

DECISION/DIRECTION NOTE

Title: Parklet Program Reduced Fee Structure

Date Prepared: April 30, 2025

Report To: Regular Meeting of Council

Councillor and Role: Councillor Carl Ridgeley, Development

Ward: N/A

Decision/Direction Required:

To reduce the applicable fees associated with the Parklet Program.

Discussion – Background and Current Status:

Each year the City administers a Parklet Program. These are typically outside patios associated with restaurants and in more recent times are often associated with the annual Pedestrian Mall. While the Pedestrian Mall is only on a portion of Water Street and only runs from the late June until early September, the Parklet Program encompasses the entire City and runs from the May long weekend until the end of October.

The parklets are subject to standard City fees including application fees, development agreement registration fees or lease agreement fees, and building permit fees. Parklets on City land, such as sidewalks and on-street parking stalls, are also subject to lease fees for the use of City land. For non-income generating City land the rate is 10% of the valuation of the land. For example, for land valued at \$25/sf/year the lease rate would be \$2.50/sf/year. For income generating land such as a parking space, the rate would be higher to also account for the lost revenue from removing the parking space. On a typical parking stall, the \$17.50 daily rate equates to \$25/sf/year once weekends and statutory holidays are considered. Combining the two creates a lease rate of \$27.50/sf/year for a typical parking stall. These annual rates are then pro-rated for the period in which the parklet is in place which varies from applicant to applicant.

After much stakeholder engagement, it has become evident that parklet owners located on revenue-generating City land find the lease rates difficult to manage, especially during uncertain financial times when restaurants are already facing significant financial pressure. Restaurants are not only one of the backbones of our local small business sector, but they are also fundamental to the vibrant cultural experience of St. John's for both residents and tourists alike.

For this reason, Council should investigate ways to support the restaurants through the Parklet Program. The most effective way is to consider eliminating the portion of parklet fees

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associated with recovering lost parking revenue. This will greatly reduce the cost of operating a parklet on City land and will create more parity between those operating on private land and City land. Depending on the size, duration and exact location of a parklet, this can reduce the annual cost of operating a parklet on City land by an order of magnitude of 85%.

Key Considerations/Implications:

1. Budget/Financial Implications:

Eliminating the portion of parklet fees associated with recovering lost parking revenue is estimated to cost the City approximately \$90,000. While this is not specific to the Pedestrian Mall, it should be noted that the City already spends approximately \$287,000 to operate the Pedestrian Mall.

2. Partners or Other Stakeholders:

There has been significant stakeholder engagement. Stakeholders include the various restaurants and other business owners that avail of the Parklet Program.

3. Is this a New Plan or Strategy: No

4. Alignment with Strategic Directions:

A Sustainable City: Facilitate and create the conditions that drive the economy by being business and industry friendly; and being a location of choice for residents, businesses and visitors.

A Connected City: Develop and deliver programs, services and public spaces that build safe, healthy and vibrant communities.

5. Alignment with Adopted Plans: N/A

6. Accessibility and Inclusion: N/A

7. Legal or Policy Implications: N/A

8. Privacy Implications: N/A

9. Engagement and Communications Considerations:

This change in fees will be communicated to industry and applicants.

10. Human Resource Implications: N/A

11. Procurement Implications: N/A

12. Information Technology Implications: N/A

13. Other Implications: N/A

Recommendation:

That Council eliminate the portion of parklet fees associated with recovering lost parking revenue and adopt the following fee structure based on current rates (subject to change from time to time as general rates may increase or decrease):

Parklets on Private Land:

- Application fee of \$300 applied one time for the duration of the application;
- Development Agreement Registration fee of \$200 applied one time for the duration of the agreement;
- Building Permit fee of \$50 applied annually (each time the parklet is constructed).

Parklets on City Land

- Application fee of \$300 applied one time for the duration of the application;
- Lease Agreement fee of \$200 applied one time for the duration of the agreement;
- Building Permit fee of \$50 applied annually (each time the parklet is constructed).
- Lease per square foot based on non-revenue generating land lease rate of \$2.50/sf/yr.

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