

# **The City of Los Altos Proposed Downtown Parking In-Lieu Program**

**October 30, 2015**

## Issues Identified by the City Addressed by the Parking In-Lieu Subcommittee

City Council formed a City-Wide Parking Committee, February 2015 to:

- Develop a consistent methodology to apply requirements and credits going forward
- Investigate a mechanism to evolve the [Downtown] Parking District
- Analyze how a Parking In-Lieu program could help

City Council adopted Downtown Parking Management Plan Recommendations, Appendix 1A, Sept. 17 2013:

- Seasonal Valet Program
- Construction parking mitigation
- Financing options for additions to the parking supply
- Design work for additional parking supply

# Key Assumptions

- Preserve Los Altos' charming **village character**.
- Align parking supply and demand to reduce environmental effects, reduce costs to the City, and help create a better, **more vibrant community**.
- The efficient **shared-parking environment** of the Original Parking District ("OPD") should be expanded.
- The **private auto** will remain the predominant transportation mode for the foreseeable future. Too little parking will result in community and economic negative impacts.
- The City adopts the proposed **new parking ratios**.
- Zoning is the most effective method to regulate density. The Parking In-Lieu Program ("PILP") is about preserving village character while creating an **equitable approach** to addressing parking requirements, and increasing parking supply and reducing demand.

# Potential Benefits of Parking In-Lieu Program (“PILP”)

## 1. Improved Urban Design Focused on Walkability of Commercial Core:

-- A key concept in planning for pedestrian commercial districts is to provide a continuous series of storefronts that avoid “dead spaces” which break up the window-shopping experience.

-- No intermittent driveways results in a more effective and economically vital shopping district.

## 2. Reduce Total Parking Need via Shared Parking:

-- As public parking is available for shared use, the number of spaces required is lower than if each individual property must provide its peak parking supply on-site.

-- For instance, restaurants can use a higher proportion of a public parking supply in their peak evening period while commercial properties can use a higher proportion in the afternoon. All participating properties in an In-Lieu district benefit from lower shared parking ratios.

# Potential Benefits of Parking In-Lieu Program (“PILP”)

## 3. Generate Funds to create Public Parking Solutions:

-- In-Lieu fees provide funds to add to the public parking supply and reduce demand. Redevelopment provides and/or pays for necessary parking.

## 4. Encourage Equitable Treatment of all Landowners:

-- An In-Lieu program provides another mechanism for the provision of parking, rather than using variances and discretionary exceptions to parking codes.

-- Creates an open and transparent process, with predictable and consistent results.

## 5. Increase Feasibility of Redevelopment of Small Lots:

-- An In-Lieu program provides an additional, readily available option for developers to address the often difficult issue of meeting parking requirements, thus creating and increasing opportunities for development for small lots.

-- Similar programs already exist in many neighboring communities: including Burlingame, Mountain View, Palo Alto, Redwood City, and Sunnyvale.

## Recent History of Variances and Exceptions to Parking Code Requirements

### Required Parking Stall Deficiencies Per:

Year	Project	Current Code	Current Practice (re outdoor seating)*	Proposed Code
2006:	129 First Street (Stylers)	7	7	2
2008:	240 Third Street (Schwab)	26	26	0
2010:	1 Main Street (Enchante)	10	0*	0
2011:	145 First Street (Bumble)	52	39*	19
2012:	400 Main Street (Cetrella, Ofc)	67	55*	14
2012:	160 First Street (Safeway)	72	72	0
2014:	288 First Street (Voyageur)	23	15*	17
2015:	342 First Street (Draeger's)	<u>35</u>	<u>35</u>	<u>3</u>
<b>TOTAL:</b>		<b>292</b>	<b>249</b>	<b>55</b>

An In-Lieu program at \$20,000 per stall could have generated \$5,840,000 under the then current code.

\* Current practice of the City has been to not count outdoor seats in calculating parking for restaurants, except for 129 First Street (2015).

Note: variances or exceptions to Los Altos parking code requirements were not given at 40 Main Street (2010-2012), 467 First Street (2013), 129 First Street (2014 & 2015), and 295 Main Street (2015).

“Admitting new properties into the parking district without some kind of contribution does not seem fair to parking district property owners.”

