



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: NOVEMBER 4, 2025

FROM: PUBLIC WORKS DEPARTMENT WARD: 1

SUBJECT: RFP NO. 2452 – APPROVE A SERVICES AGREEMENT WITH ACE PARKING III, A CALIFORNIA LIMITED LIABILITY COMPANY, TO OPERATE A SIX-MONTH PILOT PROGRAM THROUGH JUNE 30, 2026 FOR THE PARK RIVERSIDE DOWNTOWN VALET PROGRAM IN THE AMOUNT OF \$334,595.85 WITH A 10% CHANGE ORDER AUTHORITY OF \$33,460; AND PUBLIC HEARING – MASTER FEES AND CHARGES SCHEDULE; ORDINANCE AMENDING CHAPTER 3.30 SECTION 3.30.030 OF THE RIVERSIDE MUNICIPAL CODE TO ADD ONE ADDITIONAL CATEGORY; RESOLUTION AMENDING THE CITY’S FEES AND CHARGES SCHEDULE

ISSUES:

Approve a Services Agreement with ACE PARKING III, LLC to operate a six-month pilot program for the Park Riverside Downtown Valet Program, hold a public hearing for the proposed fees and charges, adopt a Resolution amending the City’s Master Fees and Charges Schedule, adopt an ordinance amending the Riverside Municipal Code Chapter 3.30 Section 3.30.030 Schedule of Regulation, Products and Services .

RECOMMENDATIONS:

That the City Council:

1. Approve an agreement with ACE PARKING III, LLC to operate a six-month pilot program for the Park Riverside Downtown Valet Program for \$334,595.85 with a 10% change order authority of \$33,460 beginning January 1, 2026 through June 30, 2026, with two, one-year extensions, not to exceed a total term of two years and six months;
2. Authorize the City Manager, or designee, to execute the agreement including making minor, non-substantive changes, and contract extensions;
3. Conduct a public hearing on amending the City of Riverside’s Master Fees and Charges Schedule;
4. Introduce and subsequently adopt an ordinance amending the Riverside Municipal Code (RMC) Chapter 3.30 Section 3.30.030 - Schedule of Regulation, Products and Services, subsection XI – Public Parking – Public Works, to add one additional category titled Valet Parking;

5. Adopt a resolution approving the addition of one new category and two new fees related to valet parking to the Fiscal Year 2025/26 Master Fees and Charges Schedule; and
6. Direct staff to return to City Council with a status update on the program by the sixth month of operation for future consideration.

COMMITTEE RECOMMENDATION:

On September 12, 2024, following discussion, it was moved by Vice Chair Hemenway and seconded by Chair Conder direct the Public Works Department Parking Services Division to publish a Request for Proposals to identify valet service contractors to operate the Park Riverside downtown valet service. Following issuance of the RFP, staff were to submit a recommendation to City Council to award the service agreement and:

1. Return to the Mobility and Infrastructure Committee with a six month progress update; and
2. Report directly to the City Council six months after the implementation of the valet service for review and future consideration.

BACKGROUND:

In July 2023, the Park Riverside program implemented new parking rates and hours of operation, including the Park Riverside app which provides 30-minutes free parking in on-street metered spaces and 60-minutes free parking in off-street metered parking lots to deliver affordable and accessible parking throughout downtown. The Park Riverside program has been committed since July 2023 to improve the downtown parking experience by addressing garage cleanliness with routine power-washing of stairwells, decks and adjacent sidewalks, by addressing public safety with two 24/7 roaming security patrol units and installing over 100 new high-resolution surveillance cameras in all garages and some adjacent alleyways. A natural extension to improving the downtown parking experience is the implementation of a public valet service.

On June 5, 2024, the Transportation Board unanimously recommended that the Mobility and Infrastructure Committee review and support the establishment of the Park Riverside Downtown Valet Service.

On September 12, 2024, the Mobility and Infrastructure Committee directed staff to issue an RFP with a 6-month pilot program, requiring staff to return with a six-month program update, and present a report directly to City Council six months after implementation for review and future consideration.

