



Honorable Mayor and Members of the Hermosa Beach City Council

INTRODUCE AN ORDINANCE TO AMEND HBMC SECTION 10.36.010 TO INCREASE PARKING METER RATES

(Administrative Services Director Brandon Walker)

Recommended Action:

Staff recommends City Council introduce by title only and waive first reading of an ordinance titled “Amending Hermosa Beach Municipal Code Chapter 10.36 Parking Meters, Increasing Meter Rates” (**Attachment 1**).

Executive Summary:

Staff is forwarding the Finance Subcommittee’s recommendation to increase parking meter rates. The proposed adjustment is a strategic measure to generate additional revenue that will be allocated toward critical parking operations and essential capital infrastructure projects. These investments are necessary to maintain system reliability, support long-term sustainability, and enhance service delivery.

Background:

In 2023, Hermosa Beach implemented parking meter rate increases to address rising demand and generate revenue for infrastructure improvements. The recent is history of rate changes are summarized below:

Year of Last Increase	Rate
2001	\$0.75/hour
2003	\$1.00/hour
2010	\$1.25/hour
2016	\$1.50/hour
2023	\$2.00/hour (10 a.m.–8 p.m.), \$2.50/hour (8 p.m.–2 a.m.)

Staff met with the Finance Subcommittee on August 12, 2025 to review the fiscal outlook, upcoming financial challenges, and potential revenue options. The Subcommittee recommended increasing parking meter rates for all hours to \$5.00 per hour for beach lots (Lots A, B, and C) and \$3.00 per hour for all other citywide on-street meters. This adjustment aims to align the City’s rates with neighboring coastal cities and to generate additional revenue for maintaining and upgrading parking facilities and other critical

infrastructure. The proposed changes are part of a broader strategy to manage parking demand and ensure the sustainability of city services. The additional revenue will support the maintenance and development of parking facilities, streets, sidewalks, other public infrastructure, along with aiding in funding potential significant upcoming cost increases for fire and lifeguard services.

Past Council Actions

Meeting Date	Description
<u>March 28, 2023</u>	City Council approved parking meter rates set at their current level of \$2.00 per hour. Between the hours of 8:00 p.m. and 2:00 a.m. daily, parking meter rates at the following locations (Lot A, Lot B, Lot C, Upper Pier Avenue, Hermosa Avenue) set at \$2.50 per hour

Discussion:

Coastal cities like Hermosa Beach are experiencing increasing demand for parking due to population growth, tourism, and commercial activity in downtown and beachfront areas. Over the years, the City has incrementally increased its parking meter rates, most recently in 2023, when rates were raised to \$2.00 per hour from 10 a.m. to 8 p.m. and \$2.50 per hour from 8 p.m. to 2 a.m. These adjustments aim to improve turnover, manage congestion, and ensure parking availability during peak times.

Comparisons with nearby cities illustrate a regional trend toward higher, variable parking rates:

City	Hourly Rate	Notes
San Diego	\$2.50-\$10.00/hr	Increased pricing for special events
Newport Beach	\$4.10-\$8.35/hr	Off-Peak/Peak/Holiday pricing
Laguna Beach	\$2.00-\$6.00/hr	Off-Peak/Peak pricing
Huntington Beach	\$3.00-\$4.00/hr	Off-Peak/Peak pricing
Manhattan Beach	\$2.50-\$3.50/hr	City Street/Beach Lot pricing
Santa Monica	\$1.50-\$3.00/hr	City Street/Downtown Beach Lot pricing
Dockweiler	\$2.00/hr	
Hermosa Beach	\$2.00-\$2.50/hr	Day/Night pricing
Redondo Beach	\$2.00/hr	

These rates demonstrate that Hermosa Beach’s adjustments are consistent with regional norms and reflect broader coastal city parking strategies.

The primary rationale for raising parking meter rates is twofold: managing demand and generating revenue for infrastructure and citywide services. Higher rates encourage

turnover in high-demand areas, improving access for residents, visitors, and local businesses. At the same time, additional revenue from meter fees supports maintenance and capital improvements for parking facilities, streets, sidewalks, and other critical city infrastructure. Structured, demand-responsive pricing ensures that funding is tied directly to service improvements while maintaining fairness and transparency.

Hermosa Beach relies heavily on property taxes for funding, unlike other cities with stronger business bases that generate significant sales tax. To meet growing demands—such as parking infrastructure, beautification, and ongoing services—while easing the burden on residents, the city must explore alternative revenue sources, as current needs are outpacing projected revenue growth.

Raising parking meter rates offers a sustainable way to balance supply, demand, and city finances. Since over 90% of transactions come from non-residents, this approach shifts more infrastructure costs to visitors and tourists, easing the burden on Hermosa Beach residents.

By aligning rates with usage patterns and regional standards, the City Hermosa Beach can maintain accessible, well-managed parking while generating revenue to fund necessary infrastructure upgrades. This proactive approach supports local businesses, enhances the visitor experience, and strengthens long-term financial sustainability for municipal operations.

Fiscal Impact:

There is no fiscal impact associated with the recommended actions. Raising hourly parking meter rates to \$3.00 per hour citywide, along with increasing beach lot rates to \$5.00 per hour, is projected to generate up to \$3.8 million in additional annual revenue assuming parking usage is similar to prior years. These funds will provide a sustainable source of investment for parking infrastructure improvements while also supporting other critical capital needs across the community.

Attachments:

1. Draft Ordinance
2. HBMC Section 10.36.010

Respectfully Submitted by: Brandon Walker, Administrative Services Director

Concur: Ken Bales, Senior Management Analyst

Noted for Fiscal Impact: Henry Chao, Finance Manager

Legal Review: Jason Baltimore, Interim City Attorney

Approved: Steve Napolitano, Interim City Manager