA), in cooperation with the cities of Santa Ana (City) and Garden Grove, is implementing a modern streetcar running between the Santa Ana Regional Transportation Center and the intersection of Harbor Boulevard and Westminster Avenue in the City of Garden Grove. The OC Streetcar project (Project) will improve transit connectivity and accessibility and help relieve congestion. The Project will be the first modern streetcar line in the state's third most populous county. The Project vehicles are being built by Siemens Mobility, Inc., with expected delivery in summer 2023 when testing will begin on streets. The targeted revenue service date is March 2024. Construction that required the closure of Fourth Street to vehicular traffic in the City began in February 2022, and the street is expected to fully reopen to traffic in November 2022.

In February 2022, the City began providing free parking in the Downtown area from 7 a.m. to 5 p.m. at four city-owned parking garages in an effort to ease impacts of Project construction. In March 2022, free parking hours were expanded on weekends and weekday evenings from one hour to two hours. In addition to the loss in parking revenue, the City has stated it is experiencing additional security costs at the four city-owned parking garages within the area of Project construction.

OCTA staff has worked with City staff to review data supporting the loss of parking revenue and continues to work with City staff to validate the increased security costs. To derive the impact of the decrease in parking revenue, OCTA staff reviewed invoices to determine a historical baseline for average monthly parking revenue. It was determined that average monthly parking revenue could reasonably be estimated at \$173,582 for 2022 based on 2021 standard parking revenues and the inclusion of special event parking revenue, which experienced a significant decline in 2020 and 2021 but is anticipated to return after construction. Actual parking revenues are available for February 2022 through July 2022 and average \$135,878, creating an estimated loss of parking revenue of \$37,704 per month. As a result, the estimated loss in parking revenue for the 11-month period between February 2022 and December 2022 is \$414,748.

The City also provided information on additional costs for security. It is anticipated that additional security costs will be \$265,000 over the 11-month period. OCTA staff is working with City staff to validate these costs.

OCTA could reimburse the City up to \$679,748 for the 11 months from February 2022 to December 2022 to address anticipated parking revenue losses at \$414,748 and security costs of \$265,000. If approved, OCTA would reimburse the City for actual parking revenue losses and security costs already incurred and provide subsequent payments each month based on actual parking revenue losses and additional security costs incurred. Based on discussions with City staff, they have indicated that these funds could be used to expand the hours of free parking at the four parking structures.

Fiscal Impact

If approved, OCTA would use local funds to reimburse the City in an amount up to \$679,748, to be determined by actual losses in parking revenue, and verifiable additional security costs incurred between February 2022 and December 2022.

Summary

The City is experiencing a decrease in parking revenue and additional security costs at four city-owned parking garages within the area of Project construction. The total estimated impact over the 11-month period of construction is anticipated to be \$679,748, which OCTA could reimburse the City based on actual losses in parking revenue and verifiable additional security costs. The City could use these funds to allow for expanded hours of free parking in Downtown Santa Ana.

Attachment

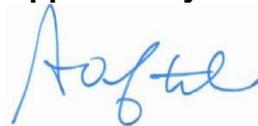
A. None.

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