

Date: August XX, 2015

To: City Council and Planning and Transportation Commission

From: City Wide Parking Committee

Re: Consideration of an expanded parking district and a parking in-lieu program (“PILP”) for downtown Los Altos.

## **INTRODUCTION**

This preliminary report consists of this Introduction (which includes Background, Guiding Principles, a discussion of What Have Other Cities Done, Relevant Issues Identified by the City, and Relevant Issues Identified by the City-Wide Parking Committee and the Parking In-Lieu Subcommittee), a Summary of Recommendations, a Discussion of Recommendations, a Conclusion, and four Appendixes.

### **Background**

The Original Parking District (“OPD”) property owners created an assessment district in the 1950s: they provided real property and cash to create parking plazas 1 through 10 (the “Parking Plazas”). Those property owners found that combining parking resources encouraged shared parking and benefited the City as well as property owners. This sustained the Los Altos downtown for many years. However, in the last 30 years the City has conducted several studies that recommended new parking supplies. Creation of a PILP is one of the essential elements of addressing parking needs in the Downtown Triangle as it will allow an accumulation of parking funds to support construction of new parking supplies pursuant to a Specific, Precise or Master Plan.

Every property in the OPD is supported by parking spaces located in the plazas and on-street. Currently, we enjoy an eclectic mix of buildings and usages that provide a sharing environment for parking. Parking policies have led to excess unused private stalls outside of the OPD in the Downtown Triangle (the area bounded by San Antonio, Foothill and Edith (“DT Triangle”)). The result is diminished vibrancy for our retail shops and restaurants. We should attribute and consistently allocate every parking resource in the DT Triangle – whether they are in the plazas, on-street, under the building, or adjacent to it – to the associated property. This will assure the maximum vibrancy for every new building as the town redevelops.

Properties outside of the OPD use parking resources within the OPD. Developing the PILP can ensure adequate parking resources are available to the DT Triangle and that property owners are treated consistently throughout the DT Triangle.

We believe any PILP will need to: (i) recognize and honor the contribution of the existing property owners who designed and built the OPD in the 1950’s (the “OPD Members”), (ii) choose the areas where the in-lieu program can be used to allow eligible properties to join the Expanded Parking District (“EPD”); (iii) balance credits for existing parking attributable to OPD

Members with credits for existing parking attributable to any new program participants (“New Members”), and recommend additional credits, adjustments and/or in-lieu fees that might be applicable to both OPD Members and New Members (together “PD Members”). We found that by creating the PILP each of the stated issues is resolved.

We have not found any other City that has all of the elements related to parking found in the DT Triangle, so considerable effort has been made to recognize and account for the unique issues that apply only to Los Altos, while applying principles of parking best practices where applicable. The general idea is to recommend a PILP that all participants will find open and transparent, with predictable and repeatable results that are fair to both the OPD Members and New Members, plus provide key funding for new parking resources. The PILP is intended to be something the City could implement immediately. The PILP could be modified if the City develops a Specific, Precise or Master plan for Downtown Los Altos or Downtown Los Altos and the Civic Center. We explore a variety of new resources that may be considered to increase parking supply, manage parking supply, or reduce parking demand, including: constructing a garage, restriping plazas, creating more on-street stalls with changed signage and reconfigurations, leasing and paying insurance for private stalls for employee or valet parking (including seasonal and/or lunch time valet parking), shuttles to nearby parking areas, subsidizing Uber and/or Lyft carpooling, apps that better enable drivers to find vacant stalls, improved way-finding and/or other similar techniques that may be adopted as part of a Specific, Precise or Master Plan.

Perhaps most important, the PILP must work economically to: (1) enable desired development by property owners and (2) generate funds to create parking solutions. In this context, it is critical that the city determine (1) what, if any, additional development it desires and (2) how various costs imposed on development, such as Traffic Impact Fees and Parking In-Lieu Fees, parking ratios, and zoning (zoning, not parking, is the proper program to limit height, density, and usages) encourage or discourage desired development. If all of these factors, and others, such as design guidelines, are not properly aligned with what the city desires in the way of development, the city shouldn't expect desired development to occur. For example, even with an In-Lieu Parking program, little development should be expected in the OPD given it has more restrictive zoning, e.g., a 30-foot height limit (38 feet to the parapet), than non-OPD downtown areas. Conversely, even with less restrictive zoning, e.g., a 45 foot height limit (53 feet to the parapet), little development should be expected in the non-OPD downtown areas without an In-Lieu Parking program, unless the city continues to waive parking requirements. In addition, development will generally require 75 feet of frontage. Aggregation by a developer of 75 feet of frontage on Main Street will be challenging; aggregating 75 feet of frontage on State may be more feasible. However, even if the City aligns all of its resources to encourage desired development, any actual development will be dependent on broader economic conditions that determine interest rates, demand for various usages, and other important factors; consequently, it is critical the City align its resources to encourage desired development so such development can occur when broader economic conditions permit.

To seek and maintain proper alignment of the factors it can control, the City should update the Parking In-Lieu Fee annually, as it does these other fees, to ensure it is aligned with the City's objectives. In this regard, in-Lieu fees can be set two ways: real cost or reduced cost. For

example, the fee can be based on the actual costs of providing the parking spaces in a new public facility or the fee can be set below the actual cost of building the new structure. (Report to Redwood City Mayor and City Council, February 2006, p. 27). Also, “[s]trict standards for location of parking facilities are not defined (such as “spaces must be provided within 500 feet of each individual development parcel for which in-lieu fees are paid”), nor are specific locations established when the program is implemented. Instead, parking location decisions are made over time, reflecting the changes in need for parking and opportunities to provide parking.” (The Tahoe/Placer County Parking Improvement District Study, Public Draft Report dated May 4, 2006, p. 4)

### **Guiding Principles**

1. The PILP can be adopted now as a forward-looking program that will be one of the cornerstones of a more vibrant downtown.
2. Any future Specific, Precise or Master Plan may incorporate the PILP.
3. The PILP should be designed to be durable.

### **What have other cities done?**

We have reviewed a number of books, articles and web entries in order to gather information about how others have handled the issues relating to an in lieu program. The Tahoe/Placer County Parking Improvement District Study, Public Draft Report dated May 4, 2006 (Tahoe/Placer Draft Report – Appendix A), contains a review of an in lieu program developed for the North Tahoe region. It reviewed other jurisdictions and contained general discussions relating to in lieu programs. We quote various parts of the report as we considered them helpful. Additional information about Parking In-Lieu programs is found in portions of the North Tahoe Parking Study dated March 9, 2015 (“North Tahoe Parking Study” – Appendix B).

“There are a range of potential benefits that can be provided by establishment of an in-lieu parking fee program. There are, however, also some disadvantages and potential pitfalls that must be considered. This chapter presents a review of advantages/disadvantages as they relate to the ...region.”

“Driven in large part by efforts to reduce the impacts of parking on the urban design of commercial centers, there has been a substantial number of papers and articles written in recent years regarding in-lieu fees and parking districts.”

“The likelihood of success in the use of zoning that allows payments of fees-in-lieu of parking is increased when a community can anticipate a rapid rate of development in a concentrated area. Where major developments are proposed, it is more likely that sufficient funds can be collected to help support construction of off-street parking. The funds collected, however, should simply supplement a community’s own resources (land, capital, personnel, and these funds should complement an existing program of municipally constructed off-street parking. Where development projects are to be constructed in a concentrated area and the public has the resources and administrative capacity to build and maintain centralized parking, the conditions

may be appropriate for collecting fees-in-lieu of required parking spaces.” (Flexible Parking Requirements (Thomas P. Smith, 1983) as quoted in the North Tahoe Parking Study, p 52.

“An in lieu program provides another mechanism for the provision of parking, thereby reducing the need for variances. This helps to ensure that all landowners are treated equitably.

“Additional funding for public parking improvements is generated, potentially speeding the provision of additional public parking. Funding, moreover, accompanies the development that increases the need for such parking.”

“By providing an additional, readily available option for developers to address the often-difficult issue of meeting parking requirements, an in-lieu program increases the feasibility of development or redevelopment – particularly for small lots.”

“An In-Lieu program, however, needs to be an additional option for developers that doesn’t foreclose them from pursuing other options to meet parking requirements.”

### **Relevant issues identified by the city**

When the City Council (1) formed the City-Wide Parking Committee in February 2015 and (2) reviewed the Downtown Parking Management Plan Recommendations September 2013, it identified several issues related to the work of the Subcommittee.

When the City Council considered forming the City-Wide Parking Committee in February 2015, the Recommendation was to:

“Form an ad hoc committee to review the City’s existing parking ratios and their application. The scope of the committee would include all business districts and the work plan would include:

...

- Develop a consistent methodology to apply requirements and credits going Forward
- Investigate a mechanism to evolve the Parking District
- Analyze how a parking-in-lieu program could help.

Further, when the City Council reviewed the Downtown Parking Management Plan Recommendations, September 17, 2013, the “summary of their review of each of the parking management strategies presented in Chapter 2 of the Plan and the related strategies that came out of the discussion at the City Council meeting [included]:

- “Seasonal Valet Program – The City Council supported funding this program for the 2013 holiday season and requested that the Chamber of Commerce and Los Altos Village Association share in the cost of implementation.

...

- “Construction parking mitigation – The City Council directed staff to explore the recommendations presented in the Plan and report back to Council on what additional measures could be implemented.
- ...
- “Financing options for additions to the parking supply. – City Council directed staff to initiate discussions with property owners in the downtown parking district to gauge interest in forming a parking assessment district or to identify other feasible financing mechanisms.
- “Design work for additional parking supply – The City Council did not support moving forward with initial design work on parking supply options until a financing mechanism is identified.

**Relevant issues identified by the City-Wide Parking Committee and the Parking In-Lieu Subcommittee**

The City-Wide Parking Committee and the Parking In-Lieu Subcommittee have identified five issues the PILP may help solve:

1. Development is restricted by the difficulty of providing onsite parking. There is currently no alternative other than granting “waivers”<sup>1</sup> to the parking requirements for most properties throughout the DT Triangle but particularly within the Original Parking District (“OPD”).
2. There is currently no mechanism to fund additional parking solutions other than use of the General Fund.
3. Properties bordering the OPD unfairly benefit when the City grants “waivers” to the parking ordinances.
4. After a building is constructed, the use may change as allowed by code, but there is no way to adjust the number of parking spaces required.
5. Selective or subjective enforcement of parking requirement has resulted in some properties being granted “waivers” from them while other properties have not been granted waivers.

(Of course, solutions of problems often have unintended consequences; in this case, one such unintended consequence might be creation of a PILP may create a disparate outcome for OPD members because OPD zoning is less beneficial than zoning outside the OPD.)

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<sup>1</sup> We use the term “waive” to refer to the granting of exceptions or variances when projects do not meet parking requirements. See Appendix C for examples.

## SUMMARY OF PARKING IN-LIEU SUBCOMMITTEE RECOMMENDATIONS

With the above background, information about what other cities have done, guiding principles, and issues identified by the City, the City-Wide Parking Committee and the Parking In-Lieu Subcommittee in mind, we identified key relevant issues, and analyzed and recommended solutions. While we set out to make a comprehensive list of issues and recommended solutions, we realize we may not have covered all of the possibly important issues and ask that other important issues be brought to our attention so that they can be addressed in any future report to the Los Altos City-Wide Parking Committee, the Planning and Transportation Commission and the Council.

The following is a summary of our recommendations that may help address the issues identified by the City, the City-Wide Parking Committee and the Parking In-Lieu Subcommittee (it is followed by a discussion of each recommendation):

### **Parking In-Lieu Program**

1. The Downtown Triangle bounded by Foothill Expressway, San Antonio Road, and Edith Ave. (“DT Triangle”) is the eligible area for expansion of the Original Parking District (OPD).
2. OPD Members receive a 2.86 stall credit for every thousand square feet of land, representing each member’s original contribution toward parking by cooperating in and funding the creation of the parking plazas. An owner of land within the DT Triangle who is not an OPD Member (“PD Eligible”) is eligible to join the members of the OPD and enjoy the benefits of the PILP. If the PD Eligible Member elects to join the OPD and become a member of the expanded parking district (“EPD”), they must make a payment to a parking fund created by the City to hold parking funds for the benefit of the EPD (“Parking Fund”) in lieu of creating 2.86 stalls per thousand square feet of land when joining the PILP (net of allowed credits, including credits for parking stalls created on site).
3. The following additional credits are available to OPD Members and/or PD Eligible Members who elect to join the EPD (EPD Members):
  - i. When considering parking credits, on-street parking must be counted and allocated among DT Triangle properties, in order to avoid over parking. OPD Members and PD Eligible Members should receive an equal On-Street Parking Stall Credit (“On-Street Parking Stall Credit”), initially 0.57 stalls per thousand square feet (these stalls have always been available to the OPD Members). The On-Street Parking Stall Credit should be re-evaluated after 100 of the 445 on-street stalls in the OPD have been allocated to new projects in the EPD, at which time the on-street stall credit that can be allocated to proposed future developments should be recalculated.
  - ii. Any PD Member who closes a curb cut that produces one or more parking stalls, receives a Parking Stall Credit for each new stall created.
  - iii. For any new development where a PD Member creates one or more on-site stalls that are available to the public without restriction then the PD Member receives a parking stall credit for each stall produced.

- iv. If a PD Member produces one or more on-site stalls that are restricted, then the credit will vary according to restriction as follows:
  - 1)  $\frac{1}{4}$  credit for personally designated stalls and  $\frac{1}{2}$  credit for all other restricted stalls;
  - 2) No credit for restricted stalls above what the code requires for the use, e.g., 4/1000 for office instead of 3.33/1,000. For example, a 9,000 square foot office requires 30 parking stalls for the current code at one stall per 300 square feet. If a developer provides 36 stalls (4 stalls per thousand square feet) no credit is given for stalls constructed in excess of the required 30 stalls.
  - 3)  $\frac{1}{4}$  credit for restricted stalls that are made available for public parking after 5PM weekdays, on weekends and holidays.
- v. Anyone who eliminates a public stall must replace the public stall or pay the parking in-lieu fee for the stall.
- vi. 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.
4. If an EPD Member changes to a more intensive use (say retail to restaurant) then no in-lieu fee will be charged so long as the net square footage of the building (for parking purposes) that is being changed does not exceed 100% of Net Area for Determining Parking (NADP).
5. No refund is available if an EPD member changes to a less intensive use.
6. The initial parking in-lieu fee should be set at \$20,000 per stall.
7. Fees can be collected:
  - i. As a one-time lump sum;
  - ii. As a fully amortized (but financed) purchase at \$2,710 per annum for ten years;
  - iii. As a "leasing" program at \$1,500 per stall per annum;
  - iv. 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.
8. Parking-in-lieu fees should be available only for creating new stalls or decreasing demand through programs such as the following:
  - i. Restriping;
  - ii. Construction of a structured garage;
  - iii. Leasing of private stalls;
  - iv. Shuttles to nearby parking;
  - v. Valet parking;
  - vi. Subsidizing car-pooling.
9. The PILP should be administered by City Staff. Allocation of PILP funds should be subject to a recommendation by a permanent Parking In-Lieu Program Oversight Committee (PILPOC) established for the purpose of making recommendations relating to parking supply in the Downtown. The initial Committee should be composed of one representative of each of the following: City Council, Chamber of Commerce (who is a downtown merchant or DT commercial property owner), Los Altos Property Owners Downtown, Los Altos Village Association (who is a downtown merchant or DT commercial property owner) and a

representative of downtown residents. This parking committee should also be responsible for recommending or reviewing any proposed revisions of the PILP.

