



STAFF REPORT

Meeting Date: October 7, 2014

To: Honorable Mayor & City Council

From: Susan Healy Keene, AICP, Director of Community Development

Subject: In-Lieu Parking Study Presentation

Attachments:

1. Map of Study Areas
2. In-Lieu Study Process
3. Summary of In-Lieu Study Chapters
4. Key Study Findings
5. Key Study Recommendations
6. In-Lieu Parking Study
7. In-Lieu Parking Study Executive Summary
8. Comments from Traffic and Parking Commissioner Julie Steinberg

INTRODUCTION

At the direction of the City Council, staff procured a consultant team to evaluate the current in-lieu parking program in the Business Triangle and study the potential expansion of the program to additional areas of the City. The in-lieu parking program is perceived to be a contributing factor to the success of the Business Triangle in the City, and expanding the program to other commercial areas in the City could help enhance commercial development and activity in these areas.

Staff worked with the City Council to define the parameters of the study prior to procuring a consultant. On July 30, 2013 then Mayor Mirisch and Vice-Mayor Bosse, Planning Commission Chair Rosenstein and Planning Commission Vice-Chair Fisher met to discuss the proposed In-lieu Parking Study. The liaison group determined that the study should result in a better understanding of the current in-lieu program in the Business Triangle and the feasibility of expanding the program to additional commercial corridors in the City.

The In-Lieu Study has resulted in several key findings that are summarized in this report. Analysis of the findings reveals policy issues for further discussion and consideration. Staff has identified these policy issues and is looking forward to receiving direction from the City Council on future actions and next steps.

BACKGROUND

The City's in-lieu parking program currently allows owners of properties located within the Business Triangle that meet certain criteria to pay into a fund for future parking rather than provide all required parking spaces on-site¹. The in-lieu program has made it economically feasible for property owners to add floor area to existing buildings, build new structures and to fill existing space with businesses such as restaurants that normally require additional parking on-site. Originally established in 1976, the program goals were:

- Foster business vibrancy in the Triangle by relieving the burden of providing required parking on-site.
- Enhance the pedestrian experience by encouraging redevelopment of properties into restaurants, retail shops, theatres, museums and other pedestrian-attracting uses while concentrating parking resources on City owned properties throughout the area.

Along with the in-lieu program, other programs and policies were enacted including the City's open air dining program, pedestrian and urban design improvements, and a reduction in parking requirements for smaller restaurants that have contributed to the vibrant and active pedestrian environment in the Triangle. Additionally, several parking structures were built in the Triangle to provide additional parking in the area.

Due to the success of the existing in-lieu program, there has been interest in studying expansion of the program into other commercial areas of the City. The 2013/14 Fiscal Year Budget included funds to study the in-lieu parking program in the Business Triangle and study the possible expansion of the program to additional commercial corridors, with a focus on those in the Southeast area of the City.

Several corridors were chosen to study for the potential expansion of the in-lieu parking program including:

- South Beverly Dr. from Wilshire Blvd. to Olympic Blvd.
- South Robertson Blvd. from Wilshire Blvd. to Olympic Blvd.
- South Santa Monica Blvd. from Wilshire Blvd. to Moreno Dr.
- Wilshire Blvd., east of the Business Triangle to the edge of City Limits, and
- Olympic Blvd. from Rexford Dr. to Robertson Blvd.

The corridors for study were chosen with input from the City Council and a map is provided in Attachment 1. For more details on the process undertaken for completion of the In-Lieu Study, please see Attachment 2.

These corridors were chosen for study for a variety of reasons. For example, South Beverly Drive is generally perceived to be an economically vibrant corridor, with ample pedestrian activity but lacking in available parking. Robertson Boulevard is perceived to be lacking in pedestrian oriented retail and parking. South Santa Monica Boulevard, Olympic Boulevard and Wilshire Boulevard, are also prominent commercial corridors in the City and were studied to

¹ The in-lieu parking program applies to commercially-zoned property that is 16,000 square feet or less, with a floor area ratio of 2:1 or less, and a height not to exceed 45' or three stories if the building was built after June 16, 1976. Uses that may participate in the program include retail and restaurant uses as well as other similar pedestrian oriented uses. Properties larger than 16,000 square feet are allowed to participate in the program if they are to be used for museum uses or for adaptive reuse of historic buildings.

determine if expansion of the in-lieu program into these corridors would be feasible to spur redevelopment.

DISCUSSION

The discussion section of the staff report outlines the consultant's key findings and recommendations from the In-Lieu Parking Study. For reference, a list of the chapters included in the study and a brief description of the contents of each chapter is provided in Attachment 3. A more comprehensive list of the study findings is provided in Attachment 4, and a list of all recommendations from the study is provided in Attachment 5.

