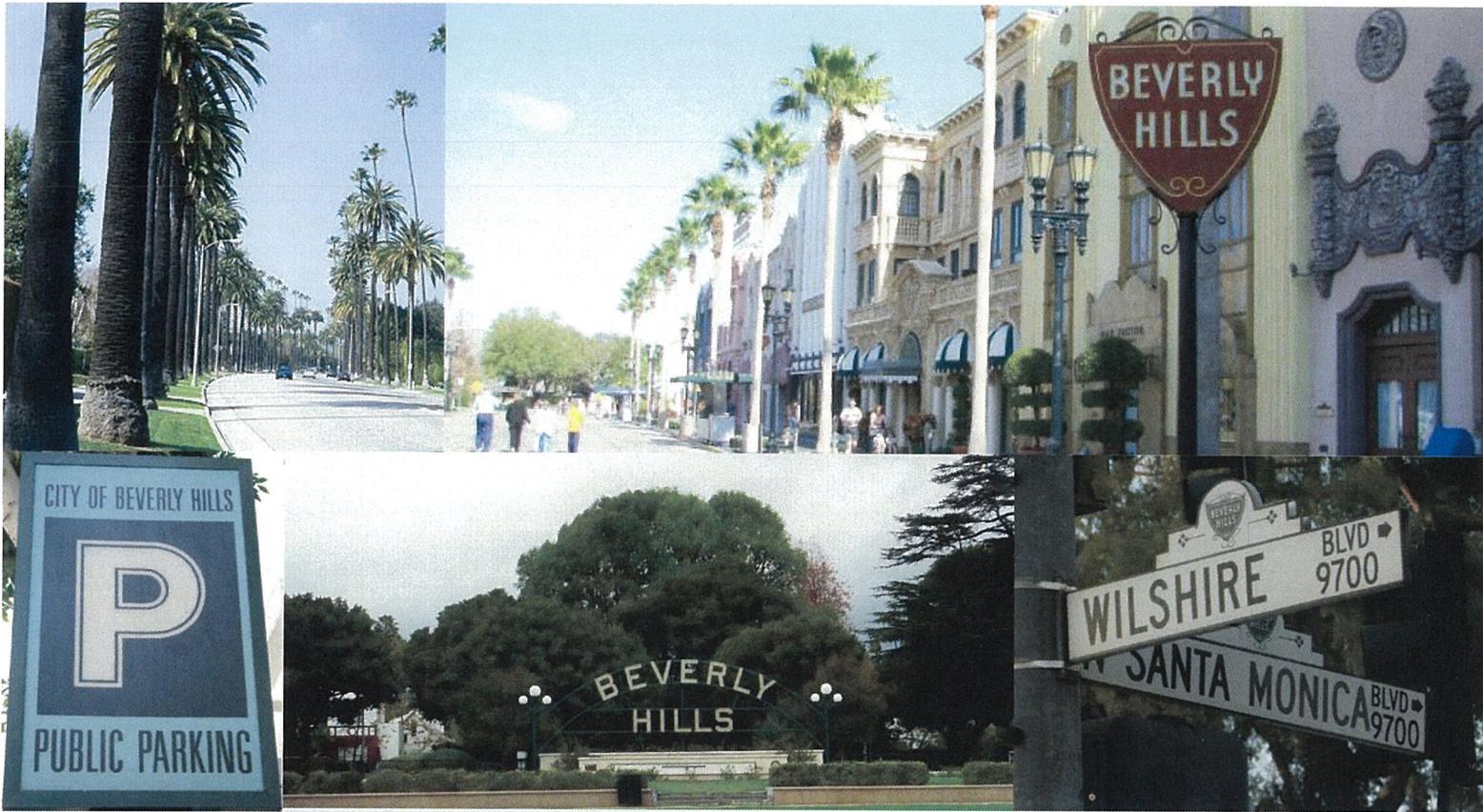


Attachment 6

In-Lieu Parking Study



BEVERLY HILLS IN-LIEU PARKING STUDY

Final Report

June 2014

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EXECUTIVE SUMMARY

Since 1976, the City of Beverly Hills has administered an in-lieu parking program within the Business Triangle. The program was created as an option for prospective developers, or those wishing to change the uses of existing buildings, to pay a fee in lieu of building the required amount of parking on-site. The program was intended to foster a more vibrant and sustainable business environment, and to enhance the pedestrian experience by encouraging redevelopment of properties into restaurants, retail shops, theatres, museums, and other pedestrian-attracting uses. Revenue gained from the in-lieu parking program is earmarked for provision, operation and maintenance of public parking.

The most recent update to the program came in 2013, when a pilot leasing option was introduced to allow food sales and service commercial users to pay the in-lieu parking fee as an annual “lease” rather than paying the full lump sum. This option is due to expire in October 2014.

The City is interested in assessing the performance of the in-lieu program performance and exploring potential expansion of the program to five commercial corridors within Beverly Hills with a particular focus on the Southeast Area: South Robertson Boulevard, Wilshire Boulevard, Olympic Boulevard, South Santa Monica Boulevard, and South Beverly Drive.

Nelson\Nygaard has been contracted by the City of Beverly Hills to:

- Evaluate the City’s existing in-lieu program in the Business Triangle district;
- Determine the cost and feasibility of constructing new public parking in the potential expansion areas of the in-lieu program; and
- Make recommendations on parking needs and maximizing parking resources in these expansion areas.

EXISTING PARKING CONDITIONS IN THE BUSINESS TRIANGLE

Assessment of the in-lieu program is done in the context of an understanding of wider parking conditions and policies for the City. Based on the current inventory of parking spaces, there are 11,517 parking spaces in the Business Triangle, including 584 on-street spaces, 4,474 public off-street space, and more than 6,186 private off-street spaces.

Pricing policies between these different sources of parking differ markedly. City-operated facilities are priced well below the private market values with most facilities offering free parking for one and two hours followed by an hourly rate of \$6 up to a daily maximum of \$22. Private garages generally charge between \$6 and \$15 per hour.

Despite the provision of free and below-market parking in City-operated facilities, studies show parking occupancy is close to optimal within the Business Triangle, though public perception would suggest a shortage. Based on a parking survey conducted in October 2012 by Kimley-Horn as well as more recent data on public garages, parking utilization at peak times (1 p.m. on

Thursday) was 76% on-street, 76% in private garages, and 87% in public garages, bringing total parking utilization to just 80%, which is a little lower than the target of 85% utilization and suggests that there is still a surplus of parking within the Business Triangle.

Parking occupancy is not evenly distributed, however, with some facilities at almost 100% capacity while others fall below 50%. This unevenness suggests a need for the use of parking pricing to appropriately spread parking availability throughout the district. It may also suggest the need for different strategies regarding where to place monthly parking in the area as well as improved wayfinding information to help people to find available parking spaces. It is noted that the City may have other policies and priorities that interfere with optimal utilization of parking. For example, free 1-hour parking is seen as a means of attracting shoppers and visitors to the city.

IN-LIEU PROGRAM PERFORMANCE

The in-lieu parking program is one tool for achieving the community vision outlined in the Beverly Hills General Plan. This vision encompasses attracting new businesses, enhancing residential quality of life, creating a built environment that enlivens pedestrian activity, and limiting negative externalities caused by vehicles. In this context, the in-lieu program is an element in Beverly Hills' efforts to remain a competitive destination for businesses and a desirable home for residents.

Since its inception in 1976, more than \$13 million has been raised by the City through the in-lieu parking program. This is equivalent to \$19.1 million (in 2014 dollars) paid in lieu of 748 parking spaces. Although a great deal of public parking has been created over the lifetime of the program, the revenues from in-lieu fees have been used for parking maintenance rather than increasing parking supply since the fees collected are dwarfed by the cost of land acquisition and parking construction in this high-value urban area.

From a development and planning sense, however, the program can be viewed as a success. The relatively constant rate of participation in the program denotes that the in-lieu option has helped to facilitate investment in the Business Triangle, and has allowed the City to maintain a high standard of urban design and streetscape uninterrupted by fragmenting and unsightly parking lots or curb cuts/driveways in the sidewalk that may impede the pedestrian experience.

Based on this evaluation, a number of features of the present in-lieu parking program and wider parking policies seem to be working well:

- The City has provided parking through creative use of subterranean space and retail wrapping to mask structured above-grade parking facilities. While this is a very expensive way to provide parking, it has facilitated high rates of vehicle access with limited negative impacts to the pedestrian realm.
- The provision of installment options for payment of the in-lieu program provides flexibility for developers and lessees, and ensures a relatively consistent revenue stream for the City.
- Likewise, the new in-lieu lease option provides similar benefits to the installment option, though the low contribution rates are even less likely to generate sufficient funds to embark on potential parking-related projects.

Relative to program goals and comparable programs, there are a number of features of Beverly Hills' in-lieu parking program that could be improved:

- Many land uses and activities are prohibited from participating in the in-lieu program, which means that developers are required to provide more parking while existing parking resources reach only 80% peak occupancy even with free and below market rates.
- The City's current minimum parking requirements are similar to comparable communities, but not in line with industry best practice which is shifting away from minimum parking regulations and toward a market-based approach.
- The application fee for Beverly Hills' in-lieu parking program is an order of magnitude higher than that of comparable communities.
- The in-lieu fee itself for Beverly Hills is also considerably higher than the fee in many comparable cities.
- There is a need to allow more flexible use of in-lieu revenues for projects that increase parking capacity or reduce trips in the most effective and efficient manner possible.
- One means of increasing capacity includes shared parking arrangements as a way to fill vacancies in underutilized private parking facilities *before* considering the development of new parking supply.
- The policy of free parking for the first one to two hours undermines the business of private operators and incentivizes driving and reparking.
- Likewise, nearly-free parking for City employees does not encourage sustainable commute patterns or reflect the cost to provide, operate, and maintain parking facilities.

PARKING AND DEVELOPMENT IN COMPARABLE CITIES

Examining the City's in-lieu parking fees in relation to comparable cities, such as Culver City, Santa Monica, and West Hollywood, helps to gauge the impact that the program has on the regional competitiveness of the City in attracting high-end retail and desirable commercial firms.

The minimum parking requirements of Culver City (1 space per 350 sf) are equivalent to that of Beverly Hills for general office, retail, and restaurant space; however Culver City allows for businesses to enter a 10-year lease program for space in public garages at the cost of \$80 per month. Over the course of the 10-year lease developers in Culver City would end up paying \$23,800 to provide the required amount of parking for 1,000 sf of development (2.9 spaces) compared to payment of between \$87,300 and \$137,300 (based on location) for an in-lieu payment and application fee in Beverly Hills paid over four years.

Minimum parking requirements in the City of Santa Monica are slightly higher than that of Beverly Hills, but uses a scheme which charges the in-lieu parking fee based on the assessed value of new development. By using a present value rate, the fee in Santa Monica works out to \$1.50/sf annually or \$12,993 in a 10-year period. Santa Monica's existing in-lieu fee program is set to expire in 2016. It will likely be replaced with a new in-lieu fee with an initial cost of \$20,000 per space, which is still lower than the lowest fee offered by Beverly Hills.

The City of West Hollywood has higher minimum parking requirements than Beverly Hills and does not offer a traditional in-lieu program. Instead the City offers a parking credit program for businesses less than 10,000 square feet located within its parking district. The program is not designed to fund construction of new spaces, but to facilitate the creation of small independent businesses and restaurants. Over the course of ten years the \$382.50 annual fee and \$650 application fee for the credit program would cost a business \$12,247—far less than the fee in Beverly Hills.

Although Beverly Hills has equivalent or lesser minimum parking requirements than that of comparable cities, its higher in-lieu fees can be seen as discouraging to small business.

EXISTING AND FUTURE PARKING CONDITIONS IN THE EXPANSION AREAS

The City of Beverly Hills is considering expanding the in-lieu parking program to five commercial corridors: South Beverly Drive, South Santa Monica Boulevard, South Robertson Boulevard, Wilshire Boulevard, and Olympic Boulevard. Along these corridors there is only one City-owned parking garage so on-street and private parking facilities play a more dominant role. Based on an inventory of private parking, there are almost 5,000 private parking spaces throughout the expansion areas, with many located along Wilshire Boulevard.

Occupancy data indicates that parking is most scarce along South Beverly Drive, where occupancies reach 83% in the peak (1 pm on Thursday). This occupancy level is close to ideal and suggests the need for shared parking arrangements, wayfinding and pricing aids to encourage optimal use of all parking resources. Other corridors have lower occupancies of around 70% on South Robertson, 60% on Olympic Boulevard, 50% on South Santa Monica Boulevard and 40% on Wilshire Boulevard. The distribution of parking between on-street and private off-street facilities suggests the need for integrated approaches to parking provision along these corridors such as shared parking through public private partnerships.

Calculations of the built ratio of parking (the amount of parking per square foot of development provide insight on the quantity of parking and potential blended parking rates. The built ratio of parking ranges from 0.72 off-street spaces per 1,000 square feet on South Santa Monica Boulevard (south of Wilshire Boulevard), to 2.9 off-street spaces per 1,000 square feet on South Robertson Boulevard. When translated to the equivalent square footage, all corridors except Santa Monica and Wilshire Boulevard dedicate more area to parking than land uses.

Comparisons to code requirements were misleading, with 140% of required parking provided on South Beverly where there is the lowest parking availability, and only 50% of required parking provided on South Santa Monica where there is a surplus of parking. Based on the ratio of improvements to land value, it may be possible to add between 1.74 and 2.98 million square feet of development along the expansion area, which translates to between 782 and 1,740 additional net parking spaces under a 30% build out scenario, and 2,690 to 5,550 spaces under an 85% build out scenario.

COST AND FEASIBILITY OF CONSTRUCTING NEW PUBLIC PARKING IN EXPANSION AREAS

As part of this study, new parking supply costs were examined in order to provide decision makers with more specific information needed to assess the feasibility of potential options. New parking supply costs include both construction and real estate costs. Construction costs for parking structures will be comparable from site to site, but real estate and land costs vary by corridor.

Several garage scenarios were developed to reflect different types of facilities (surface, above grade and below grade, with and without automated parking) and potential assemblage of parcels within the expansion areas. Based upon the CPI and Engineering Cost Index, the cost of constructing different parking facilities varies greatly depending on size and design. The lowest-

cost facility for potential opportunity sites within the study area would be a surface lot accommodating 76 stalls at a cost of \$6,247 per stall (\$0.48 million total). In contrast, a below grade structure could provide 159 stalls with a more appealing and efficient use of space but at a cost of \$86,178 per stall (or a total cost of \$10.9 million). The two facilities which provide the greatest parking capacity of 300 stalls include an above grade structure with automated operation and a combination above/below grade structure with automated operation. These facilities come at a cost of \$37,523 per stall (\$11.3 million total) and \$49,792 per stall (\$14.9 million total) respectively.

In addition to construction costs, new public parking within the expansion areas would require acquisition of land. These land costs vary according to location. The most inexpensive site is located on Olympic Boulevard, where land values are \$260 per square foot (\$6.4 million for a 159 stall garage). On South Robertson Boulevard, land values are somewhat higher at \$420 per square foot (\$9.3 million for a 152 stall garage). South Santa Monica Boulevard land values are \$600 per square foot (\$14.4 million for a 159 stall garage). And finally, land values on South Beverly Drive are \$990 per square foot (or \$21.8 million for a 159 space garage).

