

History and Documentation of Downtown Parking Needs

A. History of Downtown Parking Plazas

In 1955, the property owners in the core of Downtown Los Altos petitioned the City to form an assessment district to purchase some of the property owners land and to construct parking plazas for the common use of those owners. The City agreed to form the assessment district and, in turn, the property owners agreed to the assessments to fund the purchase and construction project. However, unlike many other cities, Los Altos chose not to form a parking district under provisions of State law in order to build the plazas. The City used a different section of state law and, as a result, neither the City nor the property owners are required to comply with the provisions of a parking district. Thus, no ongoing assessments are collected from the property owners to pay for parking plaza improvements and the City has become the owner of the plazas. The City officially completed the construction of the three Downtown parking plazas in 1957.

The North and South parking plazas along with First Street, San Antonio Road and Edith Street form the boundaries of the parking district. All property owners, except the property owner at 170 State Street, participated in the parking district assessment.

1. How the Assessment Was Levied

Determining the assessment for each property owner was a difficult task for the City in 1956-57. The following excerpt from the February 1956 "Report on Parking Plaza for the City of Los Altos" by the consulting engineer demonstrates how the City determined the assessments.

"Not even Solomon in all his wisdom could possibly devise a method of assessment that would be completely satisfactory to every property owner. Nor would any complex formula accomplish this purpose. In the final analysis, assessments should be spread upon the basis of benefits received. Uses of property change from time to time. The Engineer must therefore consider the land only in relation to the service rendered without consideration of present uses.

Studies were made using commonly accepted methods of spreading of assessments by area and by assessed valuation of land and by a combination of both. All such studies, produced inequities because they did not sufficiently account for the factor of proximity of parking to the properties. Accordingly, it was determined to use the factors of area and assessed valuation, and to adjust these values to reflect the benefits to the property by proximity to the parking. The net assessment also takes into account the appraised value of the property acquired.

Since the factors used in the spread of the assessment vary, the assessments also vary. However, the net assessment for a typical 25-foot lot, where a portion of the land is taken, is approximately \$5,000."

It appears that the parcels were assessed based upon their lot size, not the building size; the perceived value of the property, looking beyond the building's 1957 uses; and the proximity of a property to the proposed parking. The development of the assessment was quite complicated and City staff is not able to reconstruct today exactly how the three methods were reconciled to develop a final assessment value. One thing that is clear is that the assessment was the same

whether an owner was built out to the property line or provided parking on their property. This helps clarify that none of the existing private parking spaces are required as part of the parking district agreements of 1956-57.

2. Parking Ratio

When the original Downtown parking district was developed, the City in cooperation with property owners and merchants developed boundaries for the district and calculated how much square footage would be involved. Using this information, they determined how many parking stalls to build. In the end, they built 1,008 parking spaces for approximately 390,000 square feet of building. At the time, this created a parking ratio of 2.6 parking spaces per 1,000 square feet of building. Since 1958, there has been some growth in the square footage of buildings Downtown as well as the available parking in the plazas, but the historical parking ratio has remained close at 2.7 spaces per 1,000 square feet of building.

3. Regulation Changes

Over the years, there have been a few significant changes to the zoning regulations and parking requirements for properties in the Downtown parking district. First, in 1981, the City Council added to the zoning code that all properties in the parking district who built over 100% of their parcel area would need to provide additional parking. Although Downtown had height limits since the early 1960s, it appears that the Council at the time wanted an additional regulation for reducing the density of new building within the Downtown core and addressing some of the parking concerns.

The next significant change came in 1989 when the City Council reduced the allowed Floor Area Ratio (FAR-the percentage of building square footage compared to lot square footage) for all properties in the Downtown parking district. Before 1989, properties in the district had no floor area restrictions and a property owner could build a property up to 200% of its lot size as long as the building stayed within the Downtown height limits. The new limits restricted properties in the district to building up to 100% FAR. It appears that this new regulation was adopted both to curb building densities in the parking district and to address concerns raised about parking given the increased building activity. Around the same time that the City Council adopted this ordinance change, they established a six-month moratorium on new building activity in certain zoning districts Downtown and made changes to the area's parking requirements.

These FAR restrictions were very effective in determining that new buildings were not pursued in the Downtown area for many years. In the interest of economic development, these FAR limits were reversed in 2007 resulting in a renaissance in new Downtown construction.