10. Because of all the options available to increase parking supply and/or reduce parking demand, The PILP may be adopted and implemented immediately; we recommend the following timeline for implementation of the PILP if the City Council decides to create a PILP:

- i. The PILP should be adopted as an ordinance.
- ii. 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: 30 days after City decides to create PILP
- iii. Verify numbers of plaza and on-street parking stalls in OPD, numbers of on-street stalls in EPD (excluding OPD), numbers of square feet in OPD and 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): 30 days after City decides to create PILP
- iv. Establish initial PILPOC no more than 60 days after City decides to create PILP.

## **DISCUSSION OF RECOMMENDATIONS**

**ISSUE 1:** What area of the City should be eligible for a PILP? Options considered were:

- a. The OPD?
- b. The DT Triangle?
- c. The DT Triangle excluding residential-only areas north/west of Plaza North (“Commercial DT Triangle”)?
- d. The DT Triangle, the Civic Center and the San Antonio Offices (“Greater DT Commercial Area”)?
- e. Other?

### **RECOMMENDATION:**

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

### **DISCUSSION:**

We recommend the eligible area for the PILP be the OPD as well as the other areas of the DT Triangle because Downtown Los Altos has evolved into a significantly larger commercial area in which parking resources are in fact already being shared and the EPD should reflect that reality.

We have included the residential areas of the DT Triangle in order to permit future owners to join the EPD should that be desired in the future. We do not recommend including the Civic Center and commercial properties on the other side of San Antonio at this time because there is not currently an adequate connection between them and downtown Los Altos with respect to

parking. If a Specific, Precise or Master Plan is developed that includes Downtown Los Altos and the Civic Center (e.g., if a garage is placed in the Civic Center and with easy access to downtown Los Altos) the PD Eligible Property may be expanded to include that area.

We have identified three properties within the OPD that are not OPD Members and recommend they be treated as follows:

- a. 169 State Street. The Costume Bank (3,866 square feet) is located on a 12,197 square foot lot. It was originally the fire station owned by the City. This property was subsequently purchased by the Assistance League of Los Altos. Recently the Assistance League dedicated to the City the portion of its property in which 7 plaza stalls are located.

RECOMMENDATION: With this dedication, we recommend that the Costume Bank property be treated as if it were an OPD Member.

- b. 170 State Street contains 28,230 square feet of building on a 40,571 square foot lot. 170 State Street owns considerable portions of Plaza 9. We believe it is likely that at such time as the redevelopment of 170 State and Plaza 9 is undertaken there will be ample opportunity to negotiate with the owner to become a New Member. For purposes of the analysis in this document, we have decided to treat 170 State as if it is an OPD Member, having theoretically donated its areas of Plaza 9 to the OPD.

RECOMMENDATION: 170 State Street should be treated as if it were an OPD Member.

- c. 146 Main Street. This property is owned by the LOS ALTOS MASONIC TEMPLE ASSOCIATION. This property does not provide any parking resources to the OPD.

RECOMMENDATION: This property should be encouraged to join the EPD if the property is ever redeveloped.

**ISSUE 2:** Should there be stall credits for parking stalls in the Parking Plazas for OPD Members or New Members?

RECOMMENDATION:

OPD Members receive a 2.86 stall credit for every thousand square feet of land, representing each member's original contribution toward parking by cooperating in and funding the creation of the parking plazas. An owner of land within the DT Triangle who is not an OPD Member ("PD Eligible") is eligible to join the members of the OPD and enjoy the benefits of the PILP. If the PD Eligible Member elects to join the OPD and become a member of the expanded parking district ("EPD"), they must make a payment to a parking fund created by the City to hold parking funds for the benefit of the EPD ("Parking Fund") in lieu of creating 2.86 stalls per thousand

square feet of land when joining the PILP (net of allowed credits, including credits for parking stalls created on site).

DISCUSSION:

There should be stall credits for parking stalls in the Parking Plazas for OPD Members. New Members did not contribute and should receive no credit. The OPD Members created an assessment district: they provided real property and cash to create the Parking Plazas, and should continue to have credit for the parking stalls they created. “[A]dmitting 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 (<http://www.losaltosca.gov/community/page/master-plans-and-studies>))

Credit should be based on the Parking Plaza stalls per thousand square feet of land in the OPD as this is how the original assessment was made to create the OPD.

The estimated number of Parking Plaza stalls in the OPD, the estimated square feet of land in the OPD and the estimated proportion of Parking Plaza stalls per 1,000 square feet of land in the OPD are calculated as follows (the City should do its own counts and calculations to establish these numbers with specificity):

Area	Off-Street Parking Stalls	Square feet of lot land	Off-street parking stalls per 1,000 square feet of lot land
OPD	1204	420,869	2.86 <sup>2</sup>

“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

<sup>2</sup> Off-Street Count from Table 1-5, p. 10 CDM Smith Report 2013; Land square footage from public records; square footage includes 169 State, 170 State, but excludes 146 Main; 169 State and 170 State were included because the current usage of off-street stalls and the count includes stalls contributed by these two properties; 146 Main was excluded because it has never contributed to or participated in the plaza system.

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 Tbird 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.

(Downtown Land Use Plans, Appendix V: History of Downtown Parking Plazas, Current Inequities Downtown pages. 3-4 (<http://www.losaltosca.gov/community/page/master-plans-and-studies>))

**ISSUE 3i:** How should on-street parking stalls in the OPD and PD Eligible Property be considered in calculating parking requirements for new developments in the EPD?

**RECOMMENDATION:** When considering parking credits, on-street parking must be counted and allocated among DT Triangle properties, in order to avoid over parking. OPD Members and PD Eligible Members should receive an equal On-Street Parking Stall Credit (“On-Street Parking Stall Credit”), initially 0.57 stalls per thousand square feet (these stalls have always been available to the OPD Members). The On-Street Parking Stall Credit should be re-evaluated after 100 of the 445 on-street stalls in the OPD have been allocated to new projects in the EPD, at which time the on-street stall credit that can be allocated to proposed future developments should be recalculated;

**DISCUSSION:**

We identified two issues related to if and how such a credit should be calculated:

- (a) How should on-street parking stalls be considered in calculating parking requirements for new developments in the EPD?
- (b) If so, how should on-street parking stalls be considered for new developments in the EPD?

First issue: How should on-street parking stalls be considered in calculating parking requirements for new developments?

After considering a number of issues we concluded on-street stalls should be considered in calculating parking requirements for new developments in the EPD.

Every property in the EPD is supported by on-street stalls. If on-street stalls are not considered as part of the parking supply and not factored into calculating how many parking stalls a new

development should provide, this will result in (1) production of more parking stalls than are required to provide adequate parking in the EPD, (2) unnecessarily increasing costs for developments or diverting available development resources away from other desired purposes, and (3) decreased vibrancy from too much space being taken up by unnecessary parking stalls. With a new parking policy, there is an opportunity to evaluate every new structure on its own merits, properly predicting parking requirements and fully accounting for all of its existing parking resources whether they are in the Parking Plazas, on-street, under the building, or adjacent to it. Failure to count any of these resources means that any such building will be over-parked by those uncounted resources. Therefore, we should somehow account for every parking resource in calculating parking requirements for any property and attribute every parking resource in the DT Triangle, including downtown on-street stalls, to the appropriate PD Member. This will assure the maximum vibrancy for the DT Triangle for every new redeveloped building.

The OPD enjoys wider streets and the on-street stalls in the OPD have historically been part of the shared parking upon which the OPD has relied.

The OPD Members purchased property with abundant on-street stalls and enjoy their use and availability. These stalls are available to all users and the users do not differentiate in how they are utilized, with people often parking on State Street and shopping on Main Street and vice versa.

Second issue: If they are to be considered, how should on-street parking stalls be considered for new developments in the EPD

PD Eligible Members should receive an equal On-Street Parking Stall Credit, initially 0.57 stalls per thousand square feet. The On-Street Parking Stall Credit should be re-evaluated 100 of the 445 on-street stalls in the OPD have been allocated to new projects in the EPD, at which time the on-street stall credit that can be allocated to proposed future developments should be recalculated.

If on-street parking stalls are considered for new developments in the EPD, we concluded, after considering a number of different possible approaches, that the simplest, most equitable approach is to attribute .57 on-street stalls per 1,000 square feet of land associated with the property being developed until 100 of the 445 on-street stalls in the OPD have been allocated to new projects in the EPD, at which time we recommend a recalculation of the on-street stall credit that can be allocated for proposed future developments.

The estimated number of on-street parking stalls in the OPD, the PD Eligible Property, and the entire EPD (including the OPD), the estimated square feet of land in each of these areas, and the estimated proportion of on-street stalls per 1,000 square feet of land in each of these areas are calculated as follows (the City should do its own counts and calculations to establish these numbers with specificity):

Area	On-street parking stalls	Square feet of lot land	On-street parking stalls per 1,000 square feet of lot land
OPD	245	432,195	.57 <sup>3</sup>
PD Eligible Property:	202	1,840,000	.11 <sup>4</sup>
OPD & PD Eligible Property	447	2,272,195	.20

On- street parking stalls are typically the most visible, convenient, and therefore, the most sought after of the City’s parking supply. Perhaps when Los Altos was a smaller, less developed town, on-street stalls may have been associated with an individual property. In practice today, usage of these parking stalls is indiscriminate and does not necessarily correlate to the property it abuts. In an effort to encourage shared parking and discourage reserved parking, treating the entire EPD as one zone will improve overall efficiency of parking by addressing the needs of the area as a whole, rather than allocating to property owners within the OPD greater credit for on-street stalls simply by reason of their location in proximity to OPD members. As such, on-street stalls are a public benefit that inures to all property owners in the EPD equally.

This PILP is intended to improve the overall efficiency of parking by incorporating on-street parking. The most equitable way of treating the allocation of on-street stalls, which to this date has not been considered, is to distribute it equally among all the members of the EPD. A credit-neutral distribution reflects that this benefit is being distributed to property owners to reflect the accurate parking needs of the downtown as a whole and not as a “reward” for a contribution the property owner made currently or in the past. Uniform treatment is also easier for the city to administer, developers to anticipate and residents to understand.

**ISSUE 3ii.** Should a credit be allowed for closing a curb cut if that closure creates an on-street stall?

**RECOMMENDATION:** Any PD Member who closes a curb cut that produces one or more parking stalls, receives a Parking Stall Credit for each new stall created

**DISCUSSION:** Curb cut closures that create a parking stall deserve credit. Options considered for the amount of the reward are:

- (i) One credit for each stall created.
- (ii) Other credit for each stall created.

<sup>3</sup> On-Street Count from Table 1-5, p. 10 CDM Smith Report 2013; Land square footage from public records; square footage includes 169 State, 170 State and 146 Main; 146 Main was included because it currently shares the usage of the on-street stalls

<sup>4</sup> 142 stall On-Street Count from Figure 1-2 of the CDM Smith Report 2013; in addition, we counted 60 stalls outside the zone counted by CDM Smith on First Street and Lyell

**ISSUE 3iii:** If in any new development a PD Member creates one or more on-site stalls that are available to the public without restriction, should the PD Member receive a parking stall credit for each stall produced?

**RECOMMENDATION:** For any new development where a PD Member creates one or more on-site stalls that are available to the public without restriction then the PD Member receives a parking stall credit for each stall produced.

**ISSUE 3iv:** If a PD Member constructs on-site stalls that are restricted to the PD Member's tenants, should there be a credit for this contribution and, if so, should the amount of the credit be influenced by the nature of the restriction?

**RECOMMENDATION:** If a PD Member produces one or more on-site stalls that are restricted, then the credit will vary according to restriction as follows:

1.  $\frac{1}{4}$  credit for personally designated stalls and  $\frac{1}{2}$  credit for all other restricted stalls;
2. No credit for restricted stalls above what the code requires for the use, e.g., 4/1000 for office instead of 3.33/1,000. For example, a 9,000 square foot office requires 30 parking stalls for the current code at one stall per 300 square feet. If a developer provides 36 stalls (4 stalls per thousand square feet) no credit is given for stalls constructed in excess of the required 30 stalls.
3.  $\frac{1}{4}$  credit for restricted stalls that are made available for public parking after 5PM weekdays, on weekends and holidays.

**DISCUSSION:**

We think the city should encourage development of on-site restricted stalls to some extent because it takes pressure off the district but we also want to encourage actual sharing of the stalls for everyone to reduce the number of empty stalls downtown at any given time. Possible options considered include:

- a. Full credit regardless of restriction?
- b. Half credit regardless of restriction? (If owner builds 10 stalls restricted to my tenants, Owner receives credit for 5 against required parking).
- c. Vary credit according to restriction as follows:  $\frac{1}{4}$  credit for personally designated stalls and  $\frac{1}{2}$  credit for all other restricted stalls.
- d. No Credit?
- e. No credit for restricted stalls above what the code requires for the use, e.g., 4/1000 for office instead of 3.33/1,000. For example, a 9,000 square foot office requires 30 parking stalls for the current code at one stall per 300 square feet. If a developer provides 36 stalls (4 stalls per thousand square feet) no credit is given for stalls constructed in excess of the required 30 stalls.
- f.  $\frac{1}{4}$  credit for restricted stalls that are made available for public parking after 5PM weekdays, on weekends and holidays.

We believe c. e. and f. are most appropriate as credits should recognize the varying impacts of restrictions on the availability of parking in the EPD. Therefore, credits should be awarded based on the level of restrictions imposed.

**ISSUE 3v:** If a PD Member develops a project that results in destruction of public stalls, should they be required to make up for the lost stalls in calculating parking requirements and the in-lieu parking calculation?

**RECOMMENDATION:** Anyone who eliminates a public stall must replace the public stall or pay the parking in-lieu fee for the stall

**ISSUE 3vi:** If PD Member offers a public benefit, how is that valued?

**RECOMMENDATION:** 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.

**DISCUSSION:** Value may be based on a number of considerations: (i) value to the City; (ii) value of land required; (iii) value of the development for desired projects like the Hotel; (iv) others.

**ISSUE 4:** If an existing use changes to a more intensive use within the EPD is an in-lieu fee charged?

**RECOMMENDATION:** If an EPD Member changes to a more intensive use (say retail to restaurant) then no in-lieu fee will be charged so long as the net square footage of the building (for parking purposes) that is being changed does not exceed 100% of the Net Area for Determining Parking (NADP)..

**ISSUE 5:** Is there a refund available if there is a conversion to a less intensive use?

**RECOMMENDATION:** No refund is available if an EPD member changes to a less intensive use.

**ISSUE 6:** How should the In-Lieu Parking Fee be set?

**RECOMMENDATION:** The initial parking in-lieu fee should be set at \$20,000 per stall.

**DISCUSSION:**

The CDM Smith Downtown Parking Management Plan for the City of Los Altos (September 2013) estimates the cost per space in an above-grade parking structure (3-4 levels) to be \$20,000 to \$28,000.

Good policy dictates that the City wants to make shared parking available in the Downtown at

reasonable prices on an equal footing. The price of structured parking without frills in the Downtown area is \$20,000 per stall. The City retains the option of funding these frills by using a portion of the “windfall” from the sale of restriped stalls or by payment out of its maintenance program.