It should be noted that approximately \$13 million in revenue has been generated by the in-lieu program since its inception in 1976. This four-decade income is insufficient to fund even the lowest cost facility when construction and land costs are combined.

DEVELOPMENT FEASIBILITY ANALYSIS

In order to determine whether developers require a parking in-lieu fee as an incentive to develop new mixed-use projects along the Robertson Boulevard and Olympic Boulevard corridors, this analysis evaluated the feasibility of developing three prototype projects under existing parking requirements and a parking in-lieu fee. Development prototypes include:

- 3-Story Mixed Use Office/Retail on Robertson Boulevard,
- 3-Story Mixed Use Office/Retail on Robertson Boulevard, and
- 3-Story Mixed Use Rental Residential/Retail on Olympic Boulevard.

The development feasibility models show the residual land value that an owner could charge for his/her site and still attract a developer. Negative land values or those that are below current market values indicate the need for subsidies or other incentives to attract desired development projects. Under current market conditions, none of the development prototypes are feasible and would require a subsidy to attract a developer.

Although expanding the parking in-lieu fee program to the Robertson Boulevard and Olympic Boulevard corridors would improve feasibility conditions, it would not make the prototype projects feasible without an additional subsidy or incentive, or changes in existing market conditions. The City could consider reducing parking requirements and/or allowing automated parking to meet parking requirements as an additional incentive.

INDUSTRY BEST PRACTICES

As Beverly Hills continues to attract high level development and businesses to the city, particularly in underserved areas, the City will need to consider new techniques to correctly price parking, provide new capacity, and raise funds for new parking. Several strategies have been used in other California cities to meet these goals.

- Parking Impact Fees, such as those in Palo Alto, allow a city to collect revenue from new developments that are driving demand for additional parking and its associated impacts.
- Parking Improvement Districts (PIDs), such as Austin's Parking Benefit District, are defined geographic areas which return revenue generated from on-street and off-street parking facilities within the district to finance neighborhood improvements.
- Parking Assessment Zones, such as the Old Pasadena Management District, involve defined geographic areas in which property owners are assessed in order to generate a new revenue stream, which is then leveraged for funding parking enhancements.
- Parking User Fees, such as Redwood City's Dynamic Pricing approach, establish market values for parking spaces and adjust prices according to levels of demand to ensure that a city can actively manage parking supply through all periods of the day and year.
- Public-Private Partnerships, such as the shared parking arrangement between Washington Elementary School and San Diego's Centre City Development Corporation, is an effective use of underutilized existing capacity which can save a city millions of dollars in the construction of new facilities and allow for space to be allocated to higher and more attractive uses.

These strategies could be considered for use within the potential expansion areas of Beverly Hills' in-lieu parking program.

ZONING STANDARDS ON ROBERTSON BOULEVARD

Zoning standards were examined more closely in relation to potential development along the South Robertson Boulevard corridor, relative to similar corridors in Los Angeles (North Robertson Boulevard), Santa Monica (Main Street) and Palo Alto (University Avenue).

Based on this assessment, it appears that there are many potential improvements that could be made to Beverly Hills' zoning code, including greater organization and readability. On the other hand, the City of Beverly Hills tends to be no more restrictive in categories such as height limits, minimum parking requirements, and permitted uses.

One regulation which is more restrictive in Beverly Hills is the special setback requirements that apply to South Robertson Boulevard. Combined with the City's minimum parking requirements, these regulations determine a feasible FAR of less than 1.1 for new development along the corridor even though the maximum allowed FAR is 2. As a result, a typical restaurant and commercial development along South Robertson would be required to set aside more than 40% of the site for parking and setback, thereby limiting the potential profitability of the development. For larger restaurant-related projects, higher parking requirements apply, which lower the feasible FAR to less than 0.7, and mean that more than two-thirds of the site would be set aside for parking and setback.

If a developer is able to assemble multiple parcels (with dining and bar areas kept below 1,000 sf), greater economies of scale could be achieved to boost the ability of developers to make profit on redevelopment projects. By assembling several parcels, developers may also be able to achieve an FAR of 2 by providing subterranean parking. Given the high land values in Beverly Hills and the high cost of subterranean parking, however, parking and setback requirements may affect the viability of potential redevelopment opportunities.

Expansion of the in-lieu program would allow developers to forego this parking requirement. In addition, the City could consider revising its parking requirements as part of its efforts to encourage greater revitalization and redevelopment along these corridors.

RECOMMENDATIONS ON PARKING NEEDS AND RESOURCES

Based on this assessment a number of strategies are recommended for meeting parking needs and maximizing the efficient use of parking resources. These recommendations are listed below:

- Collect and use parking data to shape parking policy
- Create parking partnerships with private parking operators, schools, and abutting cities
- Reduce minimum parking requirements and give credit for more efficient parking arrangements such as automated, tandem or valet parking
- Retain the in-lieu parking program including the lease option, and expand the program to the potential expansion areas
- Allow more flexible use of in-lieu revenues for streetscape improvements, travel demand management (TDM) strategies, wayfinding, and transit enhancement in any of the in-lieu areas
- Improve parking and wayfinding aids to help motorists locate available parking more easily
- Adjust the parking pricing structure to better distribute demand between on-street and off-street, public and private facilities

1 INTRODUCTION

This study seeks to evaluate the performance of Beverly Hills' in-lieu parking program, which is currently in place within the City's "Business Triangle" or Central Business District. The program and its accompanying parking conditions and arrangements will therefore be examined within the district.

In addition, the study will assess the implications for potential expansion of the in-lieu parking program to five commercial corridors within the city. This assessment will consider parking utilization in these corridors, likely costs of providing new parking supply within expansion areas, and other potential parking policies that could be considered. A particular focus will be given to the Robertson Boulevard and potential zoning changes or options for that area.

STUDY AREA

Beverly Hills is one of the premier locations in the world. The city is part of the Westside Cities subregion within Southern California, surrounded by the Westside neighborhoods of Los Angeles, and West Hollywood to the east. The city is home to 34,622 residents and a thriving business district, anchored by the Business Triangle. It attracts visitors, workers, and residents from throughout the region, across the country, and around the world. This activity brings incredible vitality, which adds to the city's attractiveness as a center for tourism, luxury retail, and high-end restaurants. It also presents a great challenge in terms of parking.

Business Triangle

The in-lieu parking program currently operates within the Business Triangle of Beverly Hills, defined as the area bounded by the centerlines of Wilshire Boulevard, Santa Monica Boulevard north roadway, and Crescent Drive.¹ This area represents the Central Business District of Beverly Hills including a mix of offices, luxury retail stores, and high-end restaurants and entertainment destinations. The in-lieu program has been in effect in the area since the 1970s.

Potential Expansion Corridors

Five potential corridors are under consideration for expansion of Beverly Hills' in-lieu program. Expansion Area A includes the three non-contiguous north-south commercial corridors of South Santa Monica Boulevard, South Beverly Drive and Robertson Boulevard. Potential Expansion Area B includes the two east-west corridors of Wilshire Boulevard and Olympic Boulevard. For each corridor, the study area includes commercial parcels along either side of the respective road. In most cases, commercial uses are only one parcel deep. Along the Santa Monica Boulevard corridor, however, commercial uses stretch to Durant Drive between Charleville Boulevard and S.

¹ Beverly Hills Municipal Code §10-3-3301A.

Lasky Drive. Given the land use conditions in the vicinity of South Beverly Drive, that expansion area also includes the built-up commercial areas within two blocks of the road (between Charleville and Wilshire Boulevards).

South Santa Monica Boulevard

The Santa Monica Boulevard study corridor connects to the southwest corner of the Business Triangle at Wilshire Boulevard and extends southwest to the city limit at Moreno Drive.

The corridor has a number of low-rise retail establishments, small offices, medical clinics, restaurants, and a fitness center. Close to the Business Triangle, there are continuous, transparent and engaging building frontages on the north side, and the high-end Peninsula Hotel on the south side of the road. As one travels further to the southwest, however, shop frontages become sparser and less attractive to pedestrians or business activity. There are long stretches of blank ground floor walls, as well as vacant properties, a large parcel under construction, unsightly surface parking lots, and unwrapped structured parking facilities. All of these elements diminish the quality of the streetscape. Despite the presence of street trees and relatively low traffic volumes (as a parallel route to N. Santa Monica Boulevard), the road lacks enclosure due to its excessive width. The six-lane road features two lanes of (2-hour) on-street parking and very wide travel lanes which allow for speeding.

South Beverly Drive

The South Beverly Drive study corridor extends due south from the Business Triangle between Wilshire Boulevard and Olympic Boulevard.

This north-south corridor is a successful commercial district that connects directly to the Business Triangle across Wilshire Boulevard. Near Wilshire Boulevard, the corridor has mostly two-story buildings with ground floor retail and high-end restaurants. There are also a number of mid-rise office buildings and structured parking garages along the roadway. The road has four travel lanes plus angle parking on both sides of the road. On-street parking has a one-hour time limit between 8 a.m. and 6 p.m. Despite the wide traffic rights-of-way, the corridor is relatively walkable, with corner bulb-outs reducing pedestrian crossing distances at intersections and angled parking providing a buffer between pedestrians and traffic. Closest to Olympic Boulevard, the corridor's urban design attributes break down, with blank walls and a large parking facility.

Robertson Boulevard

The Robertson Boulevard study corridor extends due south from Wilshire Boulevard and runs along the city's border between Gregory Way and Olympic Boulevard.

This corridor features predominantly single-story retail uses, with a small number of two and three story office buildings. Many land uses can be characterized as older, low-end retail activities including hair and nail salons, auto repair facilities, cafés, restaurants, and several vacant properties. There is also a screened educational institution (a public school) and a number of medical clinics. The road has four to six lanes, with two-hour meter parking (between 8 a.m. and 6 p.m.) on both sides. New investment along the corridor appears to have been patchy, with buildings and landscaping in different states of disrepair.

Wilshire Boulevard

The Wilshire Boulevard study corridor extends east of the Business Triangle to the city limit at N. San Vicente Boulevard.

This corridor serves as an extension of Beverly Hills' Central Business District, with mid-rise office buildings interspersed between older uses such as medical clinics, banks, low-rise offices, food sales, small scale retail, auto sales and repairs, and older entertainment uses such as theaters. The road has seven travel lanes during peak hours (7 a.m. – 10 a.m. and 3 p.m. – 7 p.m.), with the outside lanes available for on-street parking at other times. High traffic volumes, wide street widths, and a lack of human scale design, ground floor activity, transparency, or visual interest give the corridor the character of an automobile thoroughfare, rather than an economically vibrant destination. Several office, auto sales, and entertainment spaces along the corridor are currently vacant.

Olympic Boulevard

The Olympic Boulevard study corridor connects to the southern end of Robertson Boulevard and extends west to S. Rexford Drive.

Olympic Boulevard is a major east-west arterial road connecting Santa Monica to East Los Angeles through Beverly Hills. The commercial corridor between Robertson and Rexford Drive includes a mix of small scale retail, low-rise offices, medical clinics, private schools, auto sales and repairs, restaurants, gas stations, and car rental services. Most buildings are one to two stories high, with limited ground-floor activity and a lack of human scale design. There are also conventional strip mall developments at several intersections. Several parcels along the corridor are currently vacant or even boarded up. The road has seven travel lanes during peak hours, with a center turning lane and 2-hour metered on-street parking in the middle of the day (10 a.m. – 3 p.m.).

PARKING PROGRAM OVERVIEW

In order to address the challenge of parking, Beverly Hills has adopted a three-pronged strategy of Park-Once-and-Walk, minimum parking requirements, and an in-lieu parking program.

Park-Once-and-Walk

Under the Park-Once-and-Walk strategy, visitors leave their cars at one end of the downtown and access multiple destinations along pedestrian corridors, instead of driving between each site as happens in some other cities. This approach reduces traffic congestion associated with cruising for parking access, and adds foot traffic and economic vitality to the downtown.

On the other hand, it hinges on the assumption that most people will reach the area by car and therefore need somewhere to park. To help fulfill the high demand for parking, the City operates 19 public parking structures, 15 of which are located within the busy Business Triangle district. Most of these facilities are owned by the City of Beverly Hills' Parking Authority. These structures have various pricing regimes including first hour free, first two hours free, meters, and pay-as-you-go. Monthly parking rates are also available for several parking facilities, with monthly rates ranging from \$75 to \$200. All facilities also have below-market transient rates, which means that hourly parking is charged below that of private facilities.

Minimum Parking Requirements

In addition to the city's public parking, the City's zoning code has minimum parking requirements for new developments or uses within the city. These requirements aim to ensure that land use changes have adequate off-street parking for use by occupants, customers, clientele, and employees. Different uses have different parking requirements. There is no requirement for pricing of parking, and in some cases, the Municipal Code specifies that parking must be free (see §10-3-2730.3C on auctions and §10-3-2730B on free validated valet parking for medical office buildings). Given the high cost of land and build-out conditions in Beverly Hills, this policy has been perceived as a deterrent to businesspeople who wish to undertake new developments or establish new uses within the city because of the high cost of building new parking spaces.²

In-Lieu Parking Program

In the 1970s, the City Council augmented its parking program with an in-lieu parking program in the City's Business Triangle to offer developers, or those who seek to change certain building uses, the option of paying a fee in lieu of building the required parking on-site. Revenue gained from the program is to be used to fund future public parking. The city therefore achieves a more vibrant and sustainable business environment, while developers experience fewer obstacles to entering the market. In return for paying the in-lieu fee, developers receive permission to build or change uses, but they do not receive the actual physical asset of parking spaces. To meet their parking needs, they may arrange for parking in other facilities including leasing spaces from the City's existing parking supply.

The in-lieu parking program was initially implemented in 1976, and subsequently updated a number of times including in 2013, when a pilot leasing option was introduced which allowed food sales and service commercial users to pay an annual "lease" rather than "buying out" permission to not build parking spaces under the usual in-lieu program. This pilot program was initiated at the request of an applicant seeking to open a new restaurant and jazz club, and the opportunity to seek this option is due to expire in October 2014. A detailed history of the City's in-lieu parking program can be found in Chapter 3 of this report.

The in-lieu program is currently implemented within the Business Triangle district of Beverly Hills. As recommended in the General Plan, the program is now under consideration for wider implementation along several commercial corridors outside of the Business Triangle.³ The present study will evaluate the in-lieu parking program with a view to informing future parking investment and parking management policies within both the Business Triangle and potential program Expansion Areas.

² See Beverly Hills Ordinance 76-O-1608, effective June 17, 1976; as well as Lopez, Matt. "Beverly Hills In-Lieu Pilot Parking Program Approved." *Beverly Hills Courier*, August 23, 2013.

³ City of Beverly Hills, General Plan Policy Cir 4.10 calls for the city to investigate potential "extension of the In-Lieu Fee Program to commercial districts throughout the City".

2 EXISTING PARKING CONDITIONS IN THE BUSINESS TRIANGLE

The Business Triangle has a relatively large supply of various forms of parking including on-street parking, off-street public parking structures, and off-street private parking facilities.