B. Current Conditions in Downtown Triangle

1. Zoning Designations

Properties within the Downtown Triangle are currently form-based zoned for one of four different designations: Commercial Retail Sales, Commercial Retail Sales/Office, Commercial Downtown and Commercial Downtown/Multiple-Family. Each zoning designation has its own permitted

uses, parking requirements and allowed FAR. In general, each zoning designation Downtown has the same the parking requirements. Although uses within each zone may have different parking requirements, a use in one zone will have the same requirements as that use in a different zone. However, the parking requirements do change within the Downtown parking district. Within the parking district, no additional parking is required unless a property builds above 100% FAR. Currently no property in the Downtown Triangle is allowed to build more than 100% FAR. The table below summarizes the parking requirements for some typical uses inside and outside the parking district.

Downtown Parking Requirements

	Office	Retail/Service	Restaurant	Hotel
100% FAR Inside Parking District				
	0	0	0	0
Over 100% FAR Inside Parking District or Outside Parking District				
	3.3 per 1,000 sq. ft.	5 per 1,000 sq. ft.	1 per 3 seats and 1 per 3 employees	1 per room and 1 per 3 employees

2. Parking Inventory

The parking district currently has 1,161 parking spaces available in the public plazas and 256 parking spaces available in on-street parking. The 1,161 spaces in the parking plazas were intended to meet the parking needs of the businesses within the parking district, but for several years it seems that this parking has not been sufficient. In 1996 the City estimated that about 93% of the parking in the plazas was being utilized during the peak parking hours. Most Downtowns aim for a parking utilization rate between 85-90% because customers often perceive that the parking is full at these ratios even though they are not. Thus, Downtown may have been losing customers at this time because they did not perceive that parking was available.

Outside the parking district, all new buildings are supposed to provide their required parking on-site. However, there are many non-conforming properties that do not have enough on-site parking to meet their requirements. This lack of parking on the properties outside the parking district, especially those adjacent to the parking district, has added to the stress put on the public parking plazas. The permit parking program has alleviated some of this stress, but it has also highlighted the lack of employee parking at many of the businesses outside the parking district.

3. Current Inequities Downtown

The Downtown parking plazas were built to provide parking for those businesses that were included in the original parking district. Those businesses that are not in the parking district are required to provide their own parking on site in accordance with the City's zoning code. The City developed the permit parking program to ensure that those businesses that are located in the district had full use of their shared parking lots. Many have argued that the City should simply expand the parking district and allow properties close to the district to use the parking plazas. However, admitting new properties into the parking district without some kind of contribution does not seem fair to parking district property owners.

For example, the property at 233 Third St. was not included in the original parking district. Annexing the property into the parking district without adding any new parking would impact the current parking ratio to the detriment of the existing merchants and property owners. The current ratio of 2.7 spaces per 1,000 square feet is already small for a Downtown like Los Altos and does not allow room for additional property in the district without the addition of new parking stalls.

Even if there were enough space in the parking plazas for additional cars, the City cannot fairly give away this parking since the property owners who paid for the building of the plazas still receive the benefit of their investment. Their property is technically worth more than similar properties outside the parking district because they don't have to meet any parking requirements. They can rent to any tenant, whether they have high or low parking demands. The properties on the periphery of the plazas have fewer options for their tenants and thus should not have as high a value. The uses of their property are limited by the need to meet certain parking requirements. Since the property at 233 Third St. has not had enough parking for many years, the value of the property should be less than similar properties within the parking district. It would be unfair for the City to add to the property value of one owner who did not pay to build parking in the past by annexing that property into the parking district.

4. Downtown Parking Fund

In June 2004, City staff created the Downtown Parking Fund to accurately track revenues derived from the Downtown parking plazas. Parking district participants do not provide any funds for maintenance of the plazas, but the City has received revenues from the renting of stalls in the public plazas. In addition, City staff is using the Downtown Parking Fund to track the revenues and expenses generated by the permit parking program. Although the program is not revenue generating, the fund helps the City track whether the program is generating excess revenues or expenses. This then helps staff set the right price for the parking permits. Downtown Parking Fund revenues can be used to maintain the existing parking plazas or to address the need for more parking.