The setting of any impact fee is constitutionally mandated to be no more than the actual cost of the impact

“An in-lieu fee provision provides an option for the developer to pay a one-time or annual fee instead of providing code-required parking on-site. The city in turn uses the fees to build parking that the development will use, usually on a shared basis with other uses.... In-lieu fees can be especially helpful in mixed-use districts that have shared parking potentials and in areas where site size or configuration prevents efficient on-site parking provision. While in-lieu fees offer significant efficiency gains, they are not always popular with developers, who are concerned about the city’s ability to deliver the parking in a timely manner and to manage it efficiently.” (Parking Reform Made Easy, Richard Willson, Island Press, 2013, pp 53-54).

An in-lieu fee allows desirable development to occur downtown without impacting others. The accrued in-lieu fees can more affectively resolve parking issues when combined than a single party can. However, an in-lieu fee that is too high is not economically viable. Burlingame Ave., Burlingame offers an in-lieu fee option but it has been little used as the price at \$48,000 per stall makes redevelopment uneconomic. Palo Alto offers a \$67,000 in-lieu fee option but has found that it has not been used.

We believe that resolving parking problems in Los Altos requires a multi-pronged approach. This subcommittee supports recommendations to revise parking ratios to be more reasonable.

We are fortunate in Los Altos that we have other options to simply constructing structured parking. These options allow the creation of parking stalls more cheaply, thus allowing an in-lieu fee program at a price less than structured parking.

We have identified a number of ways the City can use In-Lieu funds to create stalls in the OPD:

- a. *Increase parking spaces during peak lunchtime hours by banning commercial deliveries in loading zones during that time.*
- b. *Maximize use of curb space.* Where there is one-side-of-the-street parking only available, consider moving parking stalls to the side of the street with the longest curb.
- c. *Restriping.* Based on the new geometry recently proposed by the Parking Standards subcommittee, the new stall dimensions offer opportunities of up to 35 stalls per plaza (for the larger plazas). Based on the CDM Smith 2013 Report and a new updated estimate from the O’Grady Company (who performs a lot of pavement work for the City) it would be possible for 7 plazas to be restriped for approximately \$1,460,000. Work can be

performed over a 5-month period. Cost of a new stall with this program is about \$7,000 per stall for the creation of 210 to 245 new parking stalls.

- d. *Shuttles to nearby parking.*
- e. *Leasing of private stalls for employee or valet parking.* There are plenty of empty privately owned stalls in the EPD. None of the reports that we have been provided study private parking stalls in the DT Triangle. In a report prepared in connection with the Greentown parking study completed in 2009, an exhaustive count was completed that listed some 1680 private stalls in the DT Triangle. Some of these have been eliminated since that time, and no effort has been made to adjust that total. But based on the work done by the Parking Ratios sub-committee, we believe that less than half of those stalls are occupied at the daytime peak, at least 800 stalls. Of the 800 unoccupied private stalls in the DT Triangle at any one time, we estimate that roughly half, or 400 stalls may be made available by private owners with proper pecuniary motivation. While few of these stalls are within the confines of the OPD, there are many just outside that, for the right price, could be available for public use. Although insurance is an issue here, we believe that the City can add these private stalls to their own policy relatively inexpensively. The “White Dot” program users could be paired up with these private stalls on a daily basis by an app for employee parking or valet parking. In Lieu fees could be used for this.
- f. *New Garage.* Estimates for simple additional levels on an existing plaza range from \$20,000 to \$28,000 per stall.
- g. *Valet.* This is a program that can work during the Holiday Season for peak periods, perhaps in conjunction with the Leasing of private stalls. It does not appear to be a viable long-term solution but can be used during a period where a particular shortage of parking availability is anticipated.
- h. *Other solutions beyond those outlined above.* We have not yet identified others that are the subject of the alternative solutions Sub-Committee. We understand that parking alternatives beyond additional stalls are being explored by that Sub-Committee.

In light of the proposed expanded parking district, the city should consider aligning the zoning as necessary to provide equity among downtown property owners. We believe that the fairest approach is to make building heights identical across the EPD Zone. WE believe this is an important concession to PD owners who are “sharing” their parking resources with those outside the OPD

What have other cities done?

Burlingame.

We spoke with Kevin Gardiner, Planning Manager, City of Burlingame on 6/25/2015

He provided the following information:

1. The In Lieu program was created in 2000. The fee was set at the full replacement cost based on an estimate to build a two level garage on one of Burlingame's existing parking lots.
2. The Original fee was \$34,100, indexed to the CPI. The current fee is \$48,433.06.
3. Burlingame has had very few takers on the in lieu program. Less than five developers with insignificant small projects.
4. Burlingame has had almost no development in the downtown since 1972.
5. Use changes in the downtown are sometimes approved and sometimes not. Historically, the answer has depended on the Planning Commission's mood at the time of application.
6. Two recent projects (the only projects in forty years) included (i) a remodeled Safeway that was given a reduced parking requirement and credits to cover the in lieu fee; and (ii) a Walgreens that gained approval with a slightly reduced parking requirement.
7. Burlingame is now seeing some office and mixed-use projects. One dropped its application when they were informed of the required lieu fee. The other two proposals are at an early stage and are both looking for significant reductions in the parking requirements.
8. In the 1980's Burlingame had a parking fee and existing properties were allowed to pay only 2/3's of the then existing fee. Even with this discount they were unable to attract any new development.
9. He expressed great interest in how Los Altos might solve this problem and allow development to proceed in the downtown core.

Vancouver, B.C.

One of the most forward looking cities with respect to parking policy is Vancouver, B.C. We note that their policies are repeatedly mentioned in the literature. When Vancouver adopted its in lieu program it was initially set at \$10,000. It is now offered at \$20,300. With the fluctuating dollar, we believe that this fee is actually now significantly lower than \$20,000 based on the current exchange rates. We have not found any discussion about how they actually set the fee but it would appear to be lower than the replacement cost.

Mountain View.

The City of Mountain View now offers an In-Lieu fee of \$23,000. This fee was initially much lower, and was waived for restaurants. The new fee is based on what is perceived as the price of above-ground structured parking. We note that Mountain View created a number of new stalls by restriping prior to the construction of its new garage. An additional new garage is currently being contemplated.

North Tahoe.

The North Tahoe Parking Study, dated March 9, 2015 states: "A key issue in an in-lieu fee program is the appropriate level of the fee. The professional literature, and the way in which fees are established in other California jurisdictions, indicates that there is not any legal requirement that fees levels be set to reflect the full cost of the provision of parking."

While many cities apply a strict application of replacement stalls and choose the most expensive stall, the Tahoe/Placer Draft Report includes a review of nearby cities demonstrating that actual in lieu fees are varied.

**ISSUE 7:** How should the fee be collected?

**RECOMMENDATION:**

Fees can be collected:

- i. As a one-time lump sum;
- ii. As a fully amortized (but financed) purchase at \$2,710 per annum for ten years;
- iii. As a "leasing" program at \$1,500 per stall per annum;
- iv. 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.

**DISCUSSION:**

Many jurisdictions offer payment options designed to make the payment of an in-lieu fee more feasible to test new uses. This is particularly true in the case of restaurants. The City of Burlingame, in its in lieu policy adopted in 2000, noted that there can be significant collection issues associated with payment programs that are not based on lump sum payments granted at the time of the approval of the development. In particular, for general law cities, collecting in lieu fees is difficult because you cannot simply shut a business down when safety issues are not involved. On the other hand, Los Altos has operated an in lieu program for the Los Altos Grill for many years without issue.

Create a "leasing" program where property developers and owners can pay either annually or in lump sum. We are informed that the average "cap rate" (the average annual return on real estate investment in the Bay Area) is about 7.50%. Thus a \$20,000 in lieu payment would be the equivalent of about \$1500 per annum. Each of these programs should use the 7.50% rate to allow maximum flexibility to the user. Anyone who uses this program is susceptible to adjustments to the in lieu fee and an appropriate changes to the annual payment.

Create a "fully amortized" program where property developers and owners can "lock in" the in lieu rate at the current values and, so long as they pay for a set number of years (say 10 years), at the end of those payments, they will be considered paid in full. Thus for a \$20,000 in lieu fee, a payment of \$2,710 per year will retire the parking in lieu payment after 10 payments.

Create a special program for restaurants. This would create an incentive for restaurants to open along First Street and other areas within the EPD. It would allow restaurants a program offering

½ the rental rate of \$1500 per year. In this case, restaurants would qualify at the rate of \$750 per stall. There would be no long-term accumulation of payments toward the PILP.

(Note: This follows past practices. The City of Los Altos has an agreement with the Los Altos Grill where the property owner can pay annually into a parking reserve fund. All payments are counted toward satisfaction of a parking in lieu payment as such payment may be altered from time to time.)

**ISSUE 8:** What should the In-Lieu Parking Fees and other Parking Funds be used for?

RECOMMENDATION:

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

- vii. Restriping;
- viii. Construction of a structured garage;
- ix. Leasing of private stalls;
- x. Shuttles to nearby parking;
- xi. Valet parking;
- xii. Subsidizing car-pooling.

DISCUSSION:

Fees collected for parking should always be used for parking, or substitutes for parking, such as restriping, new garage, leasing private stalls for employee or valet parking, shuttles to nearby parking, valets, and subsidizing car pooling (enabled by apps such as Uber and Lyft or otherwise). Failure to do so makes those contributing to parking suspicious of motives. For instance, parking fees should not be used for the following purposes:

- i. Landscaping and streetscape greening;
- ii. Street improvements;
- iii. Increased frequency of trash collection;
- iv. Additional street cleaning, power-washing; or graffiti removal;
- v. New lighting;
- vi. Additional oversight and management of downtown infrastructure and amenities;
- vii. Additional police patrols;
- viii. Additional parking enforcement;
- ix. Marketing and promotion of downtown;
- x. Other programs and projects that may be proposed;

**ISSUE 9:** How should the Parking In-Lieu Program funds be administered?

RECOMMENDATION:

The PILP should be administered by City Staff. Allocation of PILP funds should be subject to a recommendation by a permanent Parking In-Lieu Program Oversight Committee (PILPOC)

established for the purpose of making recommendations relating to parking supply in the Downtown. The initial Committee should be composed of one representative of each of the following: City Council, Chamber of Commerce (who is a downtown merchant or DT commercial property owner), Los Altos Property Owners Downtown, Los Altos Village Association (who is a downtown merchant or DT commercial property owner) and a representative of downtown residents. This parking committee should also be responsible for recommending or reviewing any proposed revisions of the PILP.

**DISCUSSION:**

The PILP should be administered by City Staff. Allocation of these funds should be subject to a recommendation by a permanent Parking In-Lieu Program Oversight Committee (PILPOC) established for the purpose of making recommendations relating to parking supply in the Downtown. This Committee should be in existence until a Parking Benefit District or other more appropriate governing body is formed. As part of the Specific Plan, Precise Plan or Master Plan process, the City may form a permanent parking committee that would make recommendations to the Council as to how in-lieu and other parking funds should be used to increase parking supply, reduce parking demand, or manage parking. The initial PILPOC should be composed of one representative of each of the following: City Council, Chamber of Commerce (who is a downtown merchant or DT commercial property owner), Los Altos Property Owners Downtown, Los Altos Village Association (who is a downtown merchant or DT commercial property owner) and a representative of downtown residents. This parking committee should also be responsible for recommending or reviewing any proposed revisions of the PILP.

**ISSUE 10:** How should the PILP be implemented?

**RECOMMENDATION:**

Because of all the options available to increase parking supply and/or reduce parking demand, the PILP may be adopted and implemented immediately; we recommend the following timeline for implementation of the PILP if the City Council decides to create a PILP:

- i. The PILP should be adopted as an ordinance.
- ii. 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: 30 days after City decides to create PILP
- iii. Verify numbers of plaza and on-street parking stalls in OPD, numbers of on-street stalls in EPD (excluding OPD), numbers of square feet in OPD and 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): 30 days after City decides to create PILP
- iv. Establish initial Parking In-Lieu Program Oversight Committee: 60 days after City decides to create PILP

**CONCLUSION:**

Property Owners who are not currently members of the PD will want to join when it is beneficial to do so. Therefore, the overall strategy is to draw as many property owners as possible into the PD so that as many privately constructed stalls as possible are available for sharing with the general public. We believe that sharing stalls (public and private) to the greatest extent possible is the key to a vibrant downtown. Currently there are some 1,700 privately owned stalls in the DT Triangle that are closed to general public parking (and hundreds more that are associated with condos). Based on the work of the Parking Ratios Subcommittee, it appears that these stalls are occupied at an average rate of about 40% during weekdays and are mostly empty on weekends. Making a contribution toward the creation of new stalls and making any privately owned stalls available to the public is a key long term goal that we have identified to make the Downtown more dense, more vibrant and more active.

In order to induce property owners to make a contribution toward public stalls or, when they construct stalls on their own site, to make their private stalls available to the public, benefits to joining the Parking District must be substantial and clearly identified. Here, we recommend a method of joining the PD. Other benefits and burdens may be offered as well but, for now, we are limiting the proposal as described above. For instance, the in-lieu program will only be available to participants and lower shared parking ratios will apply. Zoning may be aligned throughout the DT Triangle in order to balance development opportunities among property owners. The proposed cost of joining the PD (and the benefits afforded the effected property) are calculated in the examples in Appendix D.

We believe this plan addresses the following items the City recommended the work plan for the City-Wide Parking Committee include:

- Develop a consistent methodology to apply requirements and credits going Forward
- Investigate a mechanism to evolve the Parking District
- Analyze how a parking-in-lieu program could help.

Further, we believe this plan advances the following parking management strategies included in the City Council review of the Downtown Parking Management Plan Recommendations, September 17, 2013:

- “Seasonal Valet Program – The City Council supported funding this program for the 2013 holiday season and requested that the Chamber of Commerce and Los Altos Village Association share in the cost of implementation.  
...
- “Construction parking mitigation – The City Council directed staff to explore the recommendations presented in the Plan and report back to Council on what additional measures could be implemented.  
...
- “Financing options for additions to the parking supply. – City Council directed staff to initiate discussions with property owners in the downtown parking district to gauge

interest in forming a parking assessment district or to identify other feasible financing mechanisms.

- “Design work for additional parking supply – The City Council did not support moving forward with initial design work on parking supply options until a financing mechanism is identified.

We believe this plan also satisfies eight individual criteria identified by the North Tahoe Parking Study for considering whether an in-lieu fee program is appropriate and would yield benefits to Los Altos the North Tahoe Parking Study identified as being associated with an in-lieu parking fee program. (Appendix E).

PRELIMINARY DRAFT 07/14/15

**APPENDIX A**

**Parking Improvement District Study, Public Draft Report dated May 4, 2006  
("Tahoe/Placer Draft Report")**



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Saturday, Oct 20, 2012

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- Bibliography
- Appendix A - Examples of Existing In-Lieu Ordinances
- Appendix B - Draft Placer County In-lieu Ordinance

## Tahoe/Placer County Parking Improvement District Study

# Tahoe/Placer County Parking Improvement District Study

Public Draft Report

*Prepared for the*

Placer County Redevelopment Agency  
11493 B Avenue  
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*Prepared by*

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May 4, 2006  
LSC #057140  
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## Chapter 3

### The In-Lieu Fee/Parking Improvement District Concept

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As presented in Chapter 1, above, there are a range of potential benefits that can be provided by establishment of an in-lieu parking fee program. There are, however, also some disadvantages and potential pitfalls that must be considered. This chapter presents a review of the literature regarding such programs, a summary of existing programs in other jurisdictions, and a review of advantages/disadvantages as they relate to the North Tahoe region.