(Downtown Land Use Plans, Appendix V: History of Downtown Parking Plazas, p. 3 (February 2005))

<http://www.losaltosca.gov/community/page/master-plans-and-studies>

For over a decade this identified problem has been exacerbated by inconsistent application of parking requirements.

# Immediate Opportunities to Increase Public Parking Supply/Reduce Parking Demand

- Restriping and better layouts of the Plazas: 230 stalls
- Ban commercial deliveries in on-street loading zones 11AM-2PM: 5-10 stalls
- Maximize use of curb space: 15-20 stalls
- Lease private EPD spaces and/or seasonal valet (estimate): 200 stalls
- Parking stalls outside EPD for shuttle and seasonal valet (estimate): 200 stalls
- TOTAL: 650-660 stalls

## Long-term opportunity to increase public parking supply:

- Build a parking garage on one of the Plazas: 276 stalls\*
- \*276 net new stalls in a three level parking structure with 396 total stalls



# Seven Criteria for a Successful Parking In-Lieu Program

1. Small or irregular shaped parcels making on-site parking difficult? **Yes**
2. Sufficient demand to ensure multiple participants to fund parking in a timely manner? **Yes**
3. Feasible opportunities to provide new public parking within walking distance? **Yes**
4. Would the commercial district benefit from an improved window-shopping pedestrian environment? **Yes**

## Seven Criteria for a Successful Parking In-Lieu Program

5. Active efforts to expand public parking that could be aided by fees? **Yes**
6. Resources available to administer the program? **Yes**
7. Other funding sources available to augment In-Lieu fees? **Yes**

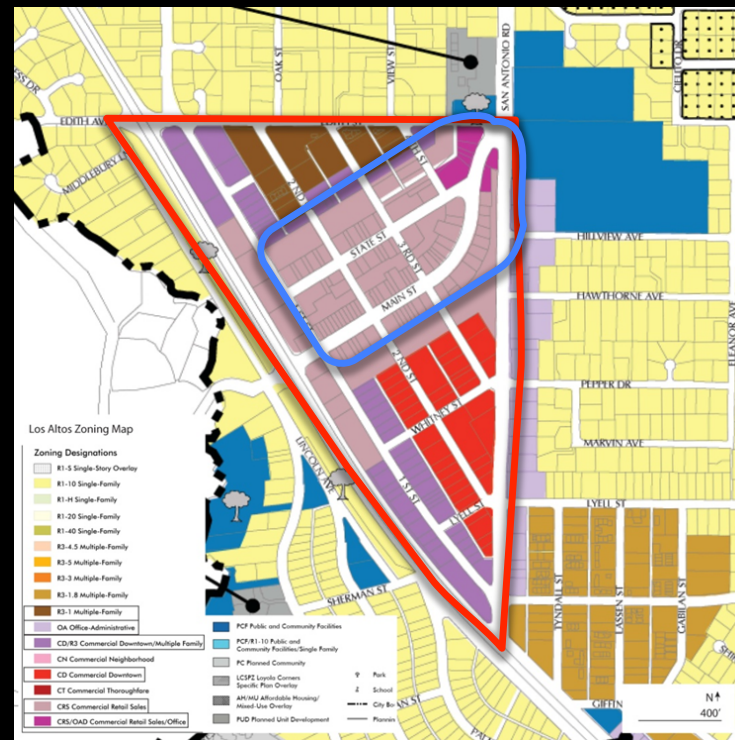
## CONCLUSION:

### Create a Parking In-Lieu Program (PILP) for Downtown Los Altos

“Off-site parking often can have its greatest application in older developed areas where small lots, multiple landowners, and physical constraint prevent the construction of on-site parking.”  
Flexible Parking Requirements (Thomas P. Smith, 1983).

# Recommendation One: Geographic Scope of the Expanded Parking District (“EPD”)

The Downtown Triangle bounded by Foothill, San Antonio and Edith (“DT Triangle”) should be the eligible area for expansion of the Original Parking District (“OPD”).



## Recommendation One: Rationale

The EPD should be defined as the DT Triangle because:

- When parking, visitors and others do not distinguish between the OPD and adjacent areas outside the OPD.
- By contrast, visitors and others do distinguish between the DT Triangle and areas outside the DT Triangle.
- The Civic Center and commercial properties across San Antonio are not presently adequately connected to the DT Triangle. If this changes, the EPD could be expanded.