Findings

Existing In-Lieu Program and Parking in the Business Triangle

The consultant was asked to study the existing in-lieu program and parking situation in the Business Triangle in order to provide insight into the success of the program and inform any policy changes that may be appropriate.

The key findings indicate that the *in-lieu program appears to have helped facilitate development and encourage pedestrian uses in the Triangle*. Although the City's in-lieu fees charged to developers per parking space are higher than those of surrounding communities, the program has raised \$13 million dollars since its inception; however, this amount is not sufficient to fund a parking structure under current market conditions. The study indicates, however, that the program remains popular and developers have paid in-lieu fees for approximately 750 parking spaces since the program's inception.

The consultant also studied parking supply in the Business Triangle of the City and found that a one-time parking survey of public and private garages in the Triangle indicates *that parking utilization at peak time was close to optimal levels*. The consultant also found that the parking utilization was not geographically evenly distributed throughout the Triangle, leaving some parking structures full, while others are underutilized. The consultant team observed that city-operated parking facilities offer parking at rates significantly lower than private garages, and the provision of free parking in the Triangle can encourage the overconsumption of parking, in addition to making it difficult to accurately calculate the demand for parking.

Expansion of the in-lieu program

The consultant studied potential expansion of the in-lieu program to other commercial corridors in the City. The goal of this effort was to understand the potential opportunities and constraints in the study areas in order to provide decision makers with information to direct future parking and in-lieu policy discussions as they pertain to these areas. This portion of the study includes information about the parking needs and resources in the potential in-lieu expansion areas, the cost to provide parking structures, and other facts about parking management strategies and the impact of zoning regulations on a landowner's ability to develop commercial property.

A key finding of this effort is that obtaining land and developing a parking facility in the study areas would cost more than the existing in-lieu program has generated over the past 38 years. Current construction costs for various parking structures are outlined in Attachment 4 and vary from 6 million dollars for an above-grade structure to nearly 15 million dollars for an above- and below-grade structure with automated operation. Cost for land increases the cost to build a parking structure by 6 to 21 million dollars depending on the location of the structure.

The study also suggests that *expanding the in-lieu program, while it would not generate enough money to build a new structure, could improve the feasibility of the development of new*

buildings or businesses that require additional parking (e.g. restaurants) by providing an alternative to providing parking on a project site. A review of zoning standards on South Robertson Boulevard indicates that the parking requirements are one of the barriers that can prevent new development.

When studying existing and future parking conditions in the potential expansion areas the consultant team found that there are almost 5,000 private parking spaces located in the expansion areas, with many located along Wilshire Boulevard. Additionally, occupancy data indicates that parking is most scarce along South Beverly Drive with 83% of the parking spots occupied at peak times. Occupancies along the other corridors include: 70% on South Robertson Boulevard, 60% on Olympic Boulevard, 50% on South Santa Monica Boulevard, and 40% on Wilshire Boulevard. This information suggests there is an opportunity for more efficient use of public and private parking spaces throughout commercial areas of the City.

Recommendations

The in-lieu report provides technical background information meant to inform decision makers about the performance of the existing in-lieu parking program in the City and the possible expansion of the program into other areas of the City. Based on this information, recommendations have been developed by the consultant. All recommendations are provided in Attachment 5 and key recommendations are outlined below. The Planning Commission and Traffic and Parking Commission were consulted during the study process and any relevant comments from these bodies are incorporated into this report and Attachment 5. Staff is looking to Council to provide comments on any changes that may be appropriate to the existing program in the Business Triangle, and recommends that the Council consider the following recommendations. Additional findings and pros and cons for each are provided in Attachment 5.

Existing In-Lieu Program and Parking in the Business Triangle

As stated above, the program has been utilized by property owners and business owners and it appears that it has contributed to a vibrant pedestrian environment in the Business Triangle. The consultant recommends considering adjusting the existing program in the Triangle to allow additional uses to participate in the program (such as office uses), as well as reducing the application fees and the in-lieu fee per parking space. Based on the information in the report and staff's experience, the current in-lieu program in the Triangle appears to be successful and staff would not recommend any substantial changes to the existing program at this time. *The Council could consider a study of the pricing structure for in-lieu parking space fees.* Incremental adjustments have been made to the fees over the last several years (generally tied to CPI increases) however the last major change made to the in-lieu fees was made in 1994.

The study indicates that there is a surplus of private parking in the Business Triangle. *The City could consider facilitating shared parking arrangements with private garage owners as a way to fill vacancies in underutilized private parking facilities before considering the development of new parking supply in the Triangle.*

Since parking demand is not distributed equally throughout the Business Triangle, *the City could also consider implementing a mix of dynamic or tiered pricing, wayfinding, and realtime parking aids to guide visitors through the area and better distribute parking demand.* These strategies can be implemented in addition to the existing in-lieu parking program in the Triangle.