Driven in large part by efforts to reduce the impacts of parking on the urban design of commercial centers, there has been a substantial number of papers and articles written in recent years regarding in-lieu fees and parking districts. The bibliography of this document presents the most pertinent of these. Flexible Parking Requirements (Thomas P. Smith, 1983) provides a good summary of the "ingredients" necessary for success of an in-lieu program:

*"The likelihood of success in the use of zoning that allows payments of fees-in-lieu of parking is increased when a community can anticipate a rapid rate of development in a concentrated area. Where major developments are proposed, it is more likely that sufficient funds can be collected to help support construction of off-street parking. The funds collected, however, should simply supplement a community's own resources (land, capital, personnel), and these funds should complement an existing program of municipally constructed off-street parking. Where development projects are to be constructed in a concentrated area and the public has the resources and administrative capacity to build and maintain centralized parking, the conditions may be appropriate for collecting fees-in-lieu of required parking spaces." (page 11)*

This document also includes the following quote, that is very pertinent to the Kings Beach and Tahoe City commercial core areas:

*"Off-site parking often can have its greatest application in older developed areas where small lots, multiple landowners, and physical constraints (site broken up by alleys, easements, existing street patterns) prevent the construction of on-site parking." (page 11)*

Overall, the review of the professional literature revealed the following potential benefits associated with an in-lieu parking fee program:

- An improved urban design can be provided. A key concept in planning for pedestrian commercial districts is to provide as continuous a series of storefronts as possible, avoiding "dead spaces" that break up the window-shopping experience. By reducing the need for driveways and parking provided along the front of commercial properties (which is effectively required at present for those parcels without side or back access), an in-lieu program can result in a more effective and economically vital shopping district.
- The total amount of parking needed to adequately serve the area can be reduced. 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. Another example pertinent to the study area is the use of parking for summer beach recreation parking needs as well as for winter snowmobile concessionaire parking needs.
- An in-lieu program provides another mechanism for the provision of parking, thereby reducing the need for variances. This helps to ensure that all landowners are treated equitably.

- Additional funding for public parking improvements is generated, potentially speeding the provision of additional public parking. Funding, moreover, accompanies the development that increases the need for such parking.
- By providing an additional, readily available option for developers to address the often-difficult issue of meeting parking requirements, an in-lieu program increases the feasibility of development or redevelopment - particularly for small lots.

## Existing Parking In-Lieu Fee Programs

The concept of in-lieu parking fees is not a new one. For instance, the city of Toronto originally established their parking in-lieu fee program in 1963. The following presents a survey of existing programs, along with the most-recent available per-space fee (where available).

### California Jurisdictions

- **City of Berkeley** - \$10,000 (in 1999). Developers of lots under 30,000 square feet are required to pay the in-lieu fees rather than provide spaces on-site.
- **City of Brentwood** - \$2,500 (in 2003).
- **City of Carmel** - \$27,520 (in 1996), which is a requirement (no on-site parking is allowed).
- **City of Concord** - \$8,500 (in 1999).
- **City of Culver City** - Fees are individually calculated at five times the per-square foot County-assessed valuation of the proposed development land times 300 square feet per parking space.
- **City of Davis** - Fees are set as "an amount equal to the value of the required parking on a per parking place basis" and must be expended only by the City to *"acquire and/or develop on-street or off-street parking and related facilities which are determined by the City Council to alleviate the need for parking spaces in the core area"* (Municipal Code 40.25.060). Interestingly, in the downtown core area, commercial projects are prohibited from providing parking on-site parking unless it is *"below grade or incorporated into the building in another way"* in order to improve the cohesiveness of the commercial area.
- **City of Fairfield** - In addition to establishing an in-lieu fee program (current fee is \$6,268, increased annually by the Engineering News Record Construction Cost Index for the San Francisco area), Fairfield's parking code cuts parking requirements in half for development in the downtown area.
- **The Town of Truckee's** Development Code includes the following Section 18.12.070 - Downtown Commercial District Development Standards: "In-lieu parking fees. A parking impact fee may be paid at the discretion of the Director for uses in the DMU and DC districts in lieu of complying with Section 18.48.040 (Number of Parking Spaces Required). The amount of the impact fee per parking space shall be set by Town Council resolution." The current fee is around \$5,600 per space, but Town Staff indicates that it is far below the actual cost of providing parking, which has been a problem in actually implementing parking improvements. To date, nine individual development projects have paid in-lieu fees, and these funds have been banked (although there are currently plans to use them as part of the downtown paid parking program). The Town generally will not allow a project to use the in-lieu fee for more than 50 percent of their required on-site parking.
- **The City of Laguna Beach** provides the option, in the downtown area, of providing parking on-site or purchasing "in lieu parking certificates" at a cost of approximately \$8,000 per certificate.
- **City of Manhattan Beach** - The program allows in-lieu payment at the discretion of the developer for up to 20 spaces, but reserves the City Council's right to limit the use of in-lieu spaces over 20.

- **City of Mountain View** - As of 2000, fees were increase from \$13,000 to \$26,000 per space, based upon a \$8 - \$10M cost estimate for a new 350-space parking structure.
- **City of Palo Alto** - \$17,848 per space (in 1999).
- **City of Sacramento** - City staff currently is developing recommendations for parking management in the Central City area, including the establishment of an in-lieu parking fee program. The parking management plan has been presented to City Council, which has asked for additional analysis and public input.
- **City of Salinas** - In-lieu fees are considered at the discretion of the Community Development Director for up to 20 spaces, but City Council approval is required for more than 20 spaces.
- **City of San Jose** - The "Downtown Parking Management Zone Off-Street Parking In-Lieu Fee Fund" is established to "only to acquire sites for, and/or pay costs of construction of, public off-street parking facilities in or near the downtown parking management zone" (20.70.385).
- **City of Walnut Creek** - \$16,373 (in 1999), established as 75 percent of the construction costs (excluding land) associated with a parking space in a structure.
- Other California jurisdictions with in-lieu parking programs include **Claremont**, **Hermosa Beach**, **Palm Springs** (\$9,250), and **Pasadena**.

### Jurisdictions in Other States

- **Town of Davie, Florida** - Limited to 25 percent of total parking demand. The rate was established at \$2,500 in 2004, rising at 5 percent per year. Developers can also provide excess spaces for public use (with certain restriction to ensure that they are truly useful to the public) and can receive \$5,000 per public space provided.
- **City of Bend, Oregon** - This program is unusual in that a "tiered" in-lieu parking rate structure is charged in which up to 5 spaces are charged at \$2,500 per spaces, 6 to 20 spaces are charged at \$4,500 per spaces, and more than 20 spaces are charged at \$7,000 per spaces. These fees can be financed over a ten-year period, and are not due until occupancy (rather than time of permit) guaranteed through a lien on the property. This program has been the source of concern among downtown business owners in the past, as the actual provision of new public parking has lagged. However, these funds are now being used to develop a new parking structure.
- **City of Corvallis, Oregon** - Decisions about allowing payment in lieu of construction is left to the discretion of the Community Development Director for projects not requiring a public hearing, but is under control of the Planning Commission and/or City Council for those requiring a public hearing. The fee was established at \$3,500 per space in 2002, tied to the *Engineering News Record* Construction Cost Index, and is updated annually. This city's program is also interesting in that it allows the in-lieu fees to be paid in semi-annual payments over the course of up to ten years (at a 10 percent interest rate).
- **Town of Jackson, Wyoming** - This program was initiated in 1994 along with the adoption of minimum parking requirements, in response to the concern that requirement of on-site parking minimums would hinder development activity. Like the Bend program, the cost increases depending on the number of spaces required, from \$1,000 for 1 to 4 stalls up to \$10,000 per space for more than 40 stalls.

### Common Characteristics of Fee In-lieu Programs

Based upon the review presented above, the following are the common characteristics of existing programs:

- A separate fund is established that is reserved for the future provision of publicly

accessible parking spaces.

- The program is limited to non-residential land uses only.
- The program is available within a specified area only, such as a defined downtown zoning district.
- Payment is typically due prior to issuance of a building permit, or a certificate of occupancy if a building permit is not required.
- Strict standards for location of parking facilities are not defined (such as "spaces must be provided within 500 feet of each individual development parcel for which in-lieu fees are paid"), nor are specific locations established when the program is implemented. Instead, parking location decisions are made over time, reflecting the changes in need for parking and opportunities to provide parking. In other words, developers (or their lenders) are not guaranteed that a specific number of spaces will be provided within a specific walk distance.

## Potential Disadvantages and Challenges

The following are possible reasons why an in-lieu fee program may not be appropriate:

- The timeliness of use of funds can be a challenge. PID programs have run into political trouble where fees have been collected for a long period before any parking spaces have been constructed. Areas where the expected number of projects that would take advantage of the in-lieu program is low may therefore not be appropriate locations for an in-lieu program. As the rate of inflation in construction costs and land prices can outstrip the interest rate gained on the funds, moreover, delays in construction can effectively degrade the ability of the program to result in parking supply. A long lag time between the first collection of funds and the provision of parking has been a problem for some jurisdictions, particularly for smaller communities. For instance, there has been discussion in Sisters, Oregon that the in-lieu program be terminated, as the City has not used the funds to construct public parking in over ten years.
- Parking must be provided in reasonable proximity to the properties contributing fees. To be effective for individual commercial property owners (and their financiers), spaces need to be provided with a reasonable walk distance of each property. Areas where there is no or limited opportunities for public parking facilities may find this to be a problem.
- An in-lieu program can be at odds with other parking strategies that allow reductions. For instance, the *Standards and Guidelines for Signage, Parking and Design* for the North Tahoe Community Plans indicates that "*Parking requirements for uses other than single family dwellings may be reduced up to 20 percent if a traffic analysis indicates transit service exists within 300 feet of the property and such a substitute measure would be a viable substitute for parking.*" This can effectively reduce the funding to the in-lieu program by up to 20 percent.
- Sufficient funding needs to be available (either through the in-lieu program or from other sources) to ensure that parking is actually provided. Particularly if the first few developments taking advantage of an in-lieu program are relatively small (and therefore do not generate funds sufficient to construct a parking lot), this could require some initial public funding.
- Lenders need to be assured that the financial success of a development will not be limited or precluded by the lack of timely and convenient parking provided through the in-lieu program. Some lenders might be reluctant to lend on a project without on-site parking, or a guarantee for timely and convenient parking.
- The local jurisdiction needs to devote staff time to establishing and maintaining the in-lieu fee program. However, the ongoing staff time needed after the program is implemented is reported to be minimal, and would not require any marginal increase in staff levels. By providing a consistent means of addressing parking requirements (rather than through case-by-case review of private off-site parking agreements), moreover, local staff time spent on parking issues could potentially

be reduced.

## Setting the Fees

A key issue in an in-lieu fee program is the appropriate level of the fee. The professional literature, and the way in which fees are established in other California jurisdictions, indicates that there is not any legal requirement that fee levels be set to reflect the full cost of the provision of parking. Fees are set in one of two ways:

- Fees can be set on a case-by-case basis, calculating the cost of the land plus the cost of construction for a parking space. This has the advantage of ensuring that the fee fully reflects the cost of land (which can vary by location or over time), but has the disadvantage of requiring an appraisal on each application. As the appraisal might require four to six months, developers find it difficult to financially plan their projects. In high land cost areas, moreover, this can result in very high fees - an extreme example in Beverly Hills resulting in a fee (that was actually paid) of \$53,000 per space.
- Per-space fees can be set uniformly for all projects. A recent survey of cities with in-lieu programs indicated that 37 of 46 cities have established a uniform fee (*In Lieu of Required Parking*, Donald C. Shoup). Most set their in-lieu fees lower than the cost of providing a public parking space, as the full costs were felt to be "too high." There is no legal constraint on how this fee is set, and the individual fees vary widely (as shown above).

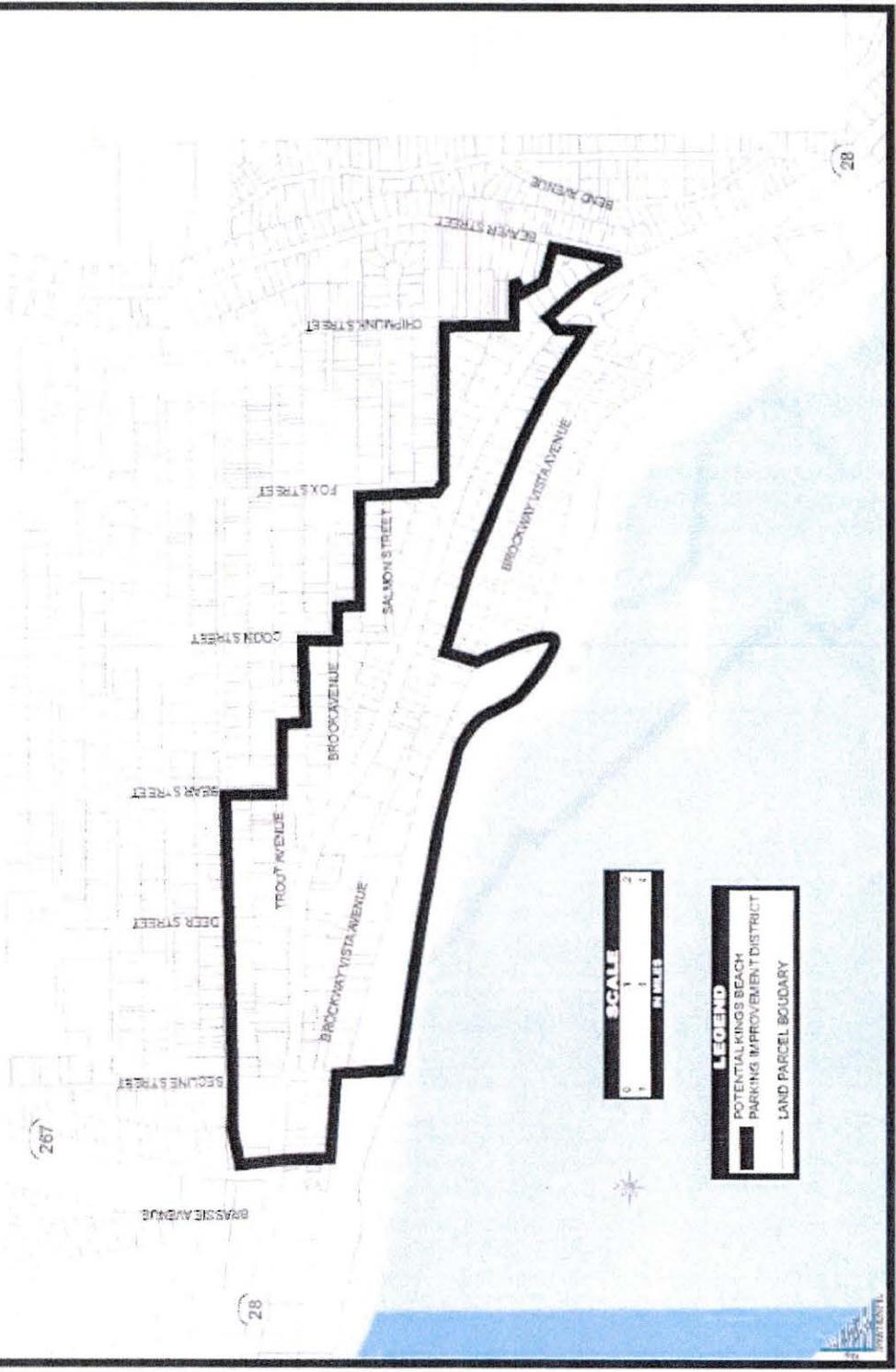
Some programs also allow developers to remove existing parking spaces (thereby allowing other uses of the property) by paying the in-lieu fees, in order to encourage consolidation of parking into public lots as well as redevelopment of older properties. Finally, some jurisdictions (including Berkeley and Carmel) make the in-lieu program mandatory for development of some or all properties, prohibiting the provision of on-site parking.