ON-STREET PARKING

On-Street Parking Supply in the Business Triangle

Beverly Hills' on-street parking represents the most convenient source of parking for the large number of retail customers and visitors to the area. There are 584 on-street parking spaces within the Business Triangle.⁴ This on-street parking provides direct access to shops, creates a buffer between pedestrians and vehicle traffic, and narrows the street rights-of-way for through vehicles, which in turn, reduces vehicle speeds and creates a more pedestrian-friendly environment. In this way, high-turnover on-street parking is a tool for enhancing the sense of place and business vitality in the Business Triangle. The location of on-street parking is shown in Figure 1.

High-turnover on-street parking is a tool for enhancing sense of place and business vitality in the Business Triangle.

⁴ Kimley-Horn and Associates, On-Street Parking Analysis, 2011; City of Beverly Hills, GIS Data 2014.

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Figure 1: On-Street Parking within the Business Triangle



The City has implemented a rather innovative approach to its on-street metering technology by using regular single-space parking meters that have been retro-fitted with small solar panels to support coin and credit card payment.⁵ These flexible payment options further enhance the convenience of the City’s on-street parking supply, which contribute to making Beverly Hills a great place to visit.

The City’s on-street parking spaces are charged at a rate of \$2 per hour between the hours of 8 a.m. and 9 p.m. While this rate is higher than that of the City’s parking garages, which are free for the first two hours, it is still substantially lower than the price charged in nearby private parking garages—between \$5 and \$15 per hour. If the City wishes to adopt a more consistent approach to its total parking supply, this pricing structure should be reviewed periodically and incrementally adjusted in conjunction with changes to parking fees at public and shared parking garages. Generally, on-street parking should cost more than off-street parking but may vary by location according to average demand. Off-street public parking should be charged at a rate that is relatively consistent with market prices at private facilities.

For on-street parking spaces within the Business Triangle, time limits have been set at one hour between 8 a.m. and 6 p.m., and three hours between 6 p.m. and 9 p.m.⁶ This strategy aims to generate parking turnover through government regulation. A more market-based approach would employ dynamic pricing, where parking turnover is generated by meter prices that are set

⁵ <http://www.parkingtoday.com/article/details.php?id=856>.

⁶ Communications with Chad Lynn, 14 March 2014.

according to parking demand at specific times and locations. Examples of dynamic pricing are discussed further in Chapter 7.

The exception to both time limits and parking pricing is placard vehicles. In California, all vehicles with a valid Disabled Person (DP) or Disabled Veteran (DV) placard or license plate are entitled to free, time-unlimited parking in any time-limited curb zone, metered parking space, or blue curb zone. The initial rationale behind this policy was that people with disabilities may have difficulty in handling coins, turning a dialing and getting up and down unramped curbs.⁷ Subsequent advocates for the policy also highlighted equity arguments for the policy, since those with disabilities are overrepresented among the poor. Parking researchers have found that this state policy is detrimental to local efforts to manage parking (since it reduces on-street parking turnover), ineffective at reducing inequality, and conducive to placard fraud, which undermines accommodations for those with disabilities.⁸ Given the changes that have occurred in parking meter technology and ADA standards over the past several decades, the rationale for the policy is no longer valid.

In the absence of appropriately coded duration survey data, it is unclear how much Beverly Hills' on-street parking supply is affected by both legitimate and fraudulent use of placards as well as scofflaw parking, but research in Los Angeles suggests that placard parking and other non-



Photo credit: Jan Chiochase. 2009

payment may constitute a significant portion of on-street parking usage by time.⁹ Information on the presence of placards or other non-payment would be beneficial in understanding the nature and scale of placard parking within Beverly Hills and should be included as a standard element of future parking duration studies in the City.

On-Street Parking Utilization in the Business Triangle

According to parking utilization data, peak parking occupancy for on-street parking in the Business Triangle is 76%. This data represents 1 p.m. Thursday parking utilization rates as estimated by a parking occupancy survey, which was taken over two days in October 2012 and calibrated using transactional data from the City's IPS meters. Transactional data for metered

⁷ Williams, Jonathan Andrew. Master's Thesis: Meter Payment Exemption for Disabled Placard Holders as a Barrier to Managing Curb Parking. University of California, Los Angeles, 2010.

⁸ Manville, Michael and Jonathan Williams. "Parking without Paying" Access No. 42, Spring 2013.

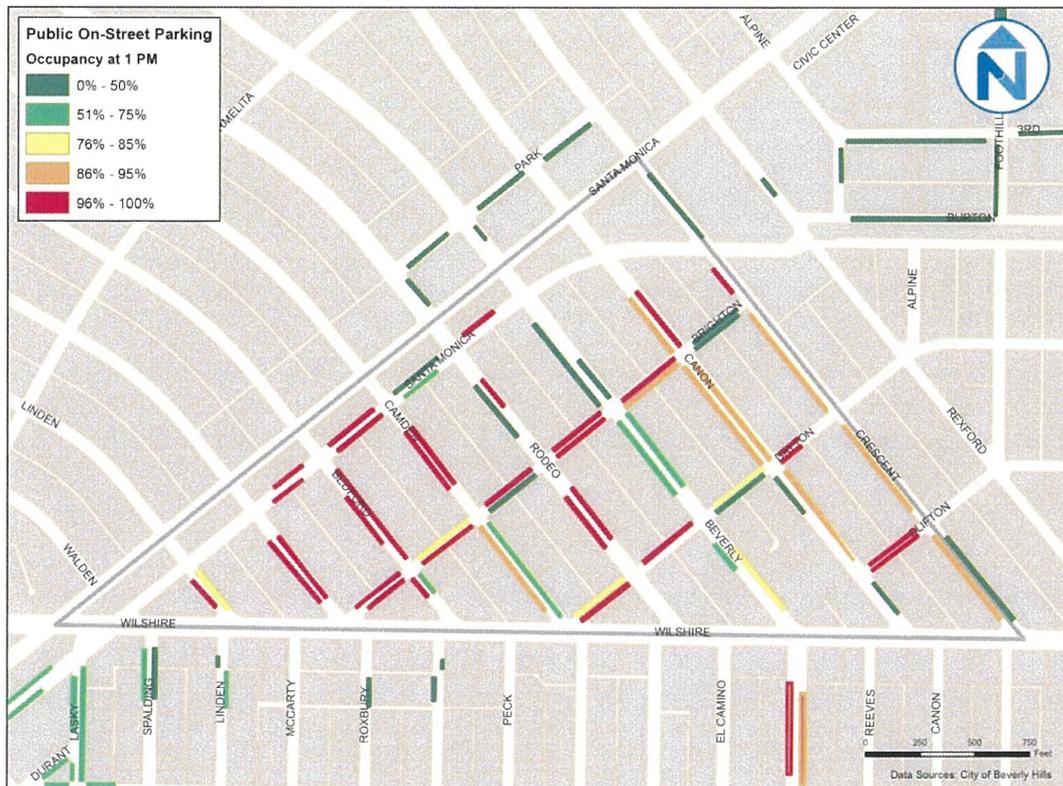
⁹ Manville, Michael and Jonathan Williams. "Parking without Paying" Access No. 42, Spring 2013.

parking in Beverly Hills may underestimate actual occupancy due to the presence of placard parking and meter violations, therefore it is possible that true occupancies were slightly higher than calculated. Nevertheless, the data probably provides an adequate understanding of parking at the peak time of day, day of the week, and season of the year.

Peak parking occupancy of 76% (446 out of 584 spaces) suggests that there is only a limited amount of additional capacity in Beverly Hills’ on-street parking, and therefore parking meter rates may be close to optimal under present conditions. If free parking is eliminated in public parking garages, a higher or dynamically-set meter parking fee may be required in order to maintain on-street utilization rates of around 85%.¹⁰

On the other hand, the distribution of this parking was quite uneven across the Business Triangle during the observation periods. As seen in Figure 2, some street segments—particularly those in the western portion of the Business Triangle—were operating between 96 and 100% of capacity. Other street segments within the vicinity, however, displayed much lower occupancy rates of less than 50%. In the case of Rodeo Drive, this unevenness can be seen on either side of the same street, yet surveyors could not identify any justification (such as street sweeping or filming) for this large difference.¹¹

Figure 2: On-Street Parking Utilization within the Business Triangle



¹⁰ 85% is the target peak parking occupancy rate for parking best practice case studies including the City of San Francisco and the University of California, Davis. At this rate, the site maintains a small amount of parking availability, while maximizing the efficiency of its use of parking resources.

¹¹ Communications with Brett Wood of Kimley-Horn, March 13, 2014.

In the absence of an alternative explanation, this unevenness in on-street parking occupancy suggests that there may be opportunity to employ some mix of dynamic or tiered pricing, wayfinding, and realtime parking aids to guide visitors through the area and better distribute parking demand in order to maintain an appropriate parking occupancy of one free space per street block, which is equivalent to about 85% occupancy.

OFF-STREET PUBLIC PARKING

Off-Street Public Parking Supply in the Business Triangle

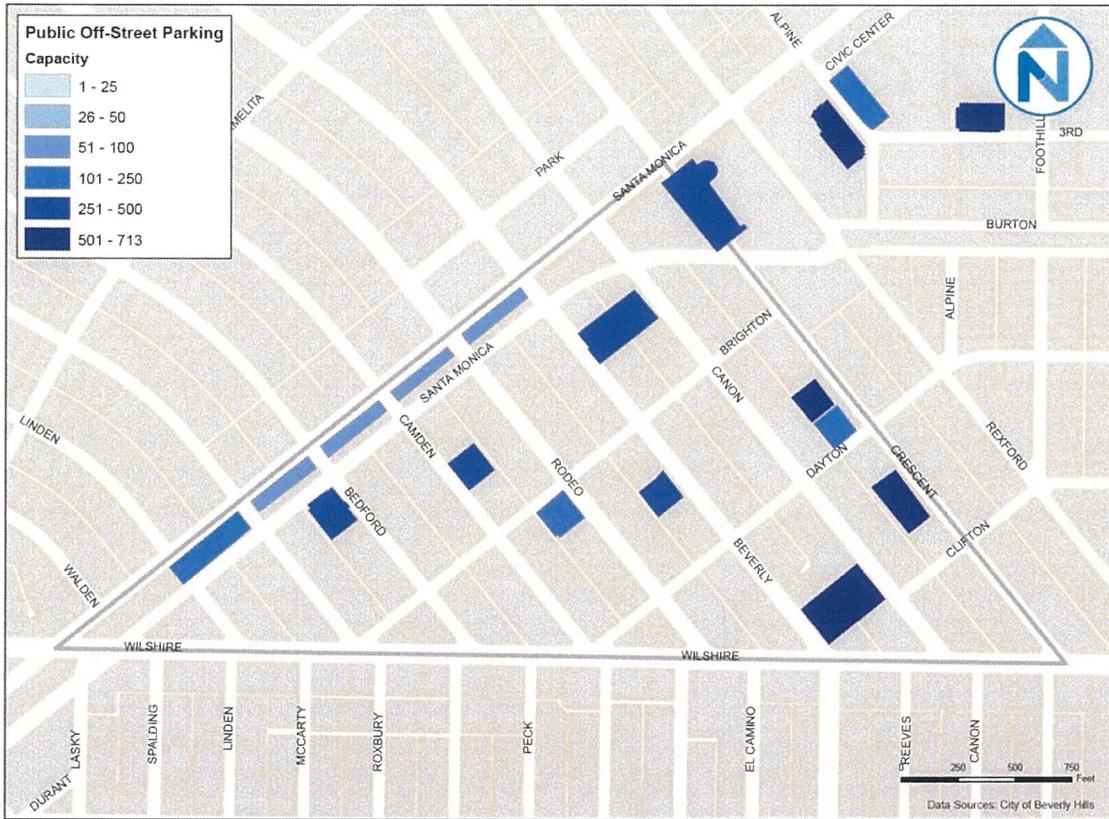
Beverly Hills has twenty (20) public parking garages that provide 6,451 off-street parking spaces in different locations throughout the City. As shown in Figure 3, fifteen of these parking garages, accommodating 4,747 spaces, are located within the Business Triangle.¹² There are another 1,385 parking off-street city-owned parking spaces within walking distance of the Business Triangle, including the City's parking garage on Civic Center Drive, and sizable facilities on Rexford Drive, S. Beverly Drive, and W. Third Street.

Within the Business Triangle there are two basic types of off-street public parking: gated parking garages representing ten (10) facilities with 4,350 parking spaces, and metered parking lots representing five (5) facilities with 397 spaces. The location of City operated public on-street and off-street parking within the Business Triangle is shown below. Metered parking lots are located along Santa Monica Boulevard.

¹² City of Beverly Hills, Off-Street City Parking Information, February 2014.

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Figure 3: Public Off-Street Parking Locations within the Business Triangle



As shown in the table below, all City-operated gated parking facilities in the Business Triangle provide free parking for the first hour or two. This fee structure means that most of the City’s public parking supply within the Business Triangle is essentially free parking for most patrons. This usage is confirmed by statistics on parking gate entries, which is discussed in the next section.

Figure 4: Public Off-Street Parking Capacity and Pricing in Beverly Hills

Location	Spaces	Hourly fee	Free parking	Quantity Discounts				Hours (M-F)
				Early bird flat fee	Evening flat fee	Daily max	Monthly rate	
345 N Beverly Drive	287	\$6	2 hours	-	\$5	\$22	-	7am–12am
9510 Brighton Way	249	\$6	2 hours	-	\$5	\$22	\$155	8am–9pm
440 N Camden Drive	364	\$6	1 hour	\$7	\$5	\$22	\$145	6am–11pm
450 N Rexford Drive	530	\$2	2 hours	-	\$0	\$16	\$105	24 hrs
438 N Beverly Drive – 439 N Canon Drive	408	\$6	2 hours	-	\$5	\$22	\$200	6am–1am
241 N Canon Drive – 242 N Beverly Drive	641	\$6	2 hours	\$7	\$5	\$22	\$125	24 hrs

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Location	Spaces	Hourly fee	Free parking	Quantity Discounts				Hours (M-F)
				Early bird flat fee	Evening flat fee	Daily max	Monthly rate	
461 N Bedford Drive	471	\$6	2 hours	n/a	\$5	\$22	\$155	6am-10pm 6-12am Th/F
333 N Crescent Drive	515	\$6	1 hour	\$5	\$2	\$10	\$95	7:30am-10pm
221 N Crescent Drive	713	\$6	1 hour	\$5	\$2	\$10	\$95	6am-12am
9361 Dayton Way	221	\$6	1 hour	-	\$2	\$16	\$95	6am-10pm
SM-1 485 N Beverly Dr	72	\$2	-	-	-	3-hr limit	-	8am-6pm
SM-2 485 N Rodeo Dr	69	\$2	-	-	-	3-hr limit	-	8am-6pm
SM-3 485 N Camden Dr	72	\$2	-	-	-	3-hr limit	\$125	8am-6pm
SM-4 485 N Bedford Dr	71	\$2	-	-	-	3-hr limit	\$125	8am-6pm
SM-5 485 N Roxbury Dr	113	\$2	-	-	-	3-hr limit	\$125	8am-6pm
450 N Crescent Dr	481	\$6	-	-	\$5	\$22	\$105	7am-11pm
Outside of the Business Triangle								
216 S Beverly Drive	233	\$6	2 hours	-	\$5	\$22	-	6am-12am
9333 W Third Street	510	\$4	-	n/a	\$5	\$10	\$135	24 hrs
321 S La Cienega Blvd	319	\$2	2 hours	-	\$0	\$10	\$85	6am-11pm
Civic Center Dr (employees only)	112	-	-	-	-	-	\$1	

Source: City of Beverly Hills, Off-Street Parking Information, February 2014

The provision of free public parking within the Business Triangle introduces a number of challenges in terms of parking management.

