



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JULY 14, 2026
FROM: PUBLIC WORKS DEPARTMENT WARD: 1
SUBJECT: SIX-MONTH UPDATE ON THE PARK RIVERSIDE DOWNTOWN VALET PROGRAM

ISSUE:

Six-Month Update on the Park Riverside Downtown Valet Program.

RECOMMENDATIONS:

That the City Council:

Receive and file a six-month update on the Park Riverside Downtown Valet Program.

BACKGROUND:

On November 4, 2025, City Council:

1. Approved an agreement with ACE PARKING III, LLC to operate a six-month pilot program for the Park Riverside Downtown Valet Program for \$334,597 with a 10% change order authority of \$33,460 beginning January 1, 2026, through June 30, 2026, with two 1-year extensions, not to exceed a total term of 2-years and 6-months;
2. Authorized the City Manager, or designee, to execute the agreement including making minor, non-substantive changes, and contract extensions;
3. Conducted a public hearing on amending the City of Riverside's Master Fees and Charges Schedule;
4. Introduced and subsequently adopted 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. Adopted a resolution approving the proposed amendments to the Fiscal Year 2025/26 Master Fees and Charges Schedule; and
6. Directed staff to return to City Council with a status update on the program by the sixth

month of operation for future consideration.

DISCUSSION:

In late November 2025 through March 2026 Parking Services worked on promoting the Park Riverside Downtown Valet Program through the City of Riverside's social media accounts, the Auto Center electronic billboard, the City's website, through RDP's email network and BID Bulletin, during the Greater Riverside Chamber of Commerce events such as: Downtown Business Council, Good Morning Riverside and Inside Riverside.

On January 15, 2026, Parking Services conducted a soft launch of the Park Riverside Downtown Valet Program along University Avenue with Club RIV and Estrella as the destination venues to showcase how the service is intended to operate. City dignitaries, City departments, downtown stakeholders and businesses were in attendance.

On January 16, 2026, the Park Riverside Downtown Valet Program was officially launched in five "core" locations throughout downtown positioned at loading zones along arteries leading into downtown: southbound Market Street in front of the Food Lab, eastbound Mission Inn Avenue in front of Mission Galleria, northbound Lemon Street next to the RMA, eastbound University Avenue next to The State and westbound University Avenue in front Dragon Marsh.

On January 28, 2026, the Park Riverside Downtown Valet Program utilized the State of the City event held at the Riverside Convention Center to further promote the service. Mayor Locke-Dawson helped promote the valet service through social media to the public.

Throughout the months of February and March 2026, Parking Services worked closely with ACE Parking to make weekly adjustments to the operating procedures to align the valet service to best meet the market needs. Adjustments such as making the valet station more conspicuous for drivers, relocating/evaluating valet station locations, aligning operating days/hours to match customer feedback, fine-tuning customer text message notifications and streamlining behind-the-scenes logistics. Decisions were based on weekly valet station performance, customer/stakeholder feedback, field observations, downtown traffic patterns, repetitive driving behaviors, and anticipating downtown market needs due to special events/entertainment venues.

By April 2026, the final adjustments were made to the operating procedures for the Park Riverside Downtown Valet Program once proof of concept was achieved and utilization results were consistent and improving weekly. The following Standard Operating procedures were put in place for three "core" valet stations that are currently operating every Friday and Saturday evenings from 7:00 pm to 3:00 am. The "core" valet stations are located on westbound University Avenue next to Dragon Marsh, Cal Tower/Garage 3 alleyway between University Avenue and Mission Inn Avenue, and southbound Orange Street next to Tilden Coil. These three "core" valet stations are based traffic circulation patterns observed as downtown visitors are attempting to park at Garages 1 and 3.

The valet program also provides "event" stations, based on Live Nation's anticipated cover counts, and are located along westbound Mission Inn Avenue at the Fox Theatre and northbound Lemon Street next to the RMA. The valet program plans to support event venues at the Riverside Convention Center and will continue to work with the Raincross Hospitality management team on determining which events make sense. The "core" valet station on southbound Orange Street will be floated as necessary to cover the "event" valet stations at either the FOX or RMA.

The Park Riverside Downtown Valet Program supported the following Special Events such as the Lunar Festival, the Tamale Festival, and the Insect Fair, but the valet utilization was extremely low. During these daytime family events the valet operation provides parking convenience for the attendees, but that has not proven to be enough to draw interest. However, the valet program is scheduled to support the Anime Festival at the Riverside Convention Center in late May. Based on past Special Event results Parking Services is unsure what level of interest attendees have in valet services; however, the results will be mentioned during the City Council presentation.