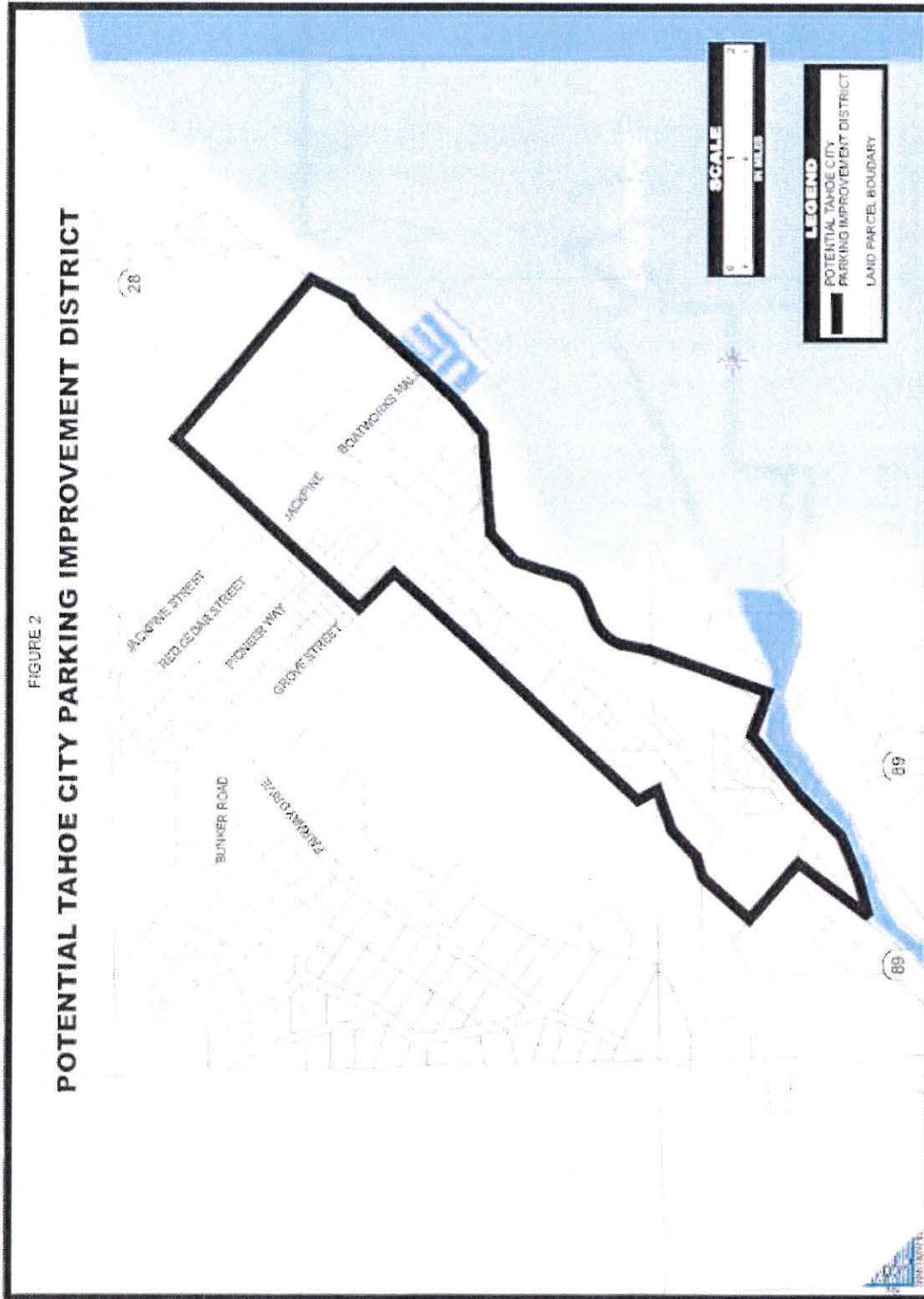
## Applying the Concept to North Tahoe

The general concepts presented above can be applied to the specific conditions in the two commercial districts, as a basis for evaluation of the appropriateness of the in-lieu concept to the study area. Considering the geography of the two areas and the conditions needed for an in-lieu parking program, the potential recommended PID areas shown in Figures 1 and 2 were developed for Kings Beach and Tahoe City, respectively. As shown, in both cases the district boundaries mostly coincide with the community plan areas. In Kings Beach, SR 267 is defined as the western boundary, as the community plan area to the west of SR 267 generally consists of larger parcels with limited potential for new development that could make use of a shared parking strategy. Similarly, in Tahoe City, the community plan area to the south of the Truckee River is too limited and removed from the rest of the potential development areas to generate the sufficient amount of off-site parking demand needed to warrant shared public parking. In addition, the State Recreation Area on the east side is excluded as not generating a need for off-site parking, as is the golf course property.

# POTENTIAL KINGS BEACH PARKING IMPROVEMENT DISTRICT

FIGURE 1





Some examples of the potential means by which a program could benefit individual properties helps to illustrate the potential usefulness of a PID:

- The Felte Service and Supply building sits on a parcel in a prime location on the northwest corner of Bear Street and SR 28. The parcel is only 25 feet in width and 122 feet in depth (3,050 square feet). The two-story building has approximately 5,800 square feet of floor area but only six on-site parking spaces, and development effectively covers 100 percent of the parcel. A reasonable possible re-use of this parcel would be to keep the existing footprint, but convert the ground floor to restaurant with professional offices above. At the County Code parking rates, this would require 35 parking spaces - or roughly 10,500 square feet of

parking. The size of this lot would effectively preclude the ramps needed for underground on-site parking, requiring most if not all of the additional parking to be provided off-site.

Another way to consider the impact of parking requirements on these small Kings Beach parcels is to evaluate how much development could occur on this lot if parking (fully meeting the code requirements) is required on-site. Assuming that providing parking beneath a building structure is not feasible, that the existing 100 percent coverage can be retained, and that a restaurant use is proposed, the maximum development that could occur would be roughly 700 square feet of building area (such as 35 feet by 20 feet), plus the required seven parking spaces.

- The Tahoe City Lumber Company is located on a parcel in the center of the Tahoe City commercial area. It sits on an irregular shaped lot roughly 95 feet in width, with a total land area of approximately 12,630 square feet and a single-story building of roughly 7,900 square feet. At present, the site provides on-site parking for 11 parking spaces (as well as some outdoor materials storage). One option for re-development would be for the existing building footprint to be used for retail space, with a second story of affordable housing units. The existing 11 spaces could be used for the residential units, while the retail use would require an additional 32 parking spaces that could not be provided on-site.

Alternatively, if it assumed that all parking were to be required on-site (assuming 100 percent coverage, and affordable housing on a second floor that utilizes the existing 11 parking spaces), only 4,200 square feet of general retail could be provided along with the required 17 retail parking spaces on-site.

As both of these examples indicate, redevelopment of existing developed properties would require substantial amounts of parking to be provided off-site - even if the total floor area of existing building were not increased. These examples, moreover, are not atypical for the two commercial districts:

- As shown in Table 1, above, fully 36 of the 73 individual commercial establishments currently do not provide adequate on-site parking. Moreover, the feasibility of providing additional parking along with any increase in building program on the existing private sites is very limited, due to the small parcel sizes, limitations on coverage, interruption of groundwater associated with below-grade parking, height limit issues associated with providing building space above parking, as well as the sheer cost implications of structured parking/building configurations.
- While a detailed parcel-by-parcel evaluation of existing supply versus code requirements does not exist for Tahoe City, much of the same conditions pertain. Particularly for the 18 smaller commercial parcels along the north side of SR 28 between the Bank of America and Grove Street, existing land area is fully utilized to or beyond the TRPA coverage limits. The same factors listed above also largely preclude structured on-site parking options for most of these parcels.
- There are 32 commercial properties in Kings Beach with access solely provided by the state highway (no direct access to public streets on the rear or side). Redevelopment of these properties depending solely upon on-site parking would continue or expand on the "gaptoothed" pedestrian environment and additional driveways across the (future) sidewalks. On the other hand, providing an opportunity for off-site parking for these properties (as well as others) could help to provide the continuous window-shopping environment that best encourages commercial vitality in pedestrian shopping districts.
- Similarly, in Tahoe City all of the 18 commercial properties along the north side of SR 28 between Albertson's and the Pogan Gallery have public auto access only from SR 28, along with the 9 properties on the south side from Dave's Ski Shop to the Lighthouse Center.

Table 4 presents a simple evaluation of how each of the two potential districts compare with the guidelines for successful in-lieu programs discussed above:

- *Does the commercial area have a substantial number of small or irregular-shaped parcels that make development with on-site parking difficult?* This is definitely true for Kings Beach. As discussed in Chapter 2, Kings Beach includes many very small commercial properties (many parcels only 50 feet in width, and several only 25 feet in width) that makes it very difficult to assemble adequate land for commercial redevelopment. While true for some portions of the Tahoe City commercial area (largely north of SR 28 and west of Grove Street) other areas consist of relatively large parcels with less physical development constraints.
- *Is there sufficient development demand to reasonably ensure that there will be multiple participants in an in-lieu fee program, providing significant fees in a timely manner?* While this is a matter of conjecture (and impacted by external factors such as the national economy), one good indication is the fact that there are currently at least four active development proposals in Kings Beach that could

**TABLE 4: Application of In-Lieu Fee Guidelines to North Tahoe Commercial Districts**

Guideline	District Meets the Guideline?	
	Kings Beach	Tahoe City
Small Parcel Size That Makes On-Site Parking Difficult?	Yes	Partially
Development Demand High Enough to Generate Substantial Participation in In-Lieu Program (#of Developments Expected To Make Use of Program in 5 Years)	Yes	Maybe
Availability of Potential Public Parking Locations Within Reasonable Distance of Potential Developments	Yes	Maybe
Benefit Associated with Provision of Consistent Window-Shopping Environment	Yes	Yes
Active Public Program to Expand Public Parking	Yes	Yes
Capacity in Public Agency to Administer Program	Yes	Yes
Availability of Other Funds to Supplement In-Lieu Fee Program and Ensure Timely Provision of Parking	Yes	Yes
Program Can Provide Useful Flexibility to Developers, Aiding in Redevelopment Efforts	Yes	Yes

potentially benefit from an in-lieu fee program. On the other hand, there are no such development proposals in Tahoe City (excluding the Tahoe City Marina project, which is planned to be served by on-site parking). As discussed in Chapter 2, moreover, the potential parking demand associated with future development in Kings Beach (under current allocations) is probably greater than that in Tahoe City.

- *Are there feasible opportunities for development of new public parking facilities within a reasonable walk distance of parcels that may take advantage of the in-lieu program.* As evidenced by the many potential parking lot sites identified for the Kings Beach Urban Improvement Project, there are many such opportunities in the Kings Beach area (particularly in the central and eastern portion where parking is most limited). New parking lot opportunities within the Tahoe City area (excluding the Jackpine Lot site already under development) are much more limited. In particular, if the Golf Course and Henrikson properties are excluded, the opportunities for new public parking between Grove Street and the Wye are small or none.
- *Could the commercial district benefit from an improved window-shopping pedestrian environment?* Providing such a "small town" streetscape is a key strategy for both commercial areas.
- *Are there active efforts to expand public parking that could be aided by an in-lieu fee program?* Particularly through Redevelopment, this is definitely the case in both areas.

- *Does the public agency have the staff capacity to administer the program?* Certainly, Placer County has these capacities, and has shown that addressing parking issues in the Tahoe commercial areas is an important priority.
- *Are there other funding sources available to augment the in-lieu fee funding to ensure that parking can be provided in a timely manner?* Yes, funding is available through Redevelopment, as well as other potential funding sources.
- *Can a program make a substantial difference in making redevelopment projects feasible?* This appears to be the case in both commercial districts, due to the existing physical and TRPA regulatory limitations.

Considering all of these guidelines as a whole, it can be concluded that the Kings Beach commercial core area fully meets all guidelines for a successful in-lieu parking fee/PID program. A program in Tahoe City would be substantially more limited in scale, and would face substantially greater problems in identifying new public parking lot locations (again, excluding use of the Golf Course or Henrikson properties).

It is important to consider, however, that many of the benefits of an in-lieu fee program can be accomplished without establishment of a program. Specifically, the *Standards and Guidelines for Signage, Parking and Design: Lake Tahoe Region of Placer County* allows individual developers to enter into agreements with other private (or potentially public) landowners for provision of off-site, off-street parking, so long as this parking is either within a 300-foot walk distance or served by a shuttle service. For owners of constrained commercial parcels, this already provides the opportunity to consolidate parking off-site and avoid the streetscape and other impacts that could be associated with an on-site parking lot. However, the hurdles associated with finding and establishing an agreement (which requires a deed restriction) with another property owner are high, and in actuality few of these agreements have been established in North Tahoe. An in-lieu fee program effectively provides a means of reducing the "transaction costs" associated with joint development of parking.

It should also be noted that strategies that allow provision of parking below actual needs (such as those that require only a portion of parking demand levels be provided on-site or through in-lieu fee programs) are more problematic for North Tahoe than for many other jurisdictions, due to the prohibition of on-street parking on County roadways during the winter. While it may be reasonable for some of the parking need in a Bay Area jurisdiction to be accommodated on-street, this is not an available option in North Tahoe for winter parking.

PRELIMINARY DRAFT 07/14/15

**APPENDIX B**

**North Tahoe Parking Study dated March 9, 2015 (“North Tahoe Parking Study”)**

# North Tahoe Parking Study



*Prepared for the*  
**County of Placer**

*Prepared by*



**LSC Transportation Consultants, Inc.**

## Chapter 6 Parking Finance and Regulation

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### Parking Finance

There are a variety of state and federal funding programs that may fund parking improvements as a piece of a larger project. One example is the Community Development Block Grant program administered by the Department of Housing and Community Development, whereby parking needed to support a larger urban development project could be funded. Similarly, State Transportation Improvement Program (STIP) funds may be used for transportation corridor improvement projects that include parking improvements needed to meet the overall project goals. However, barring inclusion in a larger project, there are no funding programs to directly support parking facilities as a stand-alone project. Funding for public parking improvements is thus very much a local issue.

### Vehicle Parking District

In California, parking improvements can be constructed and maintained under the *Parking District Law of 1943* and the *Parking District Law of 1951*. These laws allow the formation of levy assessment districts to finance the acquisition of land (including the issuance of bonds), the improvement, construction and maintenance of parking facilities, the cost of employee salaries, and the costs of engineers, attorneys and others needed to complete the project. Districts are initiated by a petition of landowners, and a landowner vote of approval is required for formation. The resulting district is managed by an appointed commission.

Per the California State Controller's office, there are currently parking districts established in 77 cities across the state, with the majority in the larger urban areas. Nearby parking districts are established in Truckee and Nevada City, though there are currently no established parking districts in Placer County.