Firstly, any commodity that is provided free of charge will be over-consumed by customers, thereby resulting in an apparent scarcity of the good. While free 1- and 2-hour public parking may be desirable for encouraging parking turnover, it also encourages overconsumption of City parking facilities by those who might otherwise use alternative modes or park in private facilities. This underpricing and shifting of demand from private to public facilities undermines the economic viability of private parking operators, who have to compete with City-subsidized free parking for customers. As the use of realtime parking aids becomes more prevalent, private sector players are likely to be increasingly disadvantaged within Beverly Hills' parking market. As discussed in the following sections, private parking garages already experience significantly lower patronage than public garages. Given these effects, the City may wish to consider alternative ways of achieving the goals of generating parking turnover and preventing parking spillovers without distorting the market through free parking.

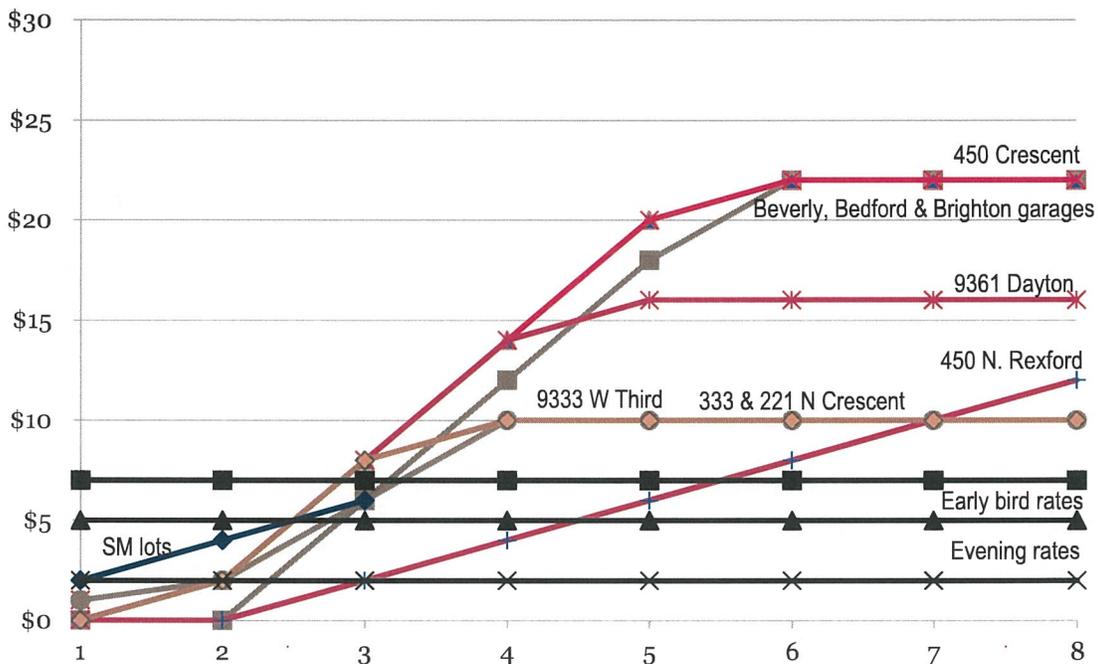
Secondly, the provision of 1- or 2-hour free parking encourages serial reparking—where visitors and employees shuffle or move their cars every hour or two in order to avoid paying parking fees. This reparking activity increases traffic congestion and reduces garage efficiency. Increased traffic congestion, in turn, increases pedestrian exposure and reduces quality of life within the district. It also undermines the City’s policy of Park-Once-and-Walk by encouraging visitors to move their cars rather than walk between nearby destinations within the Business Triangle.

1- or 2-hour free parking encourages serial reparking... [which] increases traffic congestion, reduces garage efficiency, damages economic vitality, and impinges on pedestrian safety in the district.

Finally, the City’s free parking policy makes it difficult to plan for future parking supplies, since there is no way of calculating the actual demand for a commodity when the usage data is based on a situation where it is given away for free.

Beyond the period of free parking, parking in the City’s gated facilities is charged at a rate of \$6 per hour up to a daily maximum of between \$10 and \$22. In addition to daily maximums, the public garages also provide other quantity discounts in the form of flat rate early bird parking fees, flat rate evening fees, and monthly parking rates. The variety of fee structures at the City’s public garages are represented in Figure 5 below. As the parking fee increases from zero over the length of a parker’s stay, there is greater incentive to relocate one’s car in order to continue to get free parking.

Figure 5: Parking Rates by Duration of Stay at Public Parking Facilities in Beverly Hills



Source: City of Beverly Hills, Nelson\Nygaard, February 2014

The flat, non-zero portions of this figure show flat rate quantity discounts such as daily maximums and early bird rates that are available at public parking facilities. These quantity discounts have been adopted with the goal of reducing parking spillovers to adjacent neighborhoods by making City garages more attractive.¹³ Like free parking, however, the use of quantity discounts encourages over-consumption of parking resources. In this case, those who are encouraged to over-consume parking through early bird and monthly rates are the people who would be most likely to respond to commuter subsidies and sustainable transportation improvements—employees and long-term visitors to the area. For this reason, the City may wish to reconsider policies of early bird and monthly parking rates along with alternative strategies (such as residential permit parking) aimed at reducing parking spillovers to residential areas. Evening rates may be justified on the basis of encouraging higher rates of usage during off-peak times.

In the City's off-street metered lots, parking is charged at the rate of \$2 per hour, with a three hour maximum time limit. As discussed in relation to 1- and 2-hour free parking, the use of time limits at these lots tends to encourage serial reparking and therefore undermines Park-Once-and-Walk. Best practice parking management relies on dynamic pricing rates to generate optimal parking turnover, with no time limits.

Off-Street Public Parking Utilization in the Business Triangle

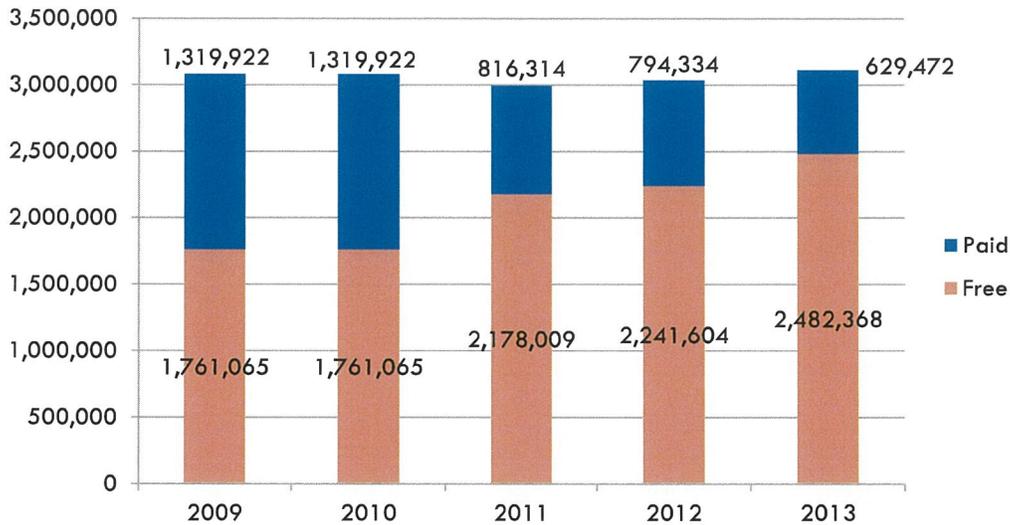
According to parking utilization data from 2012 to 2014, peak parking occupancy for off-street public parking in the Business Triangle is 87% (4,113 out of 4,747 spaces). This data represents 1 p.m. parking utilization rates taken over several months. Other than the metered parking, which may be slightly underestimated (as discussed above), the ticket data from public parking garages would provide a more accurate view of utilization for the peak time of day, day of the week and season of the year though it does not provide information on usage patterns such as exiting the garage to repark.

Based on a rate of 87%, the City's parking garages are operating at close to optimal levels. However, as shown in Figure 6 this capacity is unevenly distributed—with one garage near Rodeo Drive and a couple of the metered lots close to 100% full during the peak while many other facilities are operating at only 0-50% capacity during the peak. Occupancy rates in the Business Triangle monthly parkers and vehicle storage, which could potentially be reassigned by the City.

¹³ Correspondence with Timothea Tway, 4 April 2014.

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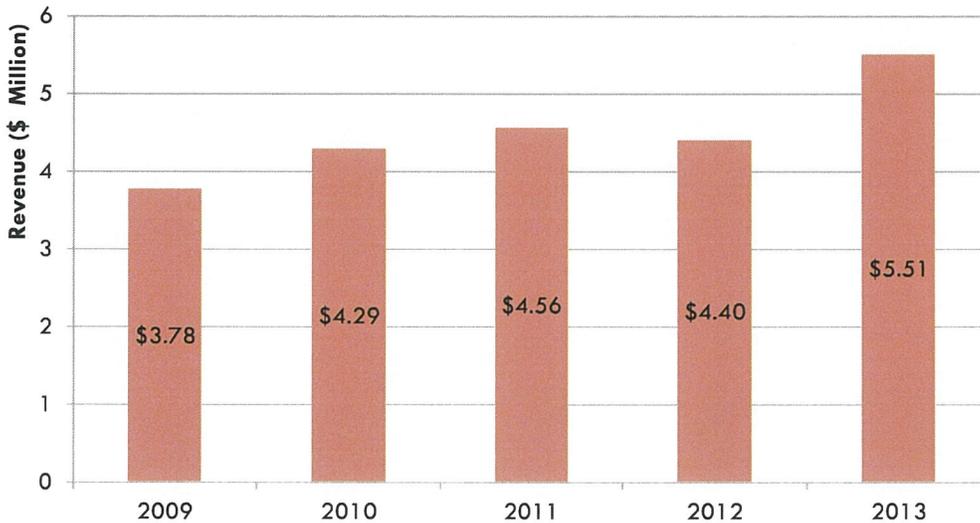
Figure 7: Off-Street Public Parking Utilization in Beverly Hills



Source: City of Beverly Hills, Nelson\Nygaard, February 2014

In 2013, the City generated \$5.51 million from paid parking in its off-street parking garages. A shift to hourly rates would result in lower utilization for public garages, but higher revenue collection per entry. This shift would enable private garages to better compete within the city, and would provide a more consistent message to customers in relation to parking once and walking.

Figure 8: Revenue from Off-Street Public Parking



Source: City of Beverly Hills, Nelson\Nygaard, February 2014

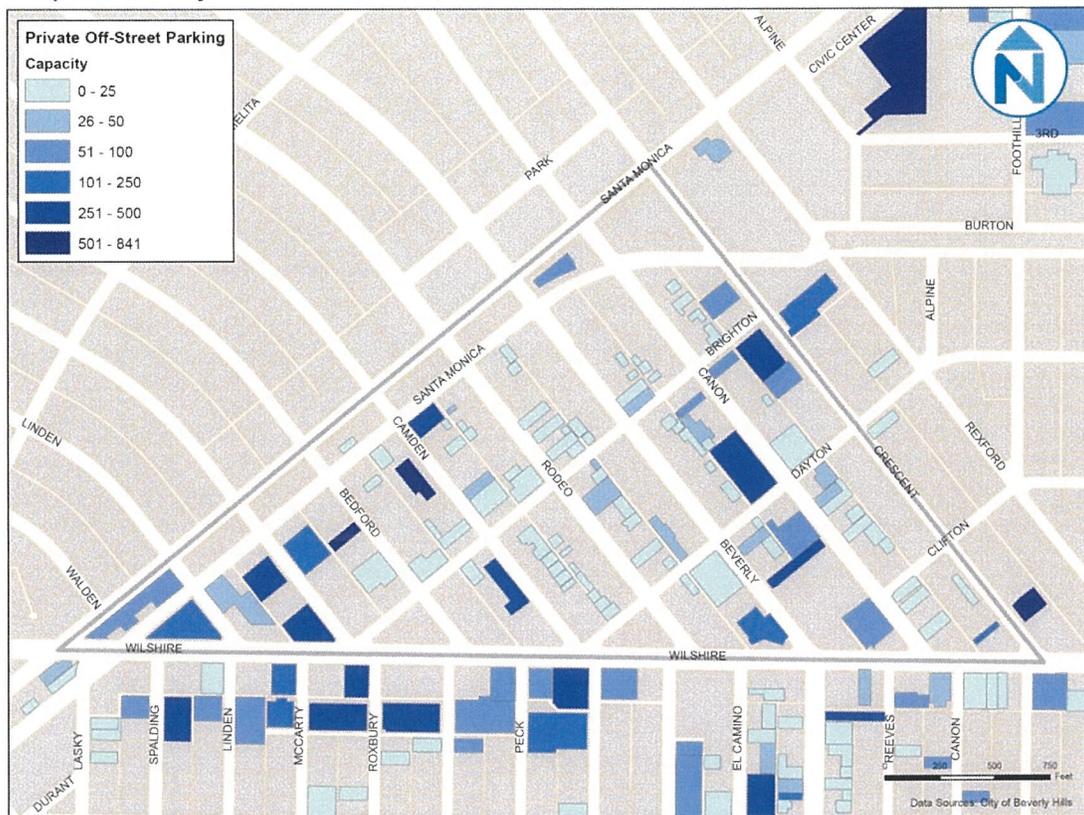
OFF-STREET PRIVATE PARKING

Off-Street Private Parking Supply in the Business Triangle

In addition to on-street parking and public garages, the Business Triangle has 39 private parking facilities that have been identified through a parking inventory effort thus far. This includes facilities that are open to the public, in addition to small surface lots that are associated with private businesses. These facilities provide 6,186 parking spaces for customers, employees and visitors to the district, bringing the total public and private parking space count to 11,517.¹⁴ The private parking inventory is in progress and may underestimate the actual number of private parking spaces within the study area.

A number of additional parking facilities can be found within walking distance of the Business Triangle—particularly on the southern side of Wilshire Boulevard. While these facilities may not provide optimal access to land uses within the district, they may provide back-up capacity during times of extra high demand such as special events.

Figure 9: Private Off-Street Parking Locations within the Business Triangle



The pricing structure for privately held garages differs dramatically from that of public garages in the Business Triangle. This difference is illustrated in Figures 10 and 11, which may be compared with public parking pricing in Figures 4 and 5.

¹⁴ City of Beverly Hills, GIS Data, February 2014.