Some of the study findings indicate that the current minimum parking requirements may not be ideal for the community. *The consultant also recommends that the City undertake a study to determine if the existing minimum parking requirements are appropriate for the community.*

Adjusting parking requirements so they are tailored to Beverly Hills based on a quantitative study could lead to more efficient parking provision and management in the Triangle.

Expansion of the In-Lieu Program

The study indicates that the expansion of the in-lieu program to one or more of the study areas could encourage development in those areas by providing an alternative to the provision of parking on-site in areas where sites are small and on-site parking is difficult to provide. As a result *staff would recommend pursuing expansion of in-lieu parking in one or more of these areas.* The Planning Commission and Traffic and Parking Commission expressed interest in initially considering Robertson Boulevard and South Beverly Drive for expansion. The findings related to the current in-lieu program, however, illustrate that the in-lieu program will likely not result in enough funds to build a new parking structure in the expansion areas. Accordingly, *it is recommended that the City consider shared parking arrangements with private property owners as a way to provide parking along the commercial corridors and fill vacancies in underutilized private parking facilities before development of new parking supply in expansion areas.*

It is also recommended that goals be established for the in-lieu program if it is expanded into new areas of the City. Establishing the goals of the program can help determine how the program is implemented in each commercial corridor. For example, if the goal of the in-lieu program is to raise enough money to build a new parking structure then the fee per in-lieu space must be raised, however, if the fee is too high, developers will not participate in the program. If the goal of the in-lieu program is to provide developers with relief from parking requirements to encourage new development or new uses, then the price per space must be set at a level that developers will use; however, this may mean that the program may not generate enough revenue to build a parking structure.

The Council may also wish to consider how implementing a policy, such as in-lieu parking, could spur development along commercial corridors and impact surrounding residential neighborhoods. *It is recommended that if the Council would like to proceed with the expansion of the in-lieu program that measures are established to ensure that the potential impacts associated with increased development and intensified commercial activity do not negatively affect the residential areas of the City.* Such measures could include the development of signage and realtime information to help drivers find available parking spaces and prevent vehicles from circling through residential neighborhoods in search of parking.

The Council could also consider if there are any other parking management strategies that could be implemented in the expansion areas. There are a variety of management strategies that could be considered for the expansions areas, such as parking improvement districts or parking assessment zones. Some management strategies would be used instead of in-lieu parking and some could complement an in-lieu program. A summary of alternate parking management strategies is provided in Attachment 5.

Community Visioning and Goal Setting

In-Lieu Parking is one potential solution to the parking and development issues in some of the commercial corridors of the City. While the in-lieu program seems to have contributed to the development and pedestrian vitality in the Business Triangle, it is not the only strategy that has contributed to the Triangle's vibrancy, and in-lieu parking is not the only parking management strategy available.

In order to determine the policy solution or solutions most appropriate for the various commercial corridors in the City *staff would recommend that the community establish a vision and goals for the City's commercial corridors so parking solutions, including in-lieu parking, can*

be tailored to community needs and desires. Community visioning and goal setting would provide the opportunity for residents, business owners, and other stakeholders to provide input, discuss the future of the commercial areas of the City, and understand the implications of various policies. Undertaking goal setting efforts would help define the unique goals for each commercial corridor in the City. For example, the vision for South Beverly Drive may be different than the vision for Robertson Boulevard, and different strategies may be appropriate for each corridor.

NEXT STEPS

Staff is seeking comments and direction from the Council on the recommendations highlighted in the previous section as well as comments regarding other policy issues and initiatives the Council may wish to pursue.

FISCAL IMPACTS

At this time, there are no direct fiscal impacts associated with this study. Any further study of changes to the in-lieu program or of other parking solutions will require additional staff time and may require funds for additional consultant work. Additionally, staff time will be required if the Council directs staff to move forward with goal setting and community visioning activities for the commercial corridors in the City.

RECOMMENDATION

Receive the In-Lieu Parking Study and provide staff with comments and direction for legislative changes and/or further study of targeted policy options. Specifically, staff is seeking direction on whether the City should:

- study the pricing structure for in-lieu parking space fees in the Business Triangle,
- explore facilitating shared parking arrangements with private garage owners as a way to fill vacancies in underutilized private parking facilities both in the Triangle and along other commercial corridors,
- expand efforts to implement dynamic or tiered parking pricing, enhanced wayfinding, and realtime parking aids to guide visitors through the area and better distribute parking demand,
- undertake a study to determine if the existing minimum parking requirements are appropriate for the community,
- expand the in-lieu program to one or more of the commercial corridors outside the Triangle and establish goals for the expanded program,
- conduct community visioning and goal setting efforts related to the commercial corridors in the City outside the Business Triangle, and
- study alternative parking management strategies for the commercial corridors in the City.

Susan Healy Keene

Approved By