## Recommendation Two: Participation in the EPD

- OPD Members are automatically included because of their original contributions (land and cash) to the Assessment District to create the Parking Plazas.

- Calculate the value of OPD member's original contribution

Formula =  $\frac{\text{current \# of parking stalls in the Parking Plazas}}{\text{hundreds of square feet of land in the OPD}}$

$$2.86 \text{ credit} = \frac{1,204 \text{ (plaza parking stalls)}}{420 \text{ (hundreds of sf of OPD land)}}$$

- To treat all EPD members equitably, require New Members to contribute to be on par with OPD members.

## Recommendation Two: Summary

- OPD Members should receive 2.86 stall credit for every 1,000 square feet of land for cooperating in and funding the creation of the Parking Plazas.
- An owner of land in the DT Triangle (“PD Eligible”) should be able to join the Expanded Parking District (“EDP”) by paying fees In-Lieu of creating 2.86 stalls per 1,000 square feet of land (net of allowed credits).

## Recommendation Three: Parking Supply Credits

“the Downtown Parking District, which includes the ten public parking plazas, the on-street spaces along Main and State Street, and the on-street spaces on the numbered side streets between the north and south parking plaza boundaries.”  
CDM Smith Downtown Parking Management Plan for the City of Los Altos  
(September 2013) P.1

“Parking innovations include counting on-street spaces toward code requirements...” Richard W. Willson, Parking Reform Made Easy (2013) P. 59.

- **Downtown shared parking environment:** The 245 on-street parking stalls in the OPD are used interchangeably with the 1,204 parking plaza stalls.
- **Significant quantity:** These on-street parking stalls represent 17% of parking stalls in the OPD – equivalent to the total net new stalls in a parking garage.
- **Consequences of Omission:** Not taking 17% of the OPD parking supply into account is like trying to balance the City budget without taking into account 17% of its cash.
- **Impact of accounting to future applicants:** For a typical OPD lot of 2,500 square feet this would represent a nominal credit of 1.43 stalls.



## Recommendation Three: Accounting for On-street Parking Stalls

Additional Credits that should be granted to OPD Members and PD Eligible landowners:

$$.57 \text{ credit} = \frac{245 \text{ (on-street parking stalls)}}{432 \text{ (thousands of sf of OPD land)}}$$

These on-street stalls should be taken into account in managing Downtown Los Altos parking in order to correctly align parking supply and demand which:

- Helps preserve the charming village character
- Reduces costs to the City and others
- Creates a better, more vibrant community

## Recommendation Three: Parking Supply Credits

- One stall for any closed curb cut that produces a parking stall
- One stall for every on-site stall made available to the public without restriction
- For on-site stalls that are restricted:
  - $\frac{1}{4}$  credit for personally designated stalls and  $\frac{1}{2}$  credit for all other restricted stalls
  - No credit for restricted stalls above what the code requires for the use
  - $\frac{1}{4}$  credit for restricted stalls that are made available for public parking after 5:00 PM weekdays and on weekends and holidays
- Anyone who eliminates a public stall must replace the public stall or pay the parking In-Lieu fee for the stall.
- If PD Member offers a public benefit, the City should develop a way to value it and provide credit for it, possibly including credit in the PILP.

## Recommendation Four: Effect of a Change to a More Intensive Use

- If an OPD Member changes to a more intensive use (e.g., retail to restaurant) then no In-Lieu fee should be charged so long as it does not exceed 100% of Floor Area Ratio (FAR).
  - If an OPD Member redevelops, exceeding 100% of FAR, the redevelopment receives full parking credit for the greater of:
    - »2.86 parking credits per 1,000 sf., or
    - »The most parking-intensive use made of the first 100% FAR
  - Beyond 100% FAR the shared parking ratios apply.
- If a New Member changes to a more intensive use (e.g., retail to restaurant), they should be required to provide additional parking for that more intensive use.

## Recommendation Five: Effect of a Change to a Less Intensive Use

No refund should be granted if an OPD or New member changes to a less intensive use, but credit stays with the property for potentially more intensive future uses.