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Figure 10: Private Off-Street Parking Pricing in the Business Triangle

Location	Operator	Hourly fee	Free parking	Quantity Discounts				Hours (M-F)
				Early bird flat fee	Evening flat fee	Daily max	Monthly rate	
9777 Wilshire Blvd	Valet Parking Service	\$8	-			\$20	\$165	7am-6pm
9725-9735 Wilshire Blvd	Imperial Parking Industries	\$7	-			\$15.75	\$140	6am-6:30pm
Medical Center, 465 N Roxbury Dr	Unified Valet Parking	\$9	-	\$9		\$18		8am-6pm
441 N Roxbury Dr	ABM	\$9	-			\$18	\$145	6:30am-7pm
435 N Roxbury Dr	Modern Parking	\$8	-			\$16.50		7:30am-6pm
9701 Wilshire Blvd	Standard Parking	\$7	-			\$15.75		7am-7pm
The Roxbury, 450 N Roxbury Dr	Standard Parking	\$8.60	-			\$17.50		6am-8:30pm
415 N Bedford Dr	Modern Parking	\$8.60	-			\$16.50	\$160	7am-7:30pm
9665 Wilshire Blvd	LAZ Parking	\$15	-		\$7	\$30		7am-4pm
436 N Bedford Dr	Modern Parking	\$8.60	-			\$16.50		6:30am-6:30pm
410 N Bedford Dr	Hodes Parking	\$9.00	-	\$8		\$13.50	\$150	8am-6pm
9601 Wilshire Blvd	ABM	\$9.40	-			\$18.80		5am-11:30pm
433 N Camden Dr	Central Auto Parks	\$6	-			\$14		6am-7pm
9595 Wilshire Blvd	Standard Parking	\$8	-		\$8	\$18		8am-6pm
Camden Medical Arts, 414 N Camden Dr	ABM	\$8.40	-			\$18.90	\$174	7am-7pm
468 N Camden Dr	Modern Parking	\$6	-	\$7		\$16		8am-5:30pm
417 N Rodeo	Hodes Parking	\$11	-			\$24		7am-6pm
436 N Rodeo Dr	ABM	\$7	-			\$15	\$125	6:30am-6:30pm
The Rodeo Collection, 421 N Rodeo Dr	Hodes Parking	\$11	-			\$24		7am-6pm
Kenquest Properties, 499 N Canon Dr	Hodes Parking	\$8	-	\$7		\$12	\$150	8am-6pm
Wilshire Beverly Center, 9465 Wilshire Blvd	ABM	\$9	-			\$20.25		7am-9pm
Rodeo Drive Public Parking, 9471 Dayton Way	Hodes Parking	\$11	-		\$5	\$15		24 hours
9475 Brighton Way	Allied Parking Services	\$5	-			\$15		11am-6pm
9355 S Santa Monica Blvd	-	\$6	\$2/2h	\$6	\$5	\$22		24 hours?
Two Rodeo Parking, 9480 Dayton Way	ABM	\$10	2 hrs	\$7	\$7	\$15		7am-12am
421 N Beverly Dr	Towne Park	\$9	-			\$22.50	\$150	7:30am-8pm
9440 Santa Monica Blvd	ABM	\$9	-			\$18		7am-6:30pm
Village On Canon Parking, 301 N Canon Dr	ABM	\$8.20	-		\$4	\$16.40	\$173	7am-12am

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Location	Operator	Hourly fee	Free parking	Quantity Discounts				Hours (M-F)
				Early bird flat fee	Evening flat fee	Daily max	Monthly rate	
Beverly-Canon Gardens Parking, 235 N Canon Dr	-	\$6.00	2 hrs	\$7	\$5	\$22.00		24 hours
253 N Canon Dr	-	\$3.00				\$13.50	\$110	8am-5pm
270 N Canon Dr	Valet Parking Service	\$6	-			\$12		9am-5pm
300 N Canon Dr	Ace Parking	\$7	validn		\$5	\$14		9am-12am
9359 Brighton Way	Express Valet Parking	\$6	\$8/2h			\$15		
MGM Place Parking, 9472 Dayton Way	ABM	\$9	1 hour		\$2	\$20.25		7am-12am
Sunrise Assisted Living, 201 N Crescent Dr	Hodes Parking	\$6	-			\$6		8:30am-4pm
Le Grand Passage, 345 N Crescent Dr	Valet Parking Service	\$2.50		\$5		\$7.50		7am-10pm
Platinum Equity & Paradigm, 373 N Crescent Dr	Express Valet Parking	\$8	-	\$5		\$8	\$120	7am-11pm
Beverly Hills North Buildg, 415 N Crescent Dr	Standard Parking	\$7	-			\$14		8am-6pm
9355 Wilshire Blvd	-	\$6	1h w validn			\$15		24 hours

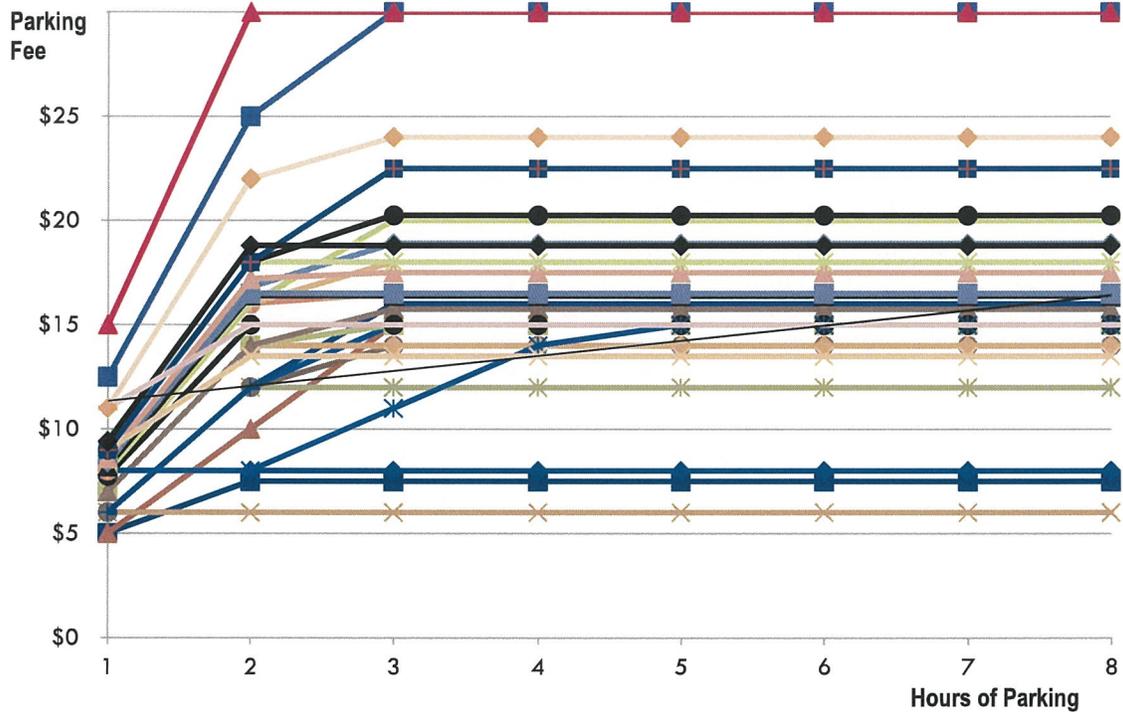
Source: ParkMe Parking Information, March 2014

In contrast to the public garages which offer free parking for the first hour or two, only three of the 39 privately-held facilities offer free 1- or 2-hour parking. Typical hourly rates at privately held garages are also significantly higher than that of private facilities, ranging from \$6 per hour—the maximum hourly rate for public garages—to \$15 per hour.

This difference in parking rates gives a competitive advantage to City-owned lots, particularly for those who intend to park for short durations or are willing to repark their car every couple of hours. In order to compete with public garages offering free first hour parking, most privately held lots therefore offer more attractive daily rates of between about \$14 on the low end to about \$22 on the higher end (with a number of facilities falling outside of that range). This strategy targets those who stay in the district for longer durations, but do not visit frequently enough to invest in the cheaper monthly parking that is offered by the City-owned facilities. The difference in pricing strategies results in different utilization of private and public parking facilities. Private facilities typically reach daily maximum occupancy (which is lower than capacity) within two to three hours, whereas City lots take as long as five to six hours to reach their daily maximum occupancy.

In order to compete with public garages offering free first hour parking, most privately held lots... offer more attractive daily rates.

Figure 11: Parking Rates by Duration of Stay at Private Parking Facilities in the Business Triangle



The price difference between public and private players in Beverly Hills’ parking market skews both parking demand and economic performance of private actors in the market. This results in underutilization of private facilities while City lots are closer to capacity. As realtime parking aids and parking-related navigation devices become more prevalent, the City’s competitive advantage may put stress on public garages while other parking resources remain underutilized.

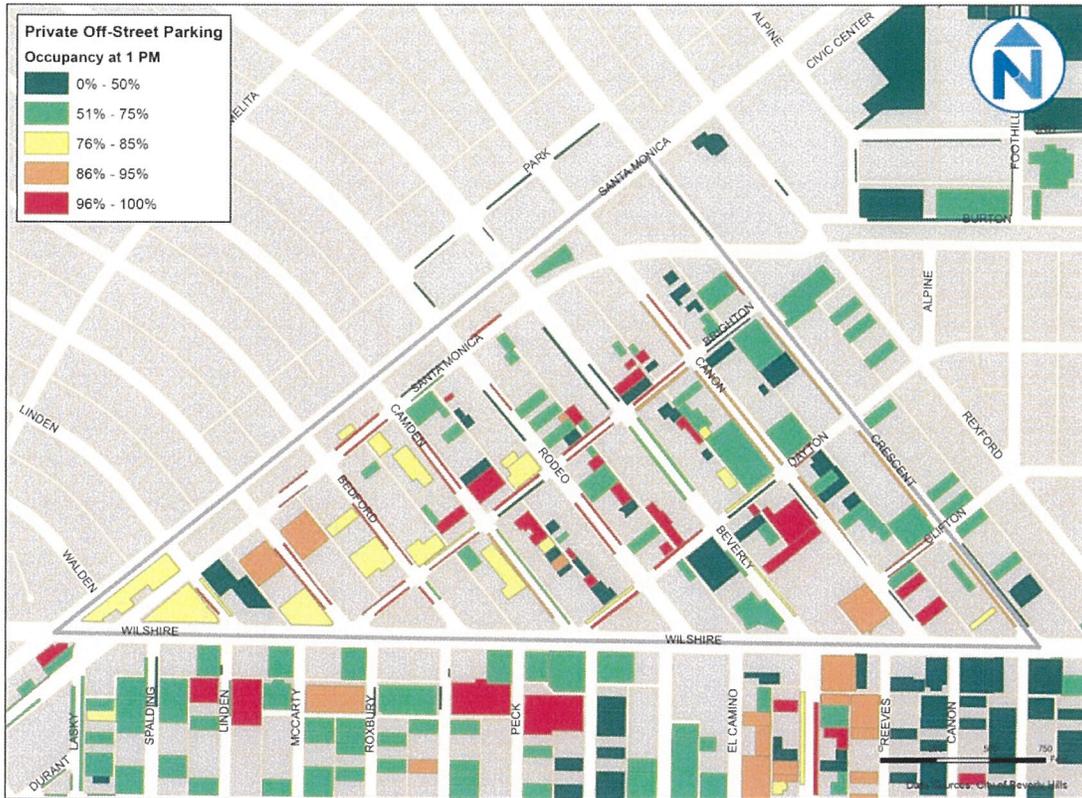
Off-Street Private Parking Utilization in the Business Triangle

As suggested by pricing differentials, there is a large amount of underutilized capacity in privately held parking facilities. During peak observation periods, most of the city’s privately-held facilities (that were accessible to surveyors) had parking occupancies of 50-75%. Those within the western portion of the Business Triangle were more likely to have slightly higher occupancies than those in the east. Private parking facilities to the south of Wilshire Boulevard are generally underutilized, with peak occupancies of less than 75%.

The relatively low occupancy rates at private parking facilities suggests that there is potential to more efficiently use the city’s parking resources through strategies such as shared parking.

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Figure 12: Private Off-Street Peak Parking Utilization in the Business Triangle



3 EXISTING IN-LIEU PROGRAM PERFORMANCE

POLICY FRAMEWORK

Parking is a major concern within Beverly Hills. And yet, the provision of an ample supply of low-cost parking is a means to an end, and not an end in itself. The more fundamental ends of business vitality, residential quality of life, and efficient circulation are outlined in key policy documents such as the City's General Plan.

General Plan

The Beverly Hills General Plan establishes a community vision of the types of values, procedures, and physical elements on which future growth and development will be based. The General Plan outlines key community goals within Beverly Hills, including the following goals that are relevant to this study:

- Encouraging symbiosis between a vibrant business community and the residential quality of life
- Attracting new businesses in existing industries and new industries
- Locating and designing buildings to energize and enliven pedestrian activity, especially in the business triangle and the commercial corridors
- Using the scale of development to foster a sense of place and identity rather than a sense of anonymity
- Moving vehicles into, out of, or through Beverly Hills as expeditiously as possible
- Limiting negative effects caused by vehicles (Beverly Hills, 2010, pp. 20, 66, 103)

As described in the General Plan, parking contributes to these goals in several ways. It helps employees and clientele to access businesses within the city, and it helps reduce cruising congestion on the streets. On the other hand, the cost of building parking can impede new private investment and regeneration of the city.

The Beverly Hills General Plan outlines several policies which hold the potential to mitigate the conflict between creating districts that offer a highly attractive walking environment while simultaneously providing sufficient parking.

- Policy ES 3.3 encourages strong public transportation links throughout commercial corridors that connect to the Business Triangle.
- CIR 4.9 supports measures that work to reduce parking demand and the space required for parking.

- CIR 4.1 proposes implementation of Transportation Demand Measures to reduce the need to expand parking facilities in light of future developments and further growth.
- CIR 4.7 aims to manage parking costs in order to discourage single occupant vehicle trips.
- LU 11.6 seeks to expand parking supply in underserved commercial districts.
- LU 11.7 requires commercial and office districts to be linked to parking areas and garages.

The above policies in the Beverly Hills General Plan confirm that the city recognizes the need to manage parking demand and encourage sustainable travel patterns, particularly to and from the Business Triangle. At the same time, the community desires more parking capacity or parking options for underserved commercial corridors outside of the Business Triangle.

Municipal Code Parking Requirements

In addition to providing public on-street and off-street parking, the City requires applicants for the development of new structures and those seeking to establish new uses for existing structures to provide a supply of off-street parking spaces “to accommodate the motor vehicles used by the occupants, customers, clientele, and employees of such structure[s] or use[s]” (Municipal Code §10-3-2730).

Parking Minimums

The City’s minimum parking requirements are articulated in the City’s Zoning Code (Municipal Code §10-3-2730), which specifies development standards and regulations for specific categories of land uses and activities.

The City requires many commercial uses such as offices and retail use to provide one off-street parking space per 350 square feet of development—equivalent to 2.9 parking spaces per 1,000 square feet of development.