On November 4, 2025, a Notice of Public Hearing was published establishing the City's intent to hear and consider all protests and objections concerning this report, alongside the consideration and potential adoption of the proposed fee.

DISCUSSION:

In February 2025, Parking Services published RFP No. 2452 for the Park Riverside Downtown Valet Service. The public valet service was crafted to deliver a more robust and elevated downtown parking experience by offering curbside accessibility, operational flexibility, convenience, and public safety. In keeping with the City's Community Engagement Policy, the foundation of the RFP was influenced by survey data from over 300 survey respondents, two

interactive meetings hosted by Riverside Downtown Partnership that included stakeholders and several downtown business establishments, and analysis of several established municipal valet programs in Southern California. The comprehensive scope of service helped produce two detailed proposals from well-respected valet contractors from the parking industry. Some of the key aspects of the public valet service will include:

- White glove customer experience includes uniformed well-groomed valet attendants prepared to offer downtown, daily event information, and optional amenities such as complimentary bottled water, vacuumed floor mats, and seasonal items.
- Text-based ticketless system (TEZ Technologies), and traditional paper ticket system.
- Mobile payment, tipping, real-time two-way communication, and cash payment option.
- Vehicles can be delivered to any public valet stand operating in downtown Riverside.
- Enhanced vehicle security with on-premises valet staff, high-security key storage, optional security camera system, and on-site supervisor/manager.
- Daily operational adjustments will be based on cover counts provided by establishments.

The proposals were evaluated by a five-person panel which included the Riverside Downtown Partnership and City staff from Traffic Engineering and Parking Services. The evaluation process required independent review and rating from each panel member. Subsequently, the panel requested an in-person question and answer interview session with the contractors to better understand the supporting details behind each rating category. ACE PARKING III, LLC was selected by the panel due to their extensive municipal valet parking experience, plan to integrate with the downtown community, and their proposed approach to delivering an elevated experience for the visitors and businesses downtown.

The public valet program will be conducted as a 6-month pilot program utilizing real-time data analytics to help make operational adjustments. Daily planning adjustments will be made based on communication between the valet contractor and downtown establishments, event organizers, and parking metrics. A formal operational review will be conducted at the 3-month mark to determine ongoing program feasibility.

The 6-month public valet service pilot will be composed of the costs itemized in Table 1.

Table 1 – Pilot Program Costs

Item	Item Description	Cost
One-time Start Up Costs	Employee uniforms, portable valet podiums, City-branded umbrellas, signage, high-security lock boxes, cones, power banks, LED lights, office supplies, flashlights, safety vests, radios	\$25,165
Monthly Operating Costs	Labor, phones, supplies, bank fees, management fees, customer amenities	\$51,572/month or \$309,432 for 6-months
Total:		\$334,597

Furthermore, during the 6-month pilot the public valet service fees will be set at:

Valet fee during regular operations \$20 per vehicle

The days of operation are Friday-Sunday. Times of operation are to be determined.

Valet fee during special events \$30 per vehicle

Depending on the Special Event it may require the public valet service to charge at a different rate structure to help accommodate the vehicle traffic load, additional staff/stands, and different vehicle staging locations.

Downtown businesses can validate the public valet service for their customers by pre-establishing an account with ACE PARKING. Businesses will be encouraged to utilize valet parking validations to promote patronization of their establishments.

Pre-Paid Business Accounts \$1,800 minimum

This account receives a 10% discount off the regular operations valet fee for pre-paying for a minimum of 100 vehicles at \$18 per vehicle or \$1,800. Once 100 vehicles are validated, a recurring auto-replenishment billing for \$1,800 will be charged to the credit card or bank account on file unless a written cancellation request is received 30 days prior to recurring billing.

Pay-As-You-Validate Accounts \$20-\$30 per vehicle

This account validates the current valet fee being charged at the time, \$20 per vehicle or \$30 per vehicle. A valid credit card must be on file under the account for the validations to process. An expired or invalid credit card will automatically terminate the account. A written cancellation request must be received 30 days prior to closing the account.