# Recommendation Six: Limitation on use of PILP

**Unlimited Use Within the OPD:** To preserve the charming village character, properties within the OPD (but not including the Plazas) should have unlimited use of the PILP.

- It is detrimental to the village character to build underground parking in the OPD due to: (1) resulting curb cuts, (2) pedestrian-auto conflicts, (3) increased traffic stacking, and (4) damage to the window-shopping pedestrian environment.

**Unlimited Use Outside the OPD for  $\leq 15,000$  sf lots:** For all developments outside the OPD or in the Plazas involving lots of 15,000 sf or less, properties should have unlimited use of the PILP.

**Restricted Use Outside the OPD for  $> 15,000$  sf lots:** For all developments outside the OPD or in the Plazas involving lots greater than 15,000 sf, In-Lieu fee spaces should only be used for the first 50 spaces and then for up to 50% of the number of required parking spaces after the first 50, with the fee adjusted as follows:

SPACES	PARKING IN-LIEU FEE	REQUIRED PARKING
1-50	\$20,000	None
51-100	\$28,000	50% must be parked
101+	\$38,000	50% must be parked

## Recommendation Seven: Recommended Fee

### Costs of increasing parking supply and/or reducing demand:

- Other solutions (limit hours of on-street loading zones, maximum use of curb space, lease private EPD spaces and/or seasonal valet; parking shuttle to stalls outside EPD): \$1,000+ per stall; estimate: a total capacity increase of 400+ parking stalls
- Restriping parking plazas: \$9,500+ per stall for the creation of 210 to 245 new parking stalls
- New parking garage: estimates for simple additional levels on an existing Parking Plaza range from \$20,000 to \$28,000 per stall for the creation of 276 net new parking stalls

Balancing the various costs of increasing the parking supply with the economic feasibility for development, the initial parking in-lieu fee should be set at \$20,000 per stall (if a credit for on-street parking is not included, the recommended fee is \$17,000 per stall).

## Recommendation Seven: Recommended Fee

### In-Lieu Fees of neighboring communities:

Burlingame	\$48,433 (In-Lieu Fee program rarely used)
Mountain View	\$26,000 (City completed restriping)
Palo Alto	\$60,000 (In-Lieu Fee program rarely used)
Redwood City	\$25,000

### Existing “In-Lieu Fees” in Los Altos:

- The Safeway Shared Parking Agreement essentially allowed for 72 stalls not to be built for \$6,944 per stall (\$13,899 if Safeway opts out for cause and \$20,833 if Safeway opts out without cause in 2019).
- The Los Altos Grill Licensing Agreement provides for a payment of \$750 per year per stall (net present value equals \$10,000 per stall).

## Recommendation Eight: Payment Options

Fees can be collected:

- As a one-time lump sum;
- As a fully amortized (but financed) purchase at \$2,710 per annum for ten years;
- As a “leasing” program at \$1,500 per stall per annum;
- If the Council determines that restaurants should be encouraged, then the leasing option can be offered at \$750 per stall per annum for those properties.



## Recommendation Nine: Allowable Uses of Parking Funds

Parking In-Lieu fees should be available only for creating new stalls or decreasing demand through programs such as the following:

- Restriping;
- Construction of a structured garage;
- Leasing of private stalls;
- Shuttles to nearby parking;
- Valet parking;
- Subsidizing car-pooling.

## Recommendation Ten: Administration of PILP and Funds

- The PILP should be administered by the City's Finance Director.
- Allocation of PILP funds should be subject to a recommendation by a permanent Parking Advisory Committee (PAC) established for the purpose of making recommendations to the City Council relating to parking supply and management in the Downtown.
- The 6 member initial Committee should be composed of 1 representative each from: Chamber of Commerce (who is a DT merchant or commercial property owner); Los Altos Property Owners Downtown; Los Altos Village Association (who is a DT merchant or commercial property owner); Planning and Transportation Commission; Bicycle/Pedestrian Advisory Commission; and DT residents.
- This parking committee should also be responsible for recommending and/or reviewing any proposed revisions of the PILP.

# Recommendation Eleven: Implementation Schedule

Because of all the options available to increase parking supply and/or reduce parking demand, the PILP should be adopted and implemented immediately.