The Park Riverside Downtown Valet Program had one-time start-up expense items such as uniforms, valet podiums, signage, cones, umbrellas, computers, office supplies, etc. The start-up costs were favorable by \$2,832 compared to budget. The monthly operating costs were favorable by \$9,874/month as under-performing “core” stations were consolidated or reallocated as “event” locations. The normal operating days were reduced from Friday-Sunday to Friday-Saturday, with “event” operating days added in as need be. Reference Table 1 – Pilot Program Costs.

Table 1 – Pilot Program Costs

Item	Item Description	Budgeted	Actual	Favorable
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	\$22,333	\$2,832
Monthly Operating Costs (Avg)	Labor, phones, supplies, bank fees, management fees, customer amenities	\$51,572/month or \$309,432 for 6-months	\$41,698/month or \$250,187 for 6-months	\$9,874/month or \$59,245 for 6-months
Projected Six-Month Expense Total		\$334,597	\$272,520	\$62,077

The total revenues through April 2026 fell short of expectations by \$17,669/month as our demand projections were based on monthly averages for an entire year and the pilot program started during the slowest time of year. Reference Table 2 – Pilot Program Revenues.

Table 2 – Pilot Program Revenues

Item	Budgeted	Actual (Avg)	Unfavorable
Monthly Revenues	\$24,000/month	\$6,331/month	(\$17,669)/month
Projected Six-Month Revenues Total	\$144,000	\$37,986	(\$106,014)

The projected six-month pilot program financial summary is unfavorable by \$43,937 compared to the budgeted Net Loss of \$190,597. Reference Table 3 – Projected Six-Month Financials.

Table 3 – Projected Six-Month Financials

Item	Expenses	Revenues	Net Loss
Budgeted Six-Month Total	\$334,597	\$144,000	(\$190,597)
Projected Six-Month Total	\$272,520	\$37,986	(\$234,534)
Unfavorable to Budget			(\$43,937)

Despite the unfavorable financial results, the proof of concept for a public valet program was

successfully proven and the sentiment from the patrons, downtown businesses, and stakeholders overwhelmingly supports the program based on an online survey developed by Parking Services in conjunction with ACE Parking and distributed by the Riverside Downtown Partnership in early May 2026.

The Park Riverside Downtown Valet Program received encouraging responses from downtown businesses and establishments as 91% were aware of the valet program, the businesses feel that 67% of their patrons had a positive experience, 40% of the businesses stated they experienced at least a moderate revenue increase (5-10%) and 20% of the businesses indicated revenues increased significantly (>10%) and 66% of the businesses believe the valet program has positively impacted customer access and convenience to their business. It's hard to quantify how this translates into tax revenue for the City of Riverside, but over time it should generate a positive impact.

In addition to the positive feedback, Parking Services has received enthusiastic inquiries from the City of Encinitas and the City of Newport Beach to understand how and why we decided to operate a public valet program. Unsolicited articles have been written about the valet program by the Raincross Gazette, Inland Empire Business Daily, Parking Today, and Press-Enterprise. The Press-Enterprise came out to a Fox Event and conducted on-site in-person surveys about the valet program, photographed the valet operation, and observed the service in-person. Patrons from Orange County and Los Angeles County were in attendance and used the valet service to their delight as they did not know the downtown area and where to park. The valet service addressed: convenience making it easy for those attending, safety as many visitors travel from outside the area and are unsure of the area, and stress of having to search for parking.

Lastly, the survey indicated that majority of the businesses want to participate with Parking Services to promote the valet service for their business. Businesses are waiting to see if the valet program will extend beyond the six-month pilot program before committing. Below are the business partnership opportunities that have approved by City Council:

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 Park Riverside Downtown Valet Program plans to continue to increase demand by aligning more effectively with the downtown community, establishing a base of business accounts, marketing the valet service through more social media posts, and continuing to operate as efficiently as possible to achieve cost neutrality.

FISCAL IMPACT:

The Park Riverside Downtown Valet Program has been included in the Public Parking budget that was adopted by Council in June 2026.

Prepared by:	Erik Lue, Public Parking Services Manager
Approved by:	Nathan Mustafa, Public Works Director
Certified as to availability of funds:	Julie Nemes, Interim Finance Director
Approved by:	Kris Martinez, Assistant City Manager
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney

Attachment: Presentation