Promotional Amenities Fee \$1,000 per month

Businesses will have an option to advertise on customer amenities like bottled water stating, "Compliments of XYZ Restaurant" or "Scan this QR Code to receive a free desert at XYZ Restaurant on your next visit". Promotional opportunities will be managed monthly on a first come first serve basis.

The projected revenue for the 6-month pilot is difficult to forecast as the demand is currently unknown. However, the Parking Services Division conservatively estimates an average of 100 vehicles per day, Friday through Sunday. At \$20 per vehicle, this equates to \$144,000 for the six-month period. As the program becomes more established and promoted by downtown businesses, valet demand is expected to increase which may close the gap between expenses and revenues. Sufficient funds are available in the Parking Fund to offset the anticipated revenue gap for the pilot duration; a detailed analysis of program revenues will be included in future project updates. It is not unusual for valet programs to operate at or below cost; the premium rates paid by valet customers exceed self-parking rates, and customers self-parking vehicles benefit from reduced circulating demand in parking facilities and reduced queues at garage entry points. Valet parking helps support a better managed parking system while providing options to customers.

6-month pilot program financial summary:

Estimated Revenues	\$144,000
<u>One-Time and Monthly Expenses</u>	<u>(\$334,597)</u>
Net Gain/(Loss)	(\$190,597)

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The term of this agreement is for six months beginning January 1, 2026, ending June 30, 2026, with the option of two 1-year extensions, for a total contract length not to exceed 2-years and 6-months. The total six-month pilot will be \$334,595.85 with a change order authority of up to 10%, or \$33,460.

Parking Services will provide a program update, including financial performance and forecast, to City Council by the 6-month mark for review and future consideration.

Purchasing Resolution 24101, Article Five, Section 508 states, "Contracts procured through Formal Procurement shall be awarded by the Awarding Entity to the Lowest Responsive and Responsible Bidder, except that...(c) Contracts procured through Formal Procurement for Services or Professional Services, where a Request for Proposals or Request for Qualifications was used to solicit Bids, shall be awarded by the Awarding Entity in accordance with the evaluation criteria set forth in the Request for Proposals or Request for Qualifications."

The Purchasing Manager concurs that the recommended action to award complies with Purchasing Resolution 24101, Section 508.

FISCAL IMPACT:

The fiscal impact of the agreement is \$334,595.85 with change order authority of \$33,460 for a total contract amount of \$368,055.85. Parking Services is focusing on achieving a cost neutral position within the Parking Fund only. Due to the unknown demand, the necessary marketing to gain awareness and having proper operating hours and valet locations has made it challenging to forecast revenues. Parking Services must take a conservative financial approach due to these unknown factors. The six-month forecast is presented with a net loss of \$190,595 to the Parking Fund. Parking Services will be tracking the weekly operation to improve the marketing campaign and re-align the operating model to eventually reach the cost neutral financial position.

Sufficient funds are budgeted and available in the Public Parking Fund, Public Parking Professional Services account number 4150000-421002 to cover the cost of the Park Riverside Downtown Valet Service pilot program.

Appropriations for future fiscal years will be included in the Public Works budget and presented to the City Council for approval.

Prepared by: Erik Lue, Public Parking Services Manager
Approved by: Gilbert Hernandez, Public Works Director
Certified as to
availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by: Kris Martinez, Assistant City Manager
Approved as to form: Rebecca McKee-Reimbold, City Attorney

Concurs with;



Chuck Conder, Chair
Mobility and Infrastructure Committee

Attachments:

1. RFP No. 2452 Award Recommendation
2. Request for Proposals (RFP No. 2452)
3. Mobility and Infrastructure Committee Report (September 12, 2024)
4. Transportation Board Recommendation (June 5, 2024)
5. Presentation
6. Agreement
7. Resolution
8. Master Fee and Charges Schedule
9. Ordinance
10. Notice of Public Hearing