Recommended timeline for implementation of the PILP:

Within 60 days of the approval of this City Wide Parking Committee recommendation, the City should:

- Verify numbers of Plaza and on-street parking stalls in OPD, numbers of on-street stalls in EPD (excluding OPD), numbers of square feet of land in OPD and in EPD (excluding OPD), and ratios of Plaza and on-street parking stalls per thousand square feet of land in the OPD and on-street parking stalls in the EPD (excluding the OPD)
- Create a separate Parking Reserve Fund (PRF) to hold funds (as well as interest generated by these funds) that is reserved for future provision of parking accessible to the public, or other programs to reduce parking demand
- Establish initial PAC.

Within 120 days, the PILP should be adopted as an ordinance.

# Issues Identified by the City Addressed by the Parking In-Lieu Subcommittee

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- ✓ Analyze how a Parking In-Lieu program could help

City Council adopted Downtown Parking Management Plan Recommendations, Appendix 1A, Sept. 17 2013:

- ✓ Seasonal Valet Program
- ✓ Construction parking mitigation
- ✓ Financing options for additions to the parking supply
- ✓ Design work for additional parking supply

# The Choice

No Change:

or

Adopt a PILP:

More Variances, Exceptions, etc. to Los Altos Parking Code Requirements

- Since 2008 – variances, exceptions, etc. for 289 parking stalls worth up to \$5M+

Consistent with best practices and responsible urban planning of many cities in the Bay Area

Provide equitable, predictable results

Reduce demands on City Staff and Council

Solves a problem first identified by the City In 2005

Provide funds to address parking supply and demand

# Example of Calculation of Parking In-Lieu fee for Property Owner in the OPD

## State Street Restaurant/Office (5,000 sf lot)

- First Floor: 4,000 sf restaurant (less 400 sf for lobby, elevator shaft, stairwell, other)
- Second Floor: 5,000 sf Office (less 800 sf for landing, elevator shaft, stairwell, other)
- 4 on-site parking stalls
  - ❖ 2 available for public
  - ❖ 1 for restaurant manager
  - ❖ 1 for takeout
- 0 plaza stalls removed

# State Street Example – Calculations:

## Stalls required:

- $3.600 \times 8.0 =$  28.80 For Restaurant
- $4.200 \times 2.0 =$  8.40 For Office
- Stalls removed = 2.00 Plaza stalls no longer available
- Total Requirement = 39.20

## Stall Credits:

- OPD Plaza Credit of  $5.000 \times 2.86 =$  14.30
- On-street Credit of  $5.0 \times 0.57 =$  2.85
- Public stalls created = 2.00
- Restricted stalls created:  $1 \times 0.5 =$  .50
- Personally restricted stall created:  $1 \times 0.25 =$  .25
- Closing curb cut & creating 1 on-street stall = 1.00
- Total credit = 20.90

Net parking requirement = 18.30

Parking In-Lieu fee @ \$20,000 = \$366,000 (\$40.67/sf)

# Example of Calculation of Parking In-Lieu fee for New Member Joining the EPD

## First Street Restaurant/Office (5,000 sf lot)

- First Floor: 4,000 sf restaurant (less 400 sf for lobby, elevator shaft, stairwell, other)
- Second Floor: 5,000 sf Office (less 800 sf for landing, elevator shaft, stairwell, other)
- 4 on-site parking stalls
  - ❖ 2 available for public
  - ❖ 1 for restaurant manager
  - ❖ 1 for takeout
- 2 plaza stalls removed



# First Street Example – Calculations:

## Stalls required:

- $3.600 \times 8 =$  28.80 For Restaurant
- $4.20 \times 2.0 =$  8.40 For Office
- Stalls removed = 0.00 (This is off Plaza)
- Total Requirement = 37.20

## Stall Credits:

- Join Plaza District=5 x 2.86 = 14.30
- On-street Credit of 5.0 x 0.57 = 2.85
- Public stalls created = 2.00
- Restricted stalls created: 1 x 0.5 = .50
- Personally restricted stall created: 1 x .25 = .25
- Closing curb cut & creating 1 on-street stall = 1.00
- Total credit = 20.90

**Net parking requirement = 16.30**

Parking In-Lieu fee @ \$20,000 = \$326,000

Fee for Joining PILP 14.3 x \$20,000 = \$286,000

**Total Fee: \$612,000 (\$68/sf)**