### Fee-In-Lieu Programs

Fees paid in lieu of required onsite parking are a common strategy in communities both in California and across the nation. By ordinance, a local jurisdiction establishes a fee that can be paid into a public parking program, in order to fund public parking that serves the private development as well as other public parking needs. It is a particularly important tool in commercial areas with small parcel sizes – such as portions of both Kings Beach and Tahoe City – where a requirement to provide parking on site can lead to poor site planning and community design, if not the loss of any ability to economically develop.

On-site provision of parking, moreover, often can conflict with the design goals of redevelopment efforts and the overall Community Plans. A key strategy in commercial streetscape design is to provide a cohesive window-shopping environment close to the sidewalk throughout a commercial “Main Street” area. On-site parking, however, can result in the storefronts being placed behind a row of parking and the sidewalk being interrupted by driveways, both of which work against the effectiveness of the commercial environment. As stated by John McLaughlin, Community Development Director of the Town of Truckee:

*"In-lieu fees allow us to create vibrant and great new developments without having to screw up the urban form for the automobile, when we really want to design these places for people!"*

Joint development of public parking, moreover, allows better shared use of parking spaces than does provision of on-site private parking. For instance, public parking can serve both the afternoon peak in outdoor recreational parking needs as well as the evening peak in theater parking needs, resulting in a reduction in the overall parking requirements for the commercial district as a whole. Again, any strategy that can help to attain parking requirements with reduced coverage impacts can be a substantial benefit in attaining TRPA's requirements for commercial development. There are also other potential benefits that are discussed in this report.

Flexible Parking Requirements (Thomas P. Smith, 1983) provides a good summary of the "ingredients" necessary for success of an in-lieu program:

*"The likelihood of success in the use of zoning that allows payments of fees-in-lieu of parking is increased when a community can anticipate a rapid rate of development in a concentrated area. Where major developments are proposed, it is more likely that sufficient funds can be collected to help support construction of off-street parking. The funds collected, however, should simply supplement a community's own resources (land, capital, personnel), and these funds should complement an existing program of municipally constructed off-street parking. Where development projects are to be constructed in a concentrated area and the public has the resources and administrative capacity to build and maintain centralized parking, the conditions may be appropriate for collecting fees-in-lieu of required parking spaces." (P11)*

This document also includes the following quote, which is very pertinent to the Kings Beach and Tahoe City commercial core areas:

*"Off-site parking often can have its greatest application in older developed areas where small lots, multiple landowners, and physical constraints (site broken up by alleys, easements, existing street patterns) prevent the construction of on-site parking." (P 11)*

Overall, the review of the professional literature revealed the following potential benefits associated with an in-lieu parking fee program:

- An improved urban design can be provided. A key concept in planning for pedestrian commercial districts is to provide as continuous a series of storefronts as possible, avoiding "dead spaces" that break up the window-shopping experience. By reducing the need for driveways and parking provided along the front of commercial properties (which is effectively required at present for those parcels without side or back access), an in-lieu program can result in a more effective and economically vital shopping district.
- The total amount of parking needed to adequately serve the area can be reduced. 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. Another example pertinent to the study area is the use of parking for summer beach recreation parking needs as well as for winter snowmobile concessionaire parking needs.

- An in-lieu program provides another mechanism for the provision of parking, thereby reducing the need for variances. This helps to ensure that all landowners are treated equitably.
- Additional funding for public parking improvements is generated, potentially speeding the provision of additional public parking. Funding, moreover, accompanies the development that increases the need for such parking.
- By providing an additional, readily available option for developers to address the often-difficult issue of meeting parking requirements, an in-lieu program increases the feasibility of development or redevelopment – particularly for small lots.

In California, the following jurisdictions are among those that have established existing in lieu parking fee programs: Berkeley, Brentwood, Carmel, Concord, Culver City, Davis, Fairfield, Manhattan Beach, Mountain View, Sacramento, Salinas, San Jose, Truckee, and Walnut Creek. Programs have also been established in Bend and Corvallis in Oregon, Davie, Florida; and Jackson, Wyoming.

The following are possible reasons why an in-lieu fee program may not be appropriate:

- The timeliness of use of funds can be a challenge. Parking Improvement District (PID) programs have run into political trouble where fees have been collected for a long period before any parking spaces have been constructed. Areas where the expected number of projects that would take advantage of the in-lieu program is low may therefore not be appropriate locations for an in-lieu program. As the rate of inflation in construction costs and land prices can outstrip the interest rate gained on the funds, moreover, delays in construction can effectively degrade the ability of the program to result in parking supply. A long lag time between the first collection of funds and the provision of parking has been a problem for some jurisdictions, particularly for smaller communities. For instance, there has been discussion in Sisters, Oregon that the in-lieu program be terminated, as the City has not used the funds to construct public parking in over ten years.
- Parking must be provided in reasonable proximity to the properties contributing fees. To be effective for individual commercial property owners (and their financiers), spaces need to be provided with a reasonable walk distance of each property. Areas where there is no or limited opportunities for public parking facilities may find this to be a problem.
- An in-lieu program can be at odds with other parking strategies that allow reductions. For instance, the *Standards and Guidelines for Signage, Parking and Design* for the North Tahoe Community Plans indicates that “*Parking requirements for uses other than single family dwellings may be reduced up to 20 percent if a traffic analysis indicates transit service exists within 300 feet of the property and such a substitute measure would be a viable substitute for parking.*” This can effectively reduce the funding to the in-lieu program by up to 20 percent.
- Sufficient funding needs to be available (either through the in-lieu program or from other sources) to ensure that parking is actually provided. Particularly if the first few developments taking advantage of an in-lieu program are relatively small (and therefore do

not generate funds sufficient to construct a parking lot), this could require some initial public funding.

- Lenders need to be assured that the financial success of a development will not be limited or precluded by the lack of timely and convenient parking provided through the in-lieu program. Some lenders might be reluctant to lend on a project without on-site parking, or a guarantee for timely and convenient parking.
- The local jurisdiction needs to devote staff time to establishing and maintaining the in-lieu fee program. However, the ongoing staff time needed after the program is implemented is reported to be minimal, and would not require any marginal increase in staff levels. By providing a consistent means of addressing parking requirements (rather than through case-by-case review of private off-site parking agreements), moreover, local staff time spent on parking issues could potentially be reduced.

A key issue in an in-lieu fee program is the appropriate level of the fee. The professional literature, and the way in which fees are established in other California jurisdictions, indicates that there is not any legal requirement that fees levels be set to reflect the full cost of the provision of parking.

Some examples of the potential means by which a program could benefit individual properties helps to illustrate the potential usefulness of a PID:

- The Felte Service and Supply building sits on a parcel in a prime location on the northwest corner of Bear Street and SR 28. The parcel is only 25 feet in width and 122 feet in depth (3,050 square feet). The two-story building has approximately 5,800 square feet of floor area but only six on-site parking spaces, and development effectively covers 100 percent of the parcel. A reasonable possible re-use of this parcel would be to keep the existing footprint, but convert the ground floor to restaurant with professional offices above. At the County Code parking rates, this would require 35 parking spaces – or roughly 10,500 square feet of parking. The size of this lot would effectively preclude the ramps needed for underground on-site parking, requiring most if not all of the additional parking to be provided off-site.
- The Tahoe City Lumber Company is located on a parcel in the center of the Tahoe City commercial area. It sits on an irregular shaped lot roughly 95 feet in width, with a total land area of approximately 12,630 square feet and a single-story building of roughly 7,900 square feet. At present, the site provides on-site parking for 11 parking spaces (as well as some outdoor materials storage). One option for re-development would be for the existing building footprint to be used for retail space, with a second story of affordable housing units. The existing 11 spaces could be used for the residential units, while the retail use would require an additional 32 parking spaces that could not be provided on-site.

As both of these examples indicate, redevelopment of existing developed properties would require substantial amounts of parking to be provided off-site – even if the total floor area of existing building were not increased.

The professional literature yields eight individual criteria for considering whether an in-lieu fee program is appropriate:

1. *Does the commercial area have a substantial number of small or irregular-shaped parcels that make development with on-site parking difficult?* This is definitely true for Kings Beach, which includes many very small commercial properties (many parcels only 50 feet in width, and several only 25 feet in width) that makes it very difficult to assemble adequate land for commercial redevelopment. While true for some portions of the Tahoe City commercial area (largely north of SR 28 and west of Grove Street) other area consist of relatively large parcels with less physical development constraints.
2. *Is there sufficient development demand to reasonably ensure that there will be multiple participants in an in-lieu fee program, providing significant fees in a timely manner?* While this is a matter of conjecture (and impacted by external factors such as the national economy), the recent upturn in interest in development projects indicates that this is the case in both community core areas, particularly if one or more larger project is developed to give the improvement funds a good initial balance.
3. *Are there feasible opportunities for development of new public parking facilities within a reasonable walk distance of parcels that may take advantage of the in-lieu program?* As discussed below, this is the case in both commercial core areas.
4. *Could the commercial district benefit from an improved window-shopping pedestrian environment?* Providing such a "small town" streetscape is a key strategy for both commercial areas.
5. *Are there active efforts to expand public parking that could be aided by an in-lieu fee program?* This is the case in both areas.
6. *Does the public agency have the staff capacity to administer the program?* Certainly, Placer County has these capacities, and has shown that addressing parking issues in the Tahoe commercial areas is an important priority. An in-lieu fee program could also generate funds to administer the program.
7. *Are there other funding sources available to augment the in-lieu fee funding to ensure that parking can be provided in a timely manner?* Yes, funding is available through TOT funds, as well as other potential funding sources.
8. *Can a program make a substantial difference in making redevelopment projects feasible?* This appears to be the case in both commercial districts, due to the existing physical and TRPA regulatory limitations.

Considering all of these guidelines as a whole, it can be concluded that the Kings Beach commercial core area fully meets all guidelines for a successful in-lieu parking fee / PID program. A program in Tahoe City would only be successful if there is a sufficient flow of projects that participate in the program, which is doubtful.

### User Revenues

The imposition of charges for public parking (including parking in rights-of-way) is common in larger urban areas, as well as in some mountain resort communities (including Aspen, Park City, Vail and Truckee). Parking fees can generate significant annual revenues, which may be used for the provision of new parking facilities as well as operations/maintenance of facilities. Improvements in "pay and display" technologies (such as is found in downtown Truckee) can

reduce the visual clutter of an on-street paid parking program from that generated by individual parking meters. Further advancements in technology are becoming more widely implemented, such as sensors that indicate the presence of a vehicle in parking spaces which can be used to direct drivers to available spaces.

There are, however, substantial disadvantages to paid parking programs:

- The operational/management costs are significant. Staff is needed to conduct a range of activities, including enforcement, collecting and counting revenues, maintaining equipment, preparing financial reports, managing protests of parking fines, and holding meetings. Office space, office equipment and vehicles are needed to support the staff. In addition, ongoing costs are required for utilities and credit card transaction fees. A reasonable estimate of ongoing costs for a paid parking program in the Tahoe City and Kings Beach core areas, implemented in the summer and winter seasons only, would be \$210,000 annually.
- Capital costs are also substantial. Pay-and-display meters would need to be provided within a reasonable (150-200 foot) walk of all public spaces, and avoid the need to cross the state highways. This equates to a total of approximately 30 kiosks in both Tahoe City and Kings Beach. At a typical cost of \$10,000 per unit, and considering installation and signage costs, approximately \$800,000 would be required to implement a paid parking program in Tahoe City and Kings Beach. While there are vendors that could potential provide these up-front costs, they would require long-term contracts and control over the parking program, which can create friction between the vendor, local staff, and the public.
- There can be significant issues with shifts in parking demand out of the paid parking area and into nearby residential areas, as drivers (particularly employees) strive to avoid the parking fees. While this effect can be addressed through establishment of residential parking permit areas, this in turn adds to enforcement and management costs, and can be a substantial hassle for residents. In addition, paid public parking can increase inappropriate use of private parking lots.
- Paid parking can be seen as a detriment to business, particularly in a retail/dining center that is dependent on a high turnover of customers. It can also be seen as making a community “unfriendly” to visitors. Public acceptance of paid parking typically only occurs when it is seen as necessary to solve a serious and ongoing parking shortage problem. A nearby example of resistance to paid parking occurred in South Lake Tahoe, where a ballot measure in Spring of 2014 was successful in the elimination of paid parking at three popular beach areas (though the onstreet paid parking in the Stateline area remains).

### Parking Regulation

California Statutes provide broad powers to local jurisdictions to enact regulations regarding the use of public rights-of-way for public parking. In particular, the *California Vehicle Code* Section 22506 states that “*Local authorities may by ordinance or resolution prohibit or restrict the stopping, standing, or parking of vehicles on a state highway, in their respective jurisdictions, if the ordinance or resolution is first submitted to and approved in writing by the Department of Transportation, except that where maintenance of any state highway is delegated by the Department of Transportation to a city, the department may also delegate to the city the powers conferred on the department.*”

## Chapter 7

# Conclusions and Recommendations

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The conclusions and recommendations of this study are summarized as follows. Planning assumptions that were used in development of these recommendations are as follows:

- It is in the public interest to minimize parking wherever possible, in order to (1) minimize capital and maintenance costs, (2) reduce impervious coverage and other environmental effects, (3) encourage non-auto transit modes, and (4) assist in the development of compact walk-able community land use patterns. Employing parking management strategies rather than construction of new parking spaces (where feasible) helps to minimize parking.
- On the other hand, the private automobile will realistically remain the predominant transportation mode in the region (particularly for longer trips) for the foreseeable future. Unduly reducing parking supply below the level needed to adequately accommodate parking demand only results in conflict between commercial property owners or “spillover” parking in residential areas adjacent to key parking generators.
- In light of the very limited days and hours of peak parking demand in the Tahoe Region, it is appropriate that parking be effectively 100 percent utilized at the busiest of times.

These recommendations have been developed to balance these factors to best meet the overall parking/mobility needs of the region.

### Code Requirements

Recommended revisions to parking requirements were developed based upon the review of peer communities and the review of national data (as presented in Chapter 4) and the analysis of observed parking demand presented in Chapter 5. These recommendations also reflect that it is preferable to focus code requirements on those quantities that can be determined as part of the project review process (such as floor area or number of units) and to avoid quantities (such as number of part-time employees) that are a matter of conjecture or of future management decisions.

The recommended rates, (based on the TRPA land use classification system) are presented in Table 19. Note that this new classification system includes land use types for which there are either no available parking demand data or for which demand varies depending on site-specific conditions. These unique land uses are indicated in the table as those that will be determined by use permit to define an appropriate parking requirement.