A number of land uses have higher parking standards as specified under the zoning code and displayed in Figure 13. For example, public assembly areas are required to provide one space per 28 square feet (36 spaces per 1000 sf); eating and bar facilities larger than 1,000 square feet in floor area are required to provide one space per 45 square feet of floor area (22 spaces per 1,000 sf); and exercise clubs are required to provide one space per 100 square feet (10 spaces per 1,000 sf).

In some cases, lower rates of parking provision are required. For example, medical offices and laboratories are required to provide one space per 20 square feet of floor area; and outdoor dining on public rights-of-way do not require any additional parking. Additionally, the Planning Commission may waive parking requirements for outdoor dining on private property.

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Figure 13: Beverly Hills' Off-Street Parking Requirements for Selected Uses

Land Use	Off-Street Parking Spaces Required	Spaces/1000 sf
Commercial uses not otherwise specified	1 space per 350 sf floor area	2.9
Public assembly areas without seats	1 space per 28 square feet	36
Theater, auditorium, public assembly (includes secondary schools)	1 space per 4 seats	
Eating and bar facilities	Total dining and bar area of 1,000 sf or more: First 9,000 sf: 1 space per 45 square feet Beyond 9,000 sf: 1 space per 65 square fee	22 15
	Total dining and bar area of less than 1,000 sf: 1 space per 350 sf floor area	2.9
	Outdoor dining on public right-of-way: no additional parking required ¹⁵	0
Exercise club	1 space per 100 sf floor area	10
Hotel	1 space per rentable room/unit	
Elementary schools and childcare (excluding family daycare homes)	1 space per classroom	
Medical office	1 space per 200 sf floor area ¹⁶	5.0
Medical laboratory	1 space per 200 sf floor area ¹⁷	5.0
Manufacturing	1 space per 500 sf floor area	2.0
Warehouse	1 space per 1500 sf floor area	0.7
Uses not mentioned	Greater of the number of spaces required for a "similar" use or 1 space per 500 sf floor area	2.0

Source: Beverly Hills Municipal Code, 2014

¹⁵ The Planning Commission may also waive the parking requirement for outdoor dining on private property.

¹⁶ Medical office buildings constructed before December 6, 1989, that received building permits before December 16, 2005, to restripe parking areas to increase the number of parking spaces and permit additional medical floor area in the building, shall maintain on site free validated valet parking for all medical patrons and maintain posted signage in the parking garage and all medical offices indicating the availability of free validated valet parking for patrons as required by the zoning code at the time such projects were permitted. Any building area converted to medical use on or after December 16, 2005, which relies on a valid restripe permit shall also comply with these requirements

¹⁷ This provision is rarely used, however, buildings constructed after July 1999 may provide parking for medical laboratory uses at less than 1 space per 200 square feet of floor area upon the granting of a minor accommodation and provided the parking ratio is at least 1 space per 350 square feet. Buildings constructed before July 1999, with an existing parking ratio that satisfies the city's 1961 parking requirements, may satisfy the 1 space per 200 square feet requirement for new medical laboratory use by any combination of tandem and compact spaces, and restriping provided a parking attendant is present whenever access to the site is permitted. Any building constructed before July 1999, with an existing parking ratio that satisfies the city's 1961 parking requirements, but less than 1 space per 200 square feet may convert commercial space to medical laboratory space upon the granting of a minor accommodation.

Parking in Mixed Use or Joint Use Areas

For mixed-use projects, “the total requirements for off-street parking shall be the sum of the requirements for the various uses” (Municipal Code §10-2730D). The City’s additive approach to mixed use development parking requirements means that in planning for off-street parking supply, developers are not able to take advantage of the potential parking and transportation advantages associated with mixed-use environments. For example, mixed use commercial environments tend to result in lower parking demand due to the time-of-day differences in parking demand (between, say, offices and restaurants), as well as the increased likelihood that patrons of one use will walk or at combine trips (trip chain) within the area.

This characteristic is partially addressed in the joint use clause of the parking code. Under this clause, the Planning Commission may authorize the shared or joint use of off-street parking facilities. Up to fifty percent (50%) of the parking facilities of a use considered to be primarily a daytime use may be used to satisfy the parking facilities required by this article for a use considered to be primarily a nighttime use. The Planning Commission may also grant reduced parking in certain circumstances. While these accommodations address time-of-day differences in parking demand they do not systematically reflect the trip reduction effects associated with mixed use development.

The City’s additive approach to mixed use development parking requirement means that... developers are not able to take advantage of the potential parking and transportation advantages associated with mixed-use environments.

Requirement Purpose

The off-street parking requirements in the Beverly Hills municipal code appear to have been established with the objective of requiring individual applicants to fully accommodate all of the potential demand for parking associated with their proposed use(s) on-site. The broader intent of many other local municipalities in adopting similar off-street parking requirements was to ensure that the demand for vehicle access and parking associated with any new structure, use, or activity in the area does not unduly reduce the accessibility of adjacent and nearby land uses and establishments by private vehicle (principally by ensuring that trips attracted to new uses within a given district would not have reason to utilize the available supply of on-street and public off-street parking in the nearby area). Other, more effective means for achieving these goals include actively managing the use of on-street and public off-street parking by enforcing time limits, issuing a limited supply of parking permits, and charging market-based prices for parking.

The City of Beverly Hills does not currently require private land owners/users to charge for off-street parking, and in fact requires the provision of access to parking free of charge to users in limited circumstances. Providing free parking is often a condition of approval for projects.

THE IN-LIEU PARKING PROGRAM

1976 Origins of the In-Lieu Parking Program

Beverly Hills' in-lieu program was one of the first to be implemented in the United States.¹⁸ The program was introduced in 1976 because the built-up character of the Business Triangle meant that there was little vacant land for individual property owners to develop privately owned parking areas, and the lots that were available were too small for parking development. As a result, the cost of providing individual private off-street parking on or adjacent to improved properties was considered prohibitive for many property owners.

The City therefore passed an ordinance to allow property owners to pay a fee in-lieu of providing off-street parking that was required under the Municipal Code. The program was limited "to uses which are either retail or are necessary for the development of comprehensive retail trade within the District..."¹⁹ The initial version of the program adopted a case-by-case approach for estimating in-lieu fees. Under this approach, a developer who wished to participate in the program was required to pay a fee that was determined by dividing the current assessed land value of the site area by the square footage of the site and multiplying the result by seven hundred and fifty (750), provided that the payment was not less than \$5000 nor did it exceed \$10,800 per parking space. The calculation of the assessed land value was based on the land column of the County's Local Assessment Roll, as clarified in a 1978 amendment of the law.²⁰ This resulting value was adjusted annually based on an index of construction costs in the Los Angeles area, as published by the Engineering News Record (ENR). In addition to paying the in-lieu fee, participants in the program were required to pay an annual maintenance fee of \$100 per in-lieu parking space. In exchange for this fee, they received parking permits or stickers that entitled them to park in a city-owned parking facility.

Between 1976 and 1982, the program generated 14 development projects associated with 122 in-lieu parking spaces (averaging 17.4 spaces per year).

1980s In-Lieu Fee Calculations

To provide greater rigor in the way that the in-lieu fee was calculated, the City introduced a new fee calculation process in 1983 and further amended this process in 1989 and 1991.²¹ Under this process, a developer who wished to participate in the program would file an application and initial fee to request notification of the applicable in-lieu fee. The City then estimated the fee based on an appraisal of the high, low, and median value of comparable properties within a 300-foot radius of the site. These values were used to estimate the land value of parking, with each parking space assumed to consume 60-square feet, plus 15% for administrative costs.

In addition to the land value, the in-lieu fee included the cost of constructing parking spaces within municipal parking structures, which was estimated at \$13,000 in 1983 and adjusted annually based on the ENR index of construction costs. For food sales and service commercial

¹⁸ Beverly Hills Ordinance 76-O-1608, effective June 17, 1976.

¹⁹ Beverly Hills Ordinance 76-O-1608, effective June 17, 1976.

²⁰ Beverly Hills Ordinance 78-O-1701, effective August 31, 1978.

²¹ Beverly Hills Ordinance 83-O-1888, effective May 5, 1983; Ordinance 89-O-2053, effective March 23, 1989; and Ordinance 91-O-2112, effective March 22, 1991.

activities, the construction portion of the in-lieu fee was set at 35% of the estimated parking construction costs.

As before, an annual maintenance fee was also imposed for in-lieu participants, and this was set at \$300 per year. Property owners were then required to provide one hour validated parking for paying customers who parked at municipal facilities.

While this new process may have improved the accuracy of in-lieu fee calculations, it was complex, costly, and time-consuming for developers. Often it took four to six months for the City to estimate the fee and notify the developer. After receiving notification of the fee, developers regularly appealed to the City for a reduced fee, adding further time and costs associated with commercial development in Beverly Hills. Developers also faced uncertainty under the program, since the length of delay and resulting fees varied quite dramatically from one project to another. This uncertainty, time, and cost may have discouraged development in Beverly Hills during this period.²² This version of the in-lieu parking program generated development associated with 82 in-lieu parking spaces over 10 years, which is about half the rate of participation in the earlier program.

During this period a 1991 Amendment allowed for two new payment options: The first option allowed for payment in 25% installments over a 4-year period, and the second allowed restaurant lessees or sublessees to pay the fee in 10 equal installments over a 10 year period.

Between 1983 and 1993, the program generated 5 development projects associated with 82 in-lieu parking spaces (averaging 7.5 spaces per year).

Restaurant developments, which generate high levels of foot traffic and street vitality, tend to pay higher in-lieu fees because of their higher minimum parking requirements

1994 Amendment

Due to the problems of uncertainty and variability associated with the previous version of the in-lieu program, the city updated the language and structure of the in-lieu parking program in 1994.²³ The updated version transformed the in-lieu fee to a uniform per-space fee for participating projects, with different fee tiers for new construction or reconstruction in three locations—Rodeo Drive (\$25,000 per space in 1993), Beverly Drive (\$20,000 per space in 1993), and elsewhere (\$15,000 per space in 1993). The ordinance also provided discounted rates for land uses that were more desirable for attracting foot traffic and retail customers such as theaters (50% of the above rates) and food sales or service commercial use (35% or \$6,070 in 1993), and it allowed for museum uses and adaptive reuse of historic buildings to participate in the program.

Since the in-lieu fee has always been applicable to different types of commercially zoned property, its impact varies dramatically. The Municipal Code minimum parking requirements require most commercial uses to provide 2.9 spaces/1000 square feet, whereas new restaurants are required to provide 22 spaces/1000 square feet. This means that restaurant developments, which generate high levels of foot traffic and street vitality and are desirable to the City, tend to pay higher in-lieu

²² Beverly Hills Planning Commission, "Staff Report, April 22 1992" (Beverly Hills, California, 1992). As cited in Donald Shoup, "In-Lieu of Required Parking," *Journal of Planning Education and Research* 18 (Association of Collegiate Schools of Planning, 1999), 307-320.

²³ Beverly Hills Ordinance 94-O-2206, effective August 5, 1994.

fees because of their higher minimum parking requirements—even after factoring in the 65% discount for food sales and service commercial uses.

Between 1994 and 2012, the program generated 34 development associated with 477 in-lieu parking spaces (approximately 25.1 spaces per year). Participation rates varied dramatically from year to year with peak participation in 2000 (138 spaces), 1999 (93 spaces) and 2006 (60 spaces).

2013 Lease Option

At the request of an applicant seeking to develop a new restaurant and jazz club, a new payment structure was recently introduced for the in-lieu parking program.²⁴ Under this pilot program, food sales and service commercial users are entitled to opt for a leasing arrangement, whereby lessees or sublessees pay an annual in-lieu fee in perpetuity for the life of the business, instead of purchasing in-lieu parking spaces. The annual in-lieu lease is equivalent to 50% of the in-lieu fee amount that would be paid under the 10 equal installment payment option in the code, with payments made in perpetuity for the life of the business.

Since 2013, the program has generated 67 in-lieu parking spaces (averaging 33.5 spaces per year). So far, one development (Spaghetini) has adopted the lease option for 59 in-lieu parking spaces.

How the In-Lieu Fee Works Today

Today's in-lieu parking program in Beverly Hills is reflected in the Municipal Code Sections 10-3-3301 – 3318. Under this program, participants may opt to pay a fee in-lieu of providing the minimum level of off-street parking required under the Municipal Code. The fee permits the developers to build new developments, or permits lessees to change building uses to more parking-intensive uses without building the requisite off-street parking. Instead, they pay into a special in-lieu parking district fund that finances future development, operation and maintenance of shared public parking spaces within the city.

Applicable Land Uses and Changes of Use

The in-lieu parking program applies to commercially-zoned property that is 16,000 square feet or less, with a floor-to-ground 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. 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. These size and bulk restrictions impose a de facto limit on the extent to which one can substitute the required parking with the fee.

Land uses that are permitted to participate in the program include general retail sales commercial activities, convenience sales and service commercial activities, food sales and service commercial activities, equipment rental and leasing services, museum uses, and historic places.

Excluded uses include a range of commercial office uses, including legal, medical, dental, financial, banking, savings and loans, reservations, travel agencies, communication services, research, consultative, real estate, insurance, and administrative office purposes. Other excluded uses include auto-oriented short order eating places; eating establishments that do not primarily provide full table service to their customers; motor vehicle sales and rental; equipment rental and

²⁴ Beverly Hills Ordinance 13-O-2644, effective October 11, 2013.

leasing services for vehicular, heavy duty equipment or sanitation units; manufacturing; repairs; wholesale sales; construction sales and service; and adult entertainment businesses.

Fee Type and Amount

For those participating in the program, the in-lieu fee is a sliding fee that is based on the location and types of land use. As outlined in Figure 14, the fee is highest along Rodeo Drive, with an intermediate rate for Beverly Drive, and a lower rate for other areas within the Business Triangle.

New construction or reconstruction is associated with the highest in-lieu fees of \$47,007.40, \$37,605.80 and \$28,284.60 for Rodeo Drive, Beverly Drive and elsewhere respectively. Theater uses within existing buildings have a rate set at 50% of the above levels, while expansion of food sales and service commercial uses have a flat in-lieu fee of \$11,675. Museums or historical places, which are likely to generate attraction without unreasonably depleting parking resources, may receive a whole or partial fee waiver as allowed by the City Council or Planning Commission.

New construction or reconstruction is associated with... in-lieu fees of \$47,007.40, \$37,605.80 and \$28,284.600 for Rodeo Drive, Beverly Drive and elsewhere.

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Figure 14: Beverly Hills' In-Lieu Fee Rates, 2013/14

Type of use or development	In-Lieu Fee per parking space for additional floor area or reconstruction			Associated provisions
	Rodeo Drive	Beverly Drive	Elsewhere	
New construction or reconstruction	\$47,007.40	\$37,605.80	\$28,284.60	Size 16,000 square feet or less; Floor to area ratio of 2:1 or less; Height not to exceed 45'; Not more than 3 stories if post-1976 building. ²⁵
Theater with existing building	\$23,503.70	\$18,802.90	\$14,142.30	Building has at least 1 space/350 sf; theater is not more than 25% of floor area; Planning Commission finds use complements existing retail by attracting pedestrians or retail customers. ²⁶
Museum uses and adaptive reuse of historic buildings listed on the National Registry of Historic Places	\$0 – \$47,007 i.e. possible fee waiver	\$0 – \$37,606 i.e. possible fee waiver	\$0 – \$28,285 i.e. possible fee waiver	As allowed by Council or Planning Commission where proposed uses will attract retail customers to area and not unreasonably deplete parking resources. Museums owned and controlled by a non-profit tax exempt entity; Site may exceed 16,000 sf. ²⁷
Expansion of Food sales & service commercial (eating establishments that primarily provide full table service to customers)	\$11,675			Business has lawfully operated at site for more than 2 years; Application is for 1 expansion or up to 15 spaces. Fee represents 35% of 1993 parking construction cost. ²⁸
Conversion of Food sales & service commercial	~\$684 per space per year ²⁹ i.e. annual lease of 50% of 10-installment amount in perpetuity for the life of the business			Conversion of existing commercial space to eating and bar purposes; Not applicable to new construction or new floor area of existing building; May be used for up to 150 spaces; Site may exceed 16,000 square feet; Pilot program sunsets 10/12/2014. ³⁰

Source: Beverly Hills FY 2013-14 Schedule of Taxes, Fees and Charges

²⁵ Beverly Hills Municipal Code §10-3-3310

²⁶ Beverly Hills Municipal Code §10-3-3310

²⁷ Beverly Hills Municipal Code §10-3-3311

²⁸ Beverly Hills Municipal Code §10-3-3310

²⁹ This estimate assumes a CPI of 3% for the 10-installment plan.

³⁰ Beverly Hills Ord. 13-O-2644, 9/10/2013

Approval Process

In general, participation in the in-lieu program involves submission of an application to the Director of Community Development to assess whether the proposal is eligible for participation. The application must be accompanied by payment of a program application fee, which is in addition to any in-lieu fee that is charged should the application be successful. The application fee covers the City's cost to process the application.

The application for participation in the in-lieu program is then scheduled for public hearing before the Beverly Hills Planning Commission (at the same time that other aspects of the proposal are considered). For restaurant uses involving 10 in-lieu parking spaces or fewer, the Community Development Director may approve an application for participation without going through a public hearing process. The Director may also administratively approve up to 10 spaces at a lower cost to the applicant.

Approval is given based on satisfaction of the following criteria:

- Participation will promote harmonious development and will not adversely affect current and future development in the area.
- Participation will not create significant negative traffic impacts, pedestrian-vehicle conflicts or parking impacts.
- Participation will not be detrimental to public health, safety and welfare.

Payment Options and Duration

Three options exist for paying in-lieu parking fees. Development owners must pay the in-lieu fee over four years. Lessees or sublessees also have flexibility of paying over ten years or in perpetuity.³¹

Firstly, the fee may be paid within a four-year period using four equal installments of 25% of the in-lieu parking fee. The first installment is due before the change or expansion takes place or before the certificate of occupancy is issued. The remaining three payments are due annually on the anniversary of the first installment. No interest accrues on the unpaid balance, but the balance is annually adjusted to account for inflation based on the Consumer Price Index (CPI), not to exceed 10% per year. Early payment is credited with a discount to the present monetary value of the payment otherwise due.

The second option for payment of the in-lieu fee is available for lessees or sublessees of restaurants in existing buildings, where the lease is 15 years or less and the building owner or lessee does not have a direct or indirect beneficial interest in the restaurant. In this case, the in-lieu fee may be paid within a 10-year period using ten equal installments of 10% of the in-lieu fee plus the equivalent of the CPI adjustment (in equal payments over the ten years). The first installment is due before the change or expansion occurs or before the certificate of occupancy is issued. The remaining nine payments are due on the anniversary of the first installment. CPI adjustment is not to exceed 10% and early payments are



Development owners must pay the in-lieu fee over four years. Lessees or sublessees also have flexibility to paying over ten years or in perpetuity.

³¹ Beverly Hills Municipal Code §10-3-3313

credited with discount to the present monetary value of the payment.

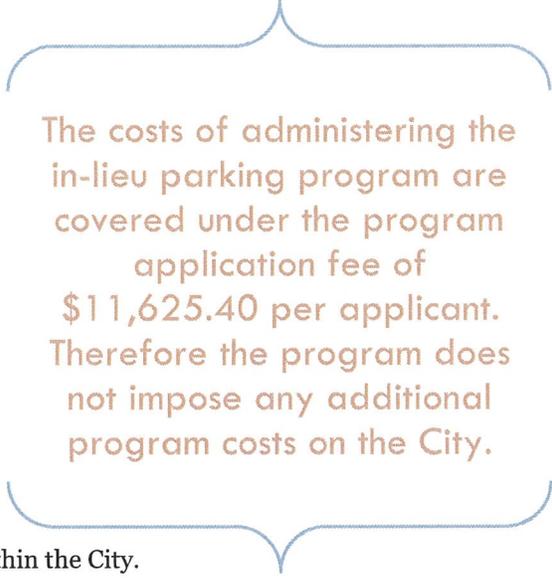
The third payment option is the “lease” option, where lessees or sublessees of new or expanded restaurants in existing buildings may opt to pay an *annual* in-lieu fee in perpetuity for the life of the business. In this case, the in-lieu parking lease rate is set at 50% of the 10-instalment payment option, which is equivalent to a little more than 5% of the usual in-lieu fee per year.

IN-LIEU PROGRAM COSTS AND FUNDS

Program Costs

The costs of administering the in-lieu parking program are covered under the program application fee of \$11,625.40 per applicant. Therefore the program does not impose any additional program costs on the City of Beverly Hills.

As outlined in Chapter 4, other cities have implemented in-lieu parking programs or parking credit programs as part of a wider economic development strategy that is funded by the City’s general revenue. Depending on the relative importance of this goal, the City of Beverly Hills may wish to transfer some of the costs of program administration from potential developers to economic development functions within the City.



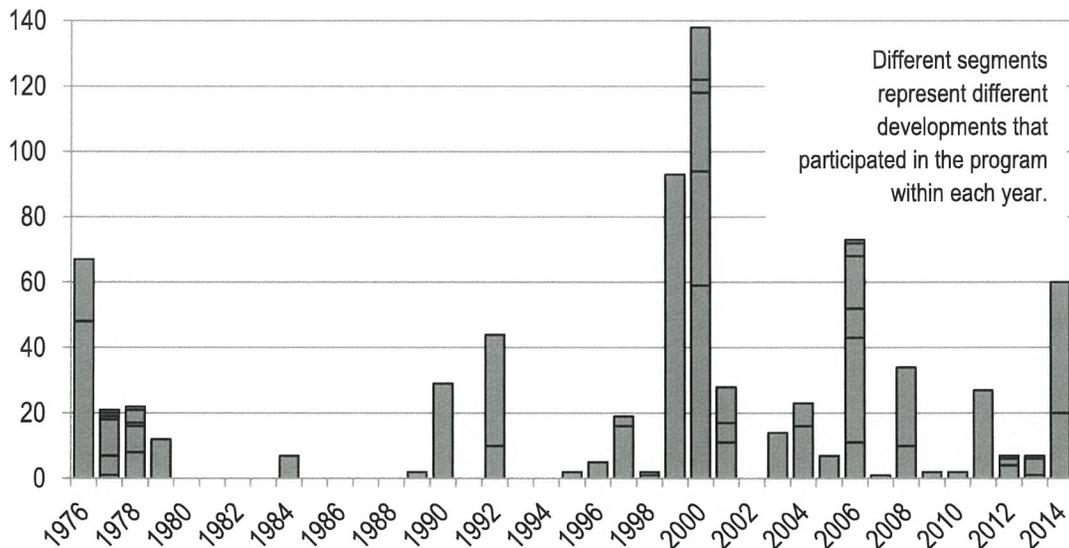
The costs of administering the in-lieu parking program are covered under the program application fee of \$11,625.40 per applicant. Therefore the program does not impose any additional program costs on the City.

Program Funds

Consistency of revenues

On average the in-lieu parking program has been associated with 20 spaces per year, however, demand for in-lieu parking varies substantially from year to year in line with fluctuations in the surrounding economy. Annual in-lieu program participation is indicated in Figures 15.

Figure 15: In-Lieu Program Participation Rates by Number of Spaces, 1976-2014



Source: Beverly Hills In-Lieu Revenue Data, February 2014

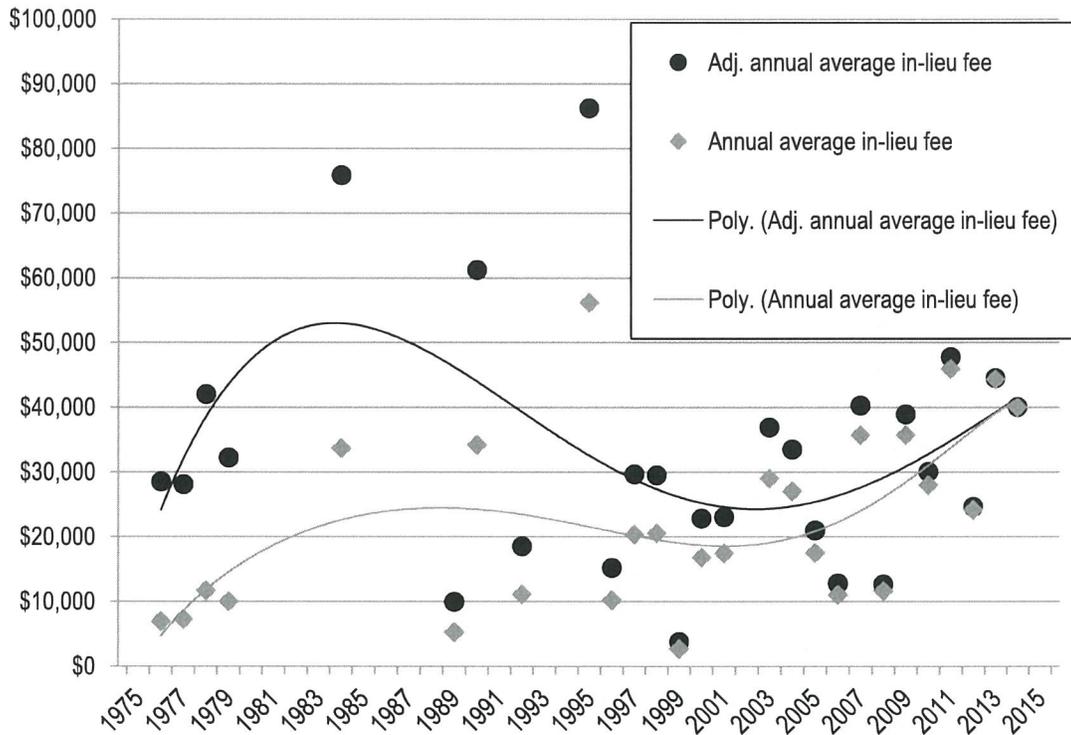
From the perspective of developers, consistency in the fee rate is desirable because it clarifies and simplifies development expectations. Nevertheless, one would expect some variability in the average in-lieu fee rate per year due to the difference in the mix of applicants by location (Rodeo Drive versus other areas) and activity type (restaurants, new development, theatres etc).

As a result of reforms to the in-lieu program, the annual average adjusted fee per space associated with Beverly Hills' in-lieu parking program has become more consistent from year to year. The annual adjusted average fee was calculated as the mean in-lieu fee for all in-lieu spaces approved within a particular year. Since 1976, the average in-lieu fee charged to developers was \$33,000 with CPI adjustment. Using a polynomial trend line, the adjusted average fee risen and fallen, with recent averages close to \$40,000.

As a result of reforms to the in-lieu program, the average adjusted fee per space associated with Beverly Hills' in-lieu parking program has become more consistent.

This narrowing of amplitude can be seen in Figure 16, which displays annual average fee charged to participants of the in-lieu program. This chart calculates the annual average in-lieu fee based on the total revenue divided by total spaces associated with the in-lieu parking program each year. The greatest volatility in this fee rate can be seen between 1982 and 1995, when the annual average in-lieu fee rate ranged from a low of \$5,269 per space for two spaces in 1989 (equivalent to \$9,939 in 2014 dollars) to a high of \$56,188 per space for two spaces in 1995 (equivalent to \$86,242 in 2014 dollars).

Figure 16: Average In-Lieu Fee Rate per Year, 1976-2014



Source: Beverly Hills In-Lieu Revenue Data, February 2014

Use of revenues

In accordance with the Municipal Code, revenues that are generated from the in-lieu program are deposited in a special “in-lieu parking district fund” that is to be “used exclusively for the purpose of acquiring, developing, operating, and maintaining off-street parking facilities to serve the in-lieu parking district”.³²

Given the goal of using in-lieu revenues for parking supply, it is useful to understand the level of volatility or consistency in in-lieu revenues.

As discussed above, in-lieu fee rates that are charged to individual developers have become more consistent over the last ten years. This consistency allows for better planning of projects to be funded by the program.

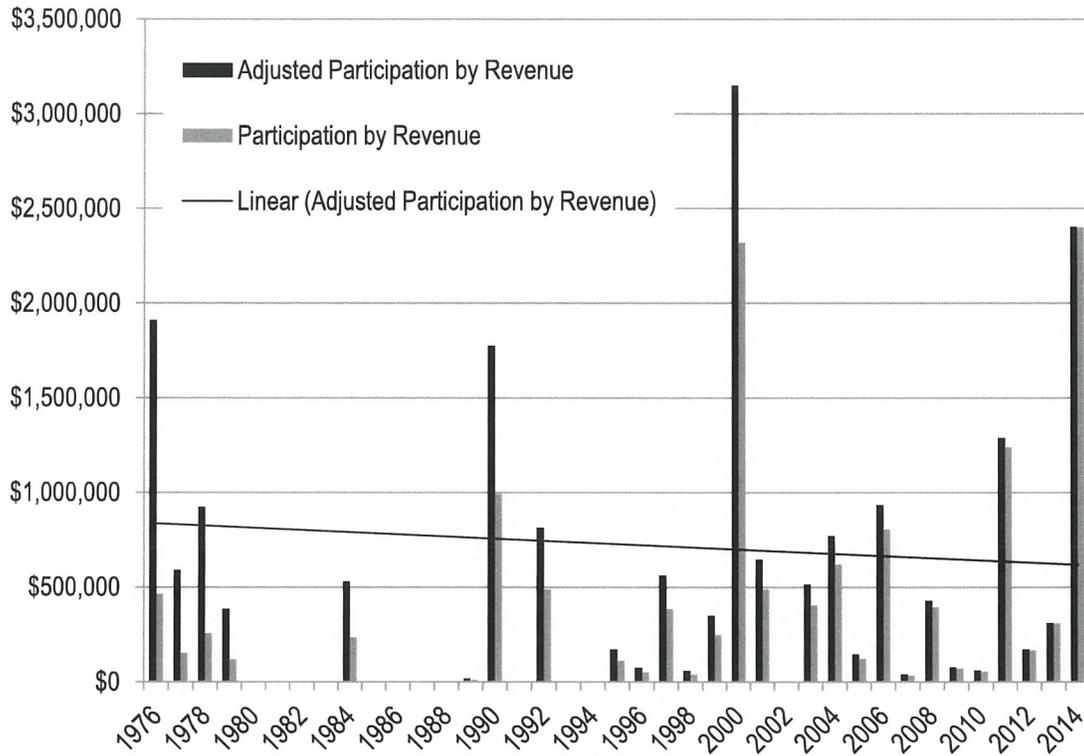
On the other hand, the total revenue generated by the in-lieu parking program tends to vary dramatically according to the surrounding economic mood and the ease or difficulty of obtaining credit. For example, 2009 saw development associated with only two in-lieu parking spaces, whereas 60 in-lieu parking spaces have already been approved in 2014.