A review of the existing and proposed code requirement indicates an **increase** in recommended parking rates for the following land use types:

- Auto repair/service or service station
- Recreation Center

**TABLE 19: Recommended Parking Demand Rates (1/2)**

Use	Required Number of Parking Spaces	Discount In Core Area	Notes
<b>Agricultural, Resource and Open Space Uses</b>			
Nursery	1 per 1,000 sq.ft. of non-storage area and 1 per 1,000 sq.ft. of storage area		
<b>Manufacturing and Processing Uses</b>			
Collection Stations	2 per 1,000 sq.ft. of non-storage area and 1 per 1,000 sq.ft. of storage area		
Small-Scale Manufacturing	1.1 per 1,000 sq.ft.		Consistent with ITE
<b>Recreation, Education, and Public Assembly Uses</b>			
Amusement and Recreation Services	Determined by Use Permit		
Beach Recreation	Determined by Use Permit		
Boat Launch Facilities	1 per peak employee and .75 car/trailer spot per anticipated daily launch user		
Churches/Religious Assembly	0.25 per permitted capacity		Consistent with ULI. Basing rate on capacity reflects religions that do not use fixed seating.
Cross Country Skiing Courses	1 per every 3 day users		
Cultural Facilities	4.2 per 1,000 sq.ft.	✓	Consistent with ITE for Library land use
Day Use Areas	1 per every 3 day users		
Developed Campgrounds	1 per peak employee and 1.1 per campsite		
Dispersed Outdoor Recreation	1 per every 3 day users		
Golf Course	9.8 per hole		Consistent with ITE
Government Offices	4 per 1,000 sq.ft.		
Local Assembly and Entertainment	6.66 per 1,000 sq.ft. or 1 space per 3 seats, (whichever is higher)	✓	
Local Post Offices	6 per 1,000 sq.ft.	✓	
Marinas	1 per full-time employee and .33 per mooring or slip		No change. While lower than ITE, reflects lower utilization rates than in marinas closer to permanent residences.
Membership Organizations	3.33 per 1,000 sq.ft.		
Outdoor Amusements	1 space per every 3 day users		
Outdoor Recreation Concession	Determined by Use Permit		
Participant Sports (facilities)	1 per peak employee and 2 per 1,000 sq.ft.		
Private Owned Assembly and Entertainment	6.66 per 1,000 sq.ft. or 1 space per 3 seats, whichever is greater	✓	
Publicly Owned Assembly and Entertainment	6.66 per 1,000 sq.ft. or 1 space per 3 seats, whichever is greater	✓	
Recreation Center	3.2 per 1,000 sq.ft.	✓	Consistent with ITE
Recreational Vehicle Park	1 per peak employee and 1.1 per campsite		Eliminates conjecture regarding type of employee at project review
Riding and Hiking Trails	Determined by Use Permit		
Rural Sports	1 space per every 3 day users		
Schools- Business and Vocational	13.33 per 1,000 sq.ft. and 1 per employee		
Schools- College	0.4 total student population (students, faculty, staff)		Consistent with ITE
Schools- Kindergarten thru Secondary	0.25 per students (K – Grade 8) and 0.3 per student (Grade 9 – 12)		Consistent with ULI. Current non-classroom factor difficult to apply.
Schools- Pre-Schools	0.3 per child capacity		
Skating Facilities	1 space per every 3 day users and 0.5 per peak employee		
Snowmobile Courses	1 space per every 3 day users and .5 per peak employee		
Social Service Organizations	3 per 1,000 sq.ft.		
Sport Assembly	0.33 per seat		
Undeveloped Campgrounds	None		
Visitor Information Center	6 per 1,000 sq.ft.		
<b>Residential Uses</b>			
Employee Housing	0.6 per bed and 1 per live-in employee		
Group Facilities	0.33 per 1,000 sq.ft.		Easier to administer if tied to facility area. Reflects typical recreational vehicle occupancy in area.
Mobile home dwelling	2.17 per unit		
Multi-family dwelling	1 per bedroom for first two bedrooms and .5 per additional bedroom		# Beds is conjecture at project review. Current rate results in more spaces for larger units than peers or other data. Visitors can typically be accommodated in parking not used by empty 2nd home units.
Multi-person dwelling	0.6 per resident and 1 per peak employee		
Nursing and Personal Care	0.45 per resident and 1 per peak employee		
Residential Care	1 per 3 beds and 1 per peak employee		
Single-Family Dwelling	2 per unit		

Source: ITE – Parking Generation, 4th Edition, Institute of Transportation Engineers, 2010.

Source: ULI – Dimensions of Parking, 5th Edition, Urban Land Institute, 2010.

**TABLE 19: Recommended Parking Demand Rates (2/2)**

Use	Required Number of Parking Spaces	Discount In Core Area	Notes
<b>Retail Trade</b>			
Auto, Mobile Home, and Vehicle Dealers	1 per peak employee and 2 per 1,000 sq.ft. of sales area		
Building Materials and Hardware	3 per 1,000 sq.ft. including outdoor sales area	✓	Consistent with ULI, and with observed parking demand at stores in Kings Beach and Tahoe City
Eating and Drinking Places	10 per 1,000 sq.ft. or .25 per customer or seat (whichever is higher)	✓	
Food and Beverage Retail Sales	5 per 1,000 sq.ft.	✓	Consistent with ITE and observed North Tahoe demand.
Furniture, Home Furnishings and Equipment	2 per 1,000 sq.ft. of non-storage area and 1 per 1,000 sq.ft. of storage area	✓	No change. Existing rate is higher than ITE, but typical home furnishing (boutique) store in North Tahoe differs from typical furniture store nationwide., and probably has higher parking demand rate.
General Merchandise Stores	3.33 per 1,000 sq.ft.	✓	
Mail Order and Vending	2 per 1,000 sq.ft. of non-storage area and 1 per 1,000 sq.ft. of storage area		
Outdoor Retail Sales	1 per employee and 2 per 1,000 sq.ft. of storage area	✓	
<b>Service Uses</b>			
Animal Husbandry	4 per 1,000 sq.ft. of outdoor kennel		
Auto Repair and Service	3.33 per 1,000 sq.ft. of retail/office area and 4 per service bay		Counts in both Kings Beach and Tahoe City indicate more vehicles per bay than existing code.
Business Support Services	3.33 per 1,000 sq.ft.		
Cemeteries	1 per peak employee		
Contract Construction Services	3.33 per 1,000 sq.ft.		
Day Care Centers/Pre-Schools	1 per peak employee and .2 per student		Consistent with ITE and ULI
Financial Services	4 per 1,000 sq.ft.		Consistent with ITE
Health Care Services	5 per 1,000 sq.ft.		Consistent with ITE and slightly higher than ULI
Hospitals	7.35 per bed		Consistent with ITE
Laundries and Dry Cleaning Plants	2 per 1,000 sq.ft. of non-storage area and 1 per 1,000 sq.ft. of storage area		
Local Public Health and Safety Facilities	1 per peak employee and 1 per 1,000 sq.ft.		
Personal Services	4 per 1,000 sq.ft.	✓	
Pipelines and Power Transmission	none		
Professional Offices	3.5 per 1,000 sq.ft. of		Consistent with ITE and median of peers, slightly lower than ULI
Public Safety Facilities	1 per peak employee and 1 per 1,000 sq.ft.		
Public Utility Centers	1 per employee		
Regional Public Health and Safety Facilities	1 per peak employee and 1 per 1,000 sq.ft.		
Repair Services	2 per 1,000 sq.ft. of non-storage area and 1 per 1,000 sq.ft. of storage area	✓	
Service Stations	3.33 per 1,000 sq.ft. retail/office area and 4 per service bay		
Storage	1 per 1,000 sq.ft. storage area		
Threshold-Related Research Facilities	3.33 per 1,000 sq.ft.		
Warehousing	.8 per 1,000 sq.ft.		Consistent with ITE
<b>Transient Lodging</b>			
Bed and Breakfast Facility	1 per bedroom and 1 per peak employee		
Hotel, Motel and Other Guest Facility	1.25 per unit for first bedroom and .25 per additional bedroom and 4 per 1000 sq.ft. of meeting/display area AND 2.5 per commercial/retail area over 1000 sq.ft.		Number of employees is conjecture at project review. Lower incremental parking demand for additional rooms in each unit is consistent with other studies. Still yields parking rate higher than peers, reflecting higher auto access mode share from outside the region. Small retail excluded as it does not generate significant external customers.
Timeshare (hotel/motel design)	1.25 per unit for first bedrooms and .25 per additional bedroom in unit		
Timeshare (residential design)	1.25 per unit for first bedrooms and .25 per additional bedroom in unit		
<b>Transportation and Communication</b>			
Airfields, Landing Strips, and Heliports	Determined by Use Permit		
Broadcasting Studios	3.33 per 1,000 sq.ft.		
Transit Stations and Terminals	Determined by Use Permit		
Transmission and Receiving Facilities	none		
Transportation Routes	none		
Vehicle Storage and Parking	2 per 1,000 sq.ft. non-storage area and 1 per 1,000 sq.ft. of storage area		

Source: ITE – Parking Generation, 4th Edition, Institute of Transportation Engineers, 2010.

Source: ULI – Dimensions of Parking, 5th Edition, Urban Land Institute, 2010.

A **decrease** in parking rates is recommended for the following land use types:

- Multiple Family Dwelling Units of Two or More Bedrooms
- Residential Care
- Theater
- Auditoriums/Meeting Space With Fixed Seating
- Financial Services
- Health Care Services
- Professional Offices
- Food and Beverage Retail Sales
- General Merchandise – Convenience Store
- Small Scale Manufacturing
- Warehousing / Mini-Warehousing
- Colleges

For all other land use types, either there is no change in rate, or the change depends on the details of a specific site (such as number of employees vs. floor area).

#### Other Code Recommendations

Other recommendations regarding changes in the parking code regulations consist of the following:

- Provide a 5 percent reduction in parking requirements for commercial land uses (as identified in Table 18) in the Tahoe City and Kings Beach commercial core areas. This reflects the higher non-auto travel mode use in these areas (particularly in the future). This reduction should not be allowed for residential or lodging uses, as regional access remains largely depending on the private automobile. In addition, this reduction should not be allowed for public service or regional recreation uses, as they draw travelers from a wider region.
- Maintain the current 10 percent value over parking minimum as a parking maximum. Realistically, it is not possible to forecast parking demand in every case to the level assumed when the parking maximum is set to the parking minimum. This infers that there is only one exact parking count that will be achieved, which is not realistic given the inherent variation in parking demand. The maximum value assures that excessive parking leading to excess auto use is not provided.
- For restaurants, allow areas used for snow storage in winter to be striped and counted towards parking required for summertime unenclosed patio dining areas (outdoor seating).
- Snow storage requirements should remain a consideration of plan review on a case-by-case basis
- For special event parking (such as concerts, auditorium use and farmers markets) the requirement for maximum walk distance to off-site parking should be reviewed on a case-by-case basis, if proposed to exceed 500'.

## In-Lieu Parking Fee Program

An in-lieu parking fee program should be established for both the Kings Beach and Tahoe City commercial core areas. This program has the following benefits:

- Provides a better pedestrian/shopping environment, by avoiding the need for streetscapes to be interrupted by on-site parking and associated curb cuts. A much better “window shopping” experience can result.
- Enhances the potential for revitalization of older commercial properties by providing another option to meet parking requirements beyond on-site parking.
- Increases the effective use of parking, by allowing shared parking among land uses that have peak parking needs at different times of day or seasons.
- Can generate funds to help cover the shared costs of parking facility construction.
- Increases the ease of understandability and convenience of parking for visitors.

Total parking fees should be based upon recent local costs of new parking spaces. Table 20 presents recent costs for the various smaller public lots recently constructed or planned for construction in the Kings Beach area. As shown, these 151 new public parking spaces are expected to cost a total of \$5,587,000 for land, design, permitting and construction. This equates to \$37,000 per space, of which \$22,600 is for land and the remaining \$14,400 is for development and construction of the lots.

**TABLE 20: Recent Public Parking Lot Costs in Kings Beach**

Parking Lot	Currently Constructed?	Number of Stalls	Costs					Subtotal: Design/Permitting/Construction	Total	Design/Permitting/Construction Cost per Space	Land Cost per Space	Total Cost per Space
			Land Purchase	Est. Design	Est. Permitting	Est. Construction	Est. Construction					
Rainbow Lot	No	18	\$510,000	\$52,000	\$8,000	\$350,000	\$410,000	\$920,000	\$22,800	\$28,300	\$51,100	
Ferrari Lot	No	43	\$900,000	\$52,000	\$8,000	\$350,000	\$410,000	\$1,310,000	\$9,500	\$20,900	\$30,400	
Salmon Lot	Yes	22	\$495,000	\$52,000	\$8,000	\$350,000	\$410,000	\$905,000	\$18,600	\$22,500	\$41,100	
McGuire Lot	No	28	\$750,000	\$52,000	\$8,000	\$273,000	\$333,000	\$1,083,000	\$11,900	\$26,800	\$38,700	
Brook Lot	Yes	20	\$285,000	\$52,000	\$8,000	\$217,000	\$277,000	\$562,000	\$13,900	\$14,300	\$28,200	
Minnow lot	Yes	20	\$480,000	\$52,000	\$8,000	\$267,000	\$327,000	\$807,000	\$16,400	\$24,000	\$40,400	
<b>TOTAL</b>		<b>151</b>	<b>\$3,420,000</b>	<b>\$312,000</b>	<b>\$48,000</b>	<b>\$1,807,000</b>	<b>\$2,167,000</b>	<b>\$5,587,000</b>	<b>\$14,400</b>	<b>\$22,600</b>	<b>\$37,000</b>	

Source: Placer County Public Works, January 2015

This \$37,000 cost per space could potentially be reduced for individual private property owners through provision of public funds. In addition, a private landowner that provides land for new public parking spaces could receive a credit equal to the value of the land that could be used to offset in-lieu fees for offsite parking needs. It is further recommended that a flat per-space in-lieu fee be applied, rather than the graduated fee schedule depending on the number of spaces needed that some of the other jurisdictions have implemented. A flat fee has the distinct advantage of providing greater equity among program participants.

Other recommended elements of the in-lieu parking fee program are as follows:

- A separate fund should be established in each commercial core 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.
- The program should be limited to non-residential land uses only.
- Payment of fees is typically due prior to issuance of a building permit or a certificate of occupancy if a building permit is not required.
- No specific maximum on the proportion of parking provided through the in-lieu program should be set, as there are some parcels that could potentially be developed with no on-site parking. On the other hand, participation in the program should not be a requirement (as it is in some other jurisdictions).
- It would be appropriate to limit the number of in-lieu spaces that could be provided as part of any one project application. This would ensure that larger projects (such as a new major lodging property) provide at least a portion of parking spaces on-site, and also ensure that an undue level of financial resources not be expended for any one project. A reasonable recommendation would be that in-lieu fee spaces can only be used for up to 50 percent of the number of required parking spaces over the first 50. Alternatively, the ability to pay in-lieu fees can be provided at the discretion of County staff, in which case a specific limit would not need to be identified in the enabling ordinance.
- Typically, establishing an in-lieu fee program requires nothing more than adoption of a County ordinance.

For the in-lieu fee program to succeed, it is important that variances reducing the total required parking for individual projects (either on-site or through payment of the in-lieu fee) be minimized. The in-lieu fee program effectively provides a mechanism to address specific site issues that preclude adequate on-site parking supply. Excessively allowing landowners to avoid paying in-lieu fees could endanger the success of the overall public parking in-lieu program.

#### Other Parking Management Strategies

The current ability of landowners to develop parking management plans and to enter into agreements for joint use of private parking facilities should be continued and encouraged.

Consideration should be given to providing ongoing funds for compensation to private parking lot owners for time-dependent public parking use. As evidenced by the parking counts documented above, current parking issues are not so much a shortfall of available overall parking as they are a shortfall of parking available for public use. A good example is the lack of public parking during the middle of a busy summer day (driven in large part by beach parking) when lodging properties have relatively available spaces. Counts at lodging properties could identify a minimum number of spaces that are always available between, for example, 10 AM and 5 PM. In exchange for ongoing annual payments, this number of spaces could be signed for public parking during this period. Given the high cost of providing new public parking spaces (as discussed above), this could yield a net savings in public funds needed to expand public

**APPENDIX C**

**Examples of projects granted “waivers” to parking requirements (we use the term “waive” to refer to the granting exceptions or variances when projects do not meet parking requirements).**

**Examples of projects granted “waivers” to parking requirements (we use the term “waive” to refer to the granting exceptions or variances when projects do not meet parking requirements).**

The following are examples of projects granted “waivers” to parking requirements for three kinds of issues identified by the City-Wide Parking Committee and the Parking In-Lieu Subcommittee that PILP may help solve:

“1. Development is restricted by the difficulty of providing onsite parking. There is currently no alternative other than granting “waivers”<sup>5</sup> to the parking requirements for most properties throughout the DT Triangle but particularly within the Original Parking District (“OPD”).”

**EXAMPLES:**

The City waived parking requirements for the development at 400 Main Street (“While the exhibits to the agreements call out the ground floor as being retail, the documents and the City Council clearly understood that the ground floor could either be retail or restaurant and that the 5 parking spaces per 1,000 sq. ft. of gross floor area satisfied either of those uses’ parking needs.” February 2, 2011 memo from James Walgren to Jeffrey Morris; <https://vimeo.com/123159757>; <https://vimeo.com/124343701>). Based on the 182 seats shown on Cetrella’s Plans, the estimated number of employees (50 – the number employed by Bumble which has 65 (36%) fewer seats) less the number of parking spaces required had the space been used for retail rather than for a restaurant, we estimate 400 Main provides 46 fewer parking stalls than would have been required by code.

The City waived parking requirements for the development at One Main Street resulting in 10 fewer parking stalls than otherwise required by code (April 1, 2015 memo from James Walgren to City-Wide Parking Committee; <https://vimeo.com/124794126>; <https://vimeo.com/124794127>)

The City waived parking requirements for the development at 240 Third Street (“If the ground floor were used for retail, the project would be under-parked by 11 spaces. This was understood and accepted by the City Council....” April 1, 2015 memo from James Walgren to City-Wide Parking Committee; <https://vimeo.com/124794126>; <https://vimeo.com/124794127>). However, based on the following analysis by David Rock, we estimate 240 Third Street provided 27 fewer parking spaces than required by code:

1) When the 240 Third St. mixed use building was approved in April of 2008, it was approved for the then current codes, which were 4.0/1,000 sf for office, and 5.0/1,000 sf for retail. Four residential units were originally approved, but that was reduced to two units on the final set of plans that were approved. With re: the ground floor, the original plans called for all of the ground floor to be retail, but per James Walgren’s “Attachment B” Memorandum to the City-Wide Parking Committee: “Retail on the ground floor is permitted, but real estate professionals have shared with staff that they do not believe a retail business would be successful in this location. So, it’s my belief that if a “retail business is permitted,” then the parking for the

building should allow for that. Based on that supposition, here then are the calculations for the amount of APPROVED space:

- retail on ground floor: 7,183 sq. ft. @ 5.0/1,000 sf = 36 spaces
- office on second floor: 8,447 sq. ft. @ 4.0/1,000 sf = 34 spaces
- two residential units: two @ two spaces/unit = 4 spaces

As only 55 spaces were created, this leaves the building 19 spaces short.

2) However, more square footage was actually constructed than the amount of square footage that was approved by the City. Per all of the marketing materials that were distributed by the real estate professionals marketing the space after it was constructed, the total amount of advertised sq. footage was 19,278 sq. ft., which is 2,045 more square feet than the approved 17,233 sq. ft.! *{Please note that I'm using 800 sq. ft. for each of the two residential units, which is what I've been told a number of times.}* So, even if one just uses the then office requirement of 4.0/1,000 sf, that means that the building is an additional 8 spaces short.

3)  $19 + 8 = 27$  spaces short. *{This is as compared to James Walgren's statement in that Attachment B: "If the ground floor were used for retail, the project would be under-parked by 11 spaces."}*

"4. After a building is constructed, the use may change as allowed by code, but there is no way to adjust the number of parking spaces required."

#### EXAMPLES:

The City waived parking requirements when 145 First Street converted from retail to a restaurant (<https://vimeo.com/123159757>; <https://vimeo.com/124343701>). Based on the number of employees (5) and seats (117) less the number of actual parking stalls provided (4), we estimate 145 First Street did not provide 52 parking stalls otherwise required by code.

The City waived parking requirements when 288 First Street converted from retail to a restaurant (<https://vimeo.com/123159757>; <https://vimeo.com/124343701>). Based on the number of employees (8) and seats (79) less the number of actual parking stalls provided (14), we estimate 288 First Street did not provide 15 parking stalls otherwise required by code.

"5. Selective or subjective enforcement of parking requirement has resulted in some properties being granted "waivers" from them while other properties have not been granted waivers."

EXAMPLES:

While the above examples are of projects that were granted “waivers” from parking requirements (they were granted exceptions or variances when they did not meet parking requirements), the following are examples of projects that were not offered “waivers” (they were not granted exceptions or variances when they did not meet parking requirements):

The City did not offer to “waive” parking requirements for a proposed development at 295 Main Street (July 8, 2015 conversation with Bart Nelson)

The City did not offer to “waive” parking requirements for a proposed development at 40 Main Street. (July 8, 2015 conversation with Ted Sorensen)

The City did not offer to “waive” parking requirements for a proposed development at 129 First Street (January 29, 2015 conversation with Taylor Robinson)

**APPENDIX D**

**EXAMPLES OF CALCULATIONS FOR: (i) PROPERTY OWNER IN THE ORIGINAL PD; and (ii) NEW MEMBER JOINING THE EPD.**

**EXAMPLES OF CALCULATIONS FOR: (i) PROPERTY OWNER IN THE ORIGINAL PD; and (ii) NEW MEMBER JOINING THE EPD.**

NOTE: PD Members have the following advantages: (i) Shared parking ratios will be applicable; (ii) Many parking credits may be available; and (iii) Any shortfall of on-site parking can be offset by the purchase of stalls or portions of stalls through the PILP for a price to be determined on a per stall basis.

I. EXAMPLE FOR ORIGINAL PD MEMBER. We assume the following for illustrative purposes:

1. A 5,000 square foot lot in the PD.
2. A 4,000 square foot restaurant on the first floor; with 500 square feet allocated to vertical transportation to service the second floor office.
3. 4 on-site parking stalls off the plaza (where two plaza stalls are blocked or destroyed).
- 4.
5. Of the 4 stalls created, 2 will be available to the public, one will be for the restaurant take-out and one for the restaurant manager.
6. The office component, 20% of the square footage is adjusted pursuant to adopted square footage calculations, yielding an office use of 4,000 square feet.

Calculate the applicable parking requirement:

- STEP 1: Restaurant usage is 3,500 square feet. Applying the parking requirement of 7.2 stalls per thousand square feet, the restaurant will require 25.2 stalls
- STEP 2: Office usage is 4,000 square feet. Applying the parking requirement of 2.0 stalls per thousand square feet, the office usage will require 8.0 stalls.
- STEP 3: Two stalls in the plaza are destroyed.
- STEP 4: Total stall requirement is 35.2 stalls;

Calculate the applicable parking credit:

- STEP 5: Credits:
1. We assume a Plaza Parking Credit of 2.86 stalls per thousand square feet of land equal to:  $2.86 \text{ times } 5,000 \text{ square feet} / 1,000 = 14.30$  stalls:

2. We assume an on-street parking credit equal to 0.57 stalls per thousand square feet of land:  $0.57 \text{ times } 5,000 \text{ square feet} / 1,000 = 2.8$  parking stalls.

3. We assume that 4 stalls are created behind the restaurant; two of these are available to the public and the other two are restricted one for the manager and one for take-out and thus not generally available to the public. Also, assume the Committee recommends a 50% reduction in credit for restricted parking stalls created on-site. This yields a 3 stall credit for on-site parking (one each for the public stalls and an additional credit of one-half of the total of two stalls that are restricted for restaurant use).

4. We assume the closing of one curb cut on State Street creating one on-street parking stall for a Curb Cut Credit of one stall.

Calculate the net parking requirement subject to a parking in-lieu payment.

**Summary:**

**Stall requirements:**

Parking Requirements	
Stalls required for restaurant use:	25.20
Stalls required for office use:	8.00
Destruction of plaza parking stalls:	2.00
Total required parking:	35.20

**Parking Credits:**

Stall credit for membership in PD	14.30
Stall credit for on-street stalls	2.85
Stall credit for on-site stalls	3.00
Stall credit for closing curb cut	1.00
Total credits	21.15

Net parking requirements for development 14.05

Required in lieu payment per stall: \$20,000

Parking-in-lieu fee for proposed development \$281,000

**II. EXAMPLE FOR NEW MEMBER**

Note that for this example, we are assuming the following for illustrative purposes:

1. A 9,000 square foot building to be constructed on a 5,000 square foot PD Eligible Property;
2. A 4,000 square restaurant on the first floor (with no adjustments from gross square footage to net parking square footage, as the elevator and elevator lobby, stairwells and other deductions are adjustments to the office square footage);
3. 4 on-site parking stalls off the plaza (that don't further infringe on the existing plaza). Note that if any parking plaza stalls are removed they will act as an offset to any stalls created on-site. Of the 4 stalls created, 2 will be available to the public, one will be for the restaurant take-out and one for the restaurant manager.
4. A 5,000 square foot office on the second floor (with a 20% adjustment from gross square footage to net for parking purposes).

Calculate the Parking Requirement.

STEP 1: Determine the Off-street parking buy-in for a New Member equal to 5,000 square feet (divided by 1,000) x 2.86 off-street stalls per thousand square feet = 14.3 required stalls to join the district.

STEP 2: Determine the Restaurant square footage (which excludes the vertical transportation required for the upstairs office). With a building first floor area of 4,000 square feet and vertical transportation to the second floor accounting for 500 square feet, the parking square footage attributable to the restaurant is 3,500 square feet. Required parking equals  $3.5 \times 7.2 = 25.2$ .

STEP 3: Determine the office square footage (which nets out staircases, elevator lobbies and other approved square footage). Then apply the appropriate shared parking ratio standards available to Members (we are assuming 2.00 stalls per thousand square feet for office) this is calculated at  $4,000/1,000$  square feet for the restaurant x 2 stalls/ thousand square feet = 8.0 stalls.

Calculate the applicable parking credit:

STEP 4: Credits:

(i) Apply a Plaza Parking Credit of 2.86 stalls per thousand square feet of land equal to  $2.86 \text{ times } 5,000 \text{ square feet} / 1,000 = 14.3$  stalls:

(ii) We assume an on-street parking credit equal to 0.57 stalls per thousand square feet of land.  $0.57 \text{ times } 5,000 \text{ square feet} / 1,000 = 2.85$  stalls.

(iii) For the 4 stalls created behind the restaurant; two of these are available to the public and receive full credit; the other two are restricted one for the manager and one for take-out and thus not generally available to the public. Allowing full credit for the public stalls and applying a 50% reduction for restricted parking stalls created on-site yields an additional 1 stall credit. This yields a 3 stall credit for on-site parking.

(iv) We assume the closing of one curb cut on First Street creating one on-street parking stall for a Curb Cut Credit of one stall:

Credit: 1.00 stall.

Summary:

Stalls required to join the PD	14.30 stalls
Stalls required for Restaurant use:	25.20 stalls
Stalls required for office use:	8.00 stalls
Total required parking requirement:	47.50 stalls
Stall credit for membership in PD	14.30 stalls
Stall credit for on-street stalls	2.85 stalls
Stall credit for on-site stalls	3.00 stalls
Stall credit for closing curb cut	1.00 stalls
Total stall credits :	21.15 stalls
Net parking requirements for development:	26.00 stalls
Required in lieu payment per stall:	\$20,000
Parking in lieu fee for proposed development and usage:	\$520,000

NOTE: This is why a property owner needs three stories or more.

SUMMARY: As can be seen, this calculation demonstrates that the PILP will require a very substantial payment but we project that it will likely be worth it to the property owner to join the district.

Observations: Members have the following advantages: (i) Adopted shared parking ratios will be applicable; (ii) Many credits may be available; (iii) the only alternative is a much reduced development potential; and (iv) Any shortfall of on-site parking can be offset by the purchase of stalls or portions of stalls through the PILP.

**APPENDIX E**

**Analysis of proposed PILP using North Tahoe Parking Study “criteria for considering whether an in-lieu fee program is appropriate” and benefits associated with an in-lieu parking fee program identified by North Tahoe Parking Study that an in-lieu parking program would likely provide to Los Altos**

**Analysis of proposed PILP using North Tahoe Parking Study “criteria for considering whether an in-lieu fee program is appropriate” and benefits associated with an in-lieu parking fee program identified by North Tahoe Parking Study that an in-lieu parking program would likely yield to Los Altos**

The North Tahoe Parking Study, dated March 9, 2015, states:

“The professional literature yields eight individual criteria for considering whether an in-lieu fee program is appropriate:

“1. Does the commercial area have a substantial number of small or irregular-shaped parcels that make development with on-site parking difficult?”

This is definitely true for Downtown Los Altos, which includes many very small commercial properties (many parcels only 50 feet in width, and several only 25 feet in width) that makes it very difficult to assemble adequate land for commercial redevelopment.

“2. Is there sufficient development demand to reasonably ensure that there will be multiple participants in an in-lieu fee program, providing significant fees in a timely manner?”

While this is a matter of conjecture (and impacted by external factors such as the national economy), the recent upturn in interest in development projects indicates that this is the case in Downtown Los Altos.

“3. Are there feasible opportunities for development of new public parking facilities within a reasonable walk distance of parcels that may take advantage of the in-lieu program?”

It appears there are several feasible opportunities for development of new public parking facilities within a reasonable walk distance of parcels that may take advantage of the in-lieu program

“4. Could the commercial district benefit from an improved window-shopping pedestrian environment?”

Providing such a “small town” streetscape is a key strategy for Downtown Los Altos.

“5. Are there active efforts to expand public parking that could be aided by an in-lieu fee program?”

This is the case in Downtown Los Altos.

“6. Does the public agency have the staff capacity to administer the program?”

We believe Los Altos has or can develop these capacities, and has shown that addressing parking issues in the Downtown Los Altos is an important priority. An in-lieu fee program could also generate funds to administer the program.

“7. Are there other funding sources available to augment the in-lieu fee funding to ensure that parking can be provided in a timely manner?”

Yes, we believe other funding sources are available.

“8. Can a program make a substantial difference in making redevelopment projects feasible?”

This appears to be the case in Downtown Los Altos.

We believe Los Altos satisfies these eight individual criteria for considering whether an in-lieu fee program is appropriate.

The North Tahoe Parking Study, dated March 9, 2015 states also:

“Overall, the review of the professional literature revealed the following potential benefits associated with an in-lieu parking fee program:

- An improved urban design can be provided. A key concept in planning for pedestrian commercial districts is to provide as continuous a series of storefronts as possible, avoiding “dead spaces” that break up the window-shopping experience. By reducing the need for driveways and parking provided along the front of commercial properties (which is effectively required at present for those parcels without side or back access), an in-lieu program can result in a more effective and economically vital shopping district.
- The total amount of parking needed to adequately serve the area can be reduced. 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. ...
- An in-lieu program provides another mechanism for the provision of parking, thereby reducing the need for variances. This helps to ensure that all landowners are treated equitably.
- Additional funding for public parking improvements is generated, potentially speeding the provision of additional public parking. Funding, moreover, accompanies the development that increases the need for such parking.
- By providing an additional, readily available option for developers to address the often difficult issue of meeting parking requirements, an in-lieu program increases the feasibility of development or redevelopment – particularly for small lots.”

We believe an in-lieu parking fee program would likely yield these benefits to Los Altos.