Over the long-term, however, there is no apparent trend either upward or downward in relation to revenues from the in-lieu program. Instead, average revenues have remained relatively constant

³² Beverly Hills Municipal Code §10-3-3312

at a little more than \$500,000 per year for new developments associated with the in-lieu parking program. This is reflected in the approximately trend line in Figure 17.³³

Figure 17: In-Lieu Program Participation Rates Based on Associated Revenues, 1976-2014



Source: Beverly Hills In-Lieu Revenue Data, 2014

In total, \$13,009,336 in revenue has been raised the in-lieu parking rate. This is equivalent to adjusted revenue of \$19,125,099 (in 2014 dollars) for 748 spaces. Although much parking has been developed by the City over the past four decades, the in-lieu program revenues have not been sufficient to fund the large acquisition and construction costs associated with building parking garages. Instead, the in-lieu program revenues have been generally directed toward maintenance costs associated with the City’s public parking supply.

Development and Other Impacts

Given the relatively constant rate of participation in Beverly Hills’ in-lieu parking program, the program can be seen as having a positive effect on facilitating development and regeneration of the Business Triangle. More detailed analysis of development costs and impacts will be outlined in the pro-forma analysis.

The presence of the in-lieu program has also allowed Beverly Hills to maintain a high standard of urban design and a streetscape that is uninterrupted by disjointed and unsightly parking lots.

³³ City of Beverly Hills, In-Lieu Parking Data, February 2014. Please note that actual revenues received by the City will lag behind the participation rates shown above due to processing time and the use of installment and lease options for payment of in-lieu fees.

The program has therefore facilitated near-continuous and interesting shop frontages throughout much of the Business Triangle, which in turn promotes higher rates of foot traffic, more vital businesses, and a more pleasant street environment.

By reducing the number of parking spaces that is required to be built by individual developers, the in-lieu program may be associated with a lower parking ratio per square foot of development. Lower rates of parking provision are, in general, associated with lower rates of travel demand and higher rates of participation in park-once-and-walk. As discussed previously, however, this effect may be counteracted by the City's parking pricing, which tends to encourage serial over-parking and re-parking within the Business Triangle.

IN-LIEU PROGRAM EVALUATION

The Beverly Hills in-lieu program has been operating for almost four decades and has undergone a number of shifts in terms of how the fee is calculated over that time. The current program is evaluated here in terms of what has worked, what needs some improvement, and what needs substantial improvement for the program as it operates within the Business Triangle. This evaluation incorporates the program analysis covered in this chapter as well as an assessment of comparable communities (in Chapter 3) and industry best practices (in Chapter 7).

What is working?

1. Innovative provision of parking

Beverly Hills has provided a large supply of parking for current uses within the Business Triangle.

The innovative use of subterranean space allows for a high level of motor vehicle access and efficient use of space within the Business Triangle. It also minimizes disruptions to shop frontages that result from other types of parking arrangements.

The wrapping of parking facilities with ground floor retail in some locations also helps to minimize negative impacts on the local streetscape and maximize foot traffic and the effectiveness of the Park-Once-and-Walk strategy. On the other hand, the requirement to wrap parking with retail reduces surface level space available for parking facilities and makes above ground and below ground parking inevitable, thereby adding greatly to the cost of public and private off-street parking. This parking design approach therefore contributes to achieving the City's goals of quality of life, but has mixed results in terms of business vitality. Any further parking capacity expansion should maintain these high building-form standards, while carefully assessing the need to construct new parking capacity relative to other options such as shared parking arrangements.

2. Installment Options

The in-lieu fee program provides developers and (sub)lessees with the option of paying the fee in installments over four-years or 10-years respectively. This installment payment structure provides some flexibility to developers and lessees who participate in the program, and ensures a relatively consistent revenue stream for the city.

The trade-off that occurs with this payment structure is that the City does not receive funds for addressing parking impacts at the time when the impact occurs. Given that the key goal of the program is to encourage property improvement and regeneration, this seems to be a reasonable tradeoff for the program.

3. In-Lieu Lease Option

The lease payment option presents similar trade-offs to the installment options, but this option is less in the interest of the City since the annual contributions of around 5% of the in-lieu fee are unlikely to generate sufficient funds to embark on potential parking-related projects. Also, since the lease option lasts only for the life of the business, it is not clear this option will generate the anticipated funds in either the short- or long-term.

On the other hand, the lease option provides property lessees the flexibility to make in-lieu payments over a longer time period, which may allow them to redevelop properties sooner than they might otherwise. This payment option may therefore be seen as beneficial in meeting the program goals of attracting pedestrian-oriented development. If minimum parking requirements are reduced, there may be less need for lessees to use this payment option.

What needs improvement?

1. Excluded Uses

As outlined in Section 10-3-3304 of the Municipal Code, a number of land uses or activities are specifically excluded from participating in the in-lieu program. These excluded activities include the following:

“...commercial office use, including, but not limited to, legal, medical, dental, financial, consultative, real estate, insurance, and administrative office purposes or manufacturing, repairs, reservations, banking, savings and loans, travel agencies, financial services, communication services, research, wholesale sales, auto oriented short order eating places, eating establishments that do not primarily provide full table service to their customers, construction sales and service and adult entertainment businesses...”

The above uses were excluded on the basis of the in-lieu program goal of enhancing the retail experience and pedestrian activity within the Business Triangle.³⁴

On the other hand, the exclusion of these uses represents lost opportunities for encouraging more sustainable travel behavior and more efficient use of parking resources since developers are forced to build abundant parking supplies anyway. The result is that employers or businesses forego one of the greatest incentives to encouraging more sustainable commute patterns (namely realization of cost savings) while undermining other efforts to encourage the use of alternative modes. Since the private parking supply in the Business Triangle is underutilized, the exclusion of these uses imposes an unnecessary cost on businesses in the area because developers are forced to build parking spaces that sit idle.

2. Minimum Parking Requirements

The City’s current minimum parking requirements are similar to those of comparable communities such as West Hollywood, Santa Monica, and Culver City. On the other hand, these requirements are not in line with industry best practice, which is shifting toward reduction or elimination of minimum parking requirements. For mixed use districts similar to the Beverly Hills Business Triangle and commercial corridors, industry best practice also reflects the

³⁴ Beverly Hills Municipal Code §10-3-3305

synergistic benefits of different peak parking demand by hour, day or season. This may occur through reduced parking requirements or use of blended parking rates.

In terms of its impacts on the in-lieu parking program, a reduction in minimum parking requirements is likely to result in lower participation in the in-lieu program as the parking supply is right-sized. Such a strategy would likely be even more effective than the in-lieu program in terms of encouraging economic development since it would reduce the costs of development as well as the administrative burden associated with participating in the in-lieu program.

3. In-Lieu Application Fee Level

In order to apply for the in-lieu fee, applicants need to submit an application fee of \$11,625.40. This fee is more than an order of magnitude higher than application fees for in-lieu programs in comparable communities. .

4. In-Lieu Fee Level

Since 1976, the average fee that has been paid by developers participating in the program is \$22,764, which is equivalent to \$33,477 when adjusted to 2014 dollars.

This fee level is substantially higher than comparable programs. As comparable locations become more competitive, the high cost of Beverly Hills' in-lieu fee could therefore be expected to hinder potential economic regeneration of the downtown area.

In reconsidering the fee level, the City should focus on the key goals of the program, which are to encourage improvement of properties and generate pedestrian and retail activity (as outlined in the Municipal Code). A lower in-lieu fee rate would support both of these goals.

5. Flexibility in the Use of In-Lieu Funds

Currently the Municipal Code stipulates that the in-lieu fund is to be used exclusively for the acquiring, developing, operating, and maintaining off-street parking facilities in the in-lieu district. This requirement limits the potential use of the in-lieu fee and limits the City's efforts to use the community's resources in the most effective and efficient manner possible. By focusing exclusively on off-street parking, this stipulation also conflicts with industry best practice and may potentially undermine the achievement of Beverly Hills' broader stated community goals.

For this reason, the city should amend requirements for use of the in-lieu program funds. The proposed code amendment would allow the city greater flexibility in using the in-lieu funds to pay for a range of potential strategies that maximize the efficient use of parking resources, and replace motor vehicle trips with walking, bicycling, and transit trips. Specific options to consider included in the amendment are listed below:

- leasing of privately held spaces that are currently underutilized
- wayfinding and access to alternative parking facilities
- real-time information on parking availability
- improvement of pedestrian and bicycle facilities to and within the area
- travel demand management (TDM) strategies that result in trip reduction
- contributions to efforts that increase transit access, enhance shuttle services, and provide commuter subsidy programs within the study area
- possible restriping of parking facilities to increase capacity

- new parking construction (currently included).

6. Providing Parking through Shared Parking

As discussed more thoroughly in Chapter 7, it is always better to increase the efficiency of how the current supply of parking is used than to simply build more parking. The City therefore should consider ways to fill parking vacancies, particularly those in underutilized private parking garages, before considering the development of new parking supply. This might include shared parking arrangements or lease arrangements with private parking providers.

Shared parking arrangements would allow the City to save money associated with new parking provision. It may also allow for more efficient provision of new parking, since the cost of new spaces tends to be lower if it is undertaken in conjunction with an existing development proposal for the area.

7. Free Parking in the Business Triangle

Like any commodity, if parking is provided for free, it will be over-consumed by customers. When a free commodity is over-consumed, the provider of this commodity will either find it difficult to keep pace with demand or spend more money on the free commodity to the detriment of their other goals.

For Beverly Hills' city operated parking facilities, the practice of providing free parking for the first hour or two creates a subsidy to one player within the parking market (the City), which disadvantages other players (private parking operators). This makes it difficult for private operators to function in a sustainable business manner. Some private parking players are required to match the City's first-hour free policy as part of their Development Agreement, but most private parking operators do not provide such a discount and therefore attract fewer patrons. In this way, the City's free parking policy undercuts private parking providers while encouraging excessively high rates of parking and reparking within City-owned garages. With an increase in the use of real-time aids and apps for parking, this distinction is likely to result in even further disadvantage to private competitors in the future.

From a parking policy perspective, the 1- and 2-hour free policy also undermines broader community goals that are associated with the Park-Once-and-Walk approach. These goals include quality of life, business vitality, pedestrian activity, limiting negative vehicle effects, and enhancing sense of place. The free parking policy undermines these goals by encouraging visitors and employees to either prematurely leave the city or repark every two hours in order to maintain free parking. The resulting cruising traffic increases downtown congestion, degrades the quality of urban life, and detracts from business activity in Beverly Hills.

A final problem created by the non-competitive nature of Beverly Hills' parking market is that it prohibits city planners and administrators from gaining an understanding of actual parking demand or determining optimal levels of parking supply.

8. Free City Employee Parking

As discussed previously, parking is a commodity which costs money to provide, operate, and maintain. To reflect this cost, parking for City employees and officials should be operated in the same manner as other parking garages, where those who choose to park, pay to do so or receive a financial reward for not doing so. The current price of approximately \$1 per month for City employees fails to reflect the cost of providing this parking or the benefits that the City gains

when employees choose to commute using alternative modes. In order to set an example of efficiency and send a consistent message to employees and others, the City should consider a parking program for City employees and officials that includes parking charges and incentives to encourage alternative modes of travel.

4 PARKING AND DEVELOPMENT IN COMPARABLE COMMUNITIES

Retailers and office users looking for a premier location compare Beverly Hills to a select group of cities within Los Angeles County. This section uses city parking data along with market lease rate data from loopnet.com, an online listing of commercial real estate data, to compare Beverly Hills' parking requirements, in-lieu fees, and market lease rates to those in Culver City, Santa Monica, and West Hollywood, to determine the comparability of the cities, as well as to provide a basis for understanding how changes to Beverly Hills' existing in-lieu fee program could impact its regional competitiveness.

In cases where the comparable city requires in lieu payments over multiple years, this analysis uses a present value calculation to compare the cost of one-time payments to a series of required annual payments. Present value calculations use a discount rate to show the total value of a stream of periodic payments in today's dollars. In this case, a 2.7 percent discount rate, based on the ten year U.S. Treasury rate, is used to calculate the present value of a stream of annual payments required elsewhere and compare it with the in-lieu fee payment required in Beverly Hills, which can be paid in four annual installments.³⁵ In the case of ongoing monthly or annual payments that would continue throughout the life of a business or building, the present value calculation assumes that a developer would hold a property and make the periodic payments for ten years before selling the property.

CULVER CITY

Culver City is emerging as a place for retail, office and entertainment in the Westside subregion of Southern California. As it grows and attracts new upscale restaurant and creative office users, it will compete more with places like Beverly Hills, West Hollywood, and Santa Monica.

The proposed Platform retail development, for example, will bring new designer boutiques and celebrity chef restaurants to Culver City. In addition, Culver City has emerged as a center for creative office spaces in Los Angeles. Its recent emergence as a destination for both office and retail follows the opening of the Culver City Metro Station.

Parking Requirements

Culver City's parking requirements are equivalent to Beverly Hills' requirements for general office, retail, and restaurant spaces. Thus, there is no differential or preference based on parking

³⁵ Because money loses value over time, and the City of Beverly Hills does not charge interest for paying the in-lieu fee over the allowable four-year period, developers have a financial interest paying in installments, rather than paying the entire fee up front. For payment calculation purposes, this analysis assumes that developers would choose to pay in installments.

requirements to those businesses looking for a location. The following table shows the parking requirements most applicable to the existing and new parking in-lieu fee programs. Appendix B shows the City of Culver City’s detailed parking requirements per land use.

Figure 18: Parking Requirements in Beverly Hills and Culver City

Land Use	Beverly Hills	Culver City
Office	1 space per 350 square feet	1 space per 350 square feet
Retail	1 space per 350 square feet	1 space per 350 square feet
Restaurant	1 space per 350 square feet	1 space per 350 square feet

Sources: City of Beverly Hills; City of Culver City; BAE, 2014.

In-Lieu Fee Programs

Culver City currently has a parking in-lieu program that considers fees for commercial uses on a case-by-case basis; however, to date the City Council has not approved any in-lieu parking applications. Rather, the City typically enters a 10-year lease for public garage spaces with businesses at a cost of \$80 per space, per month. In order to compare the monthly cost of renting a public space in Culver City with the City of Beverly Hills’ in lieu fee, this analysis compares the present value of renting garage space in Culver City for ten years with the City of Beverly Hills’ in lieu fee payment paid over four years.

Culver City currently offers a much lower parking fee through its lease program than Beverly Hills offers through its in-lieu fee program.

Figure 19: In-Lieu Fee Programs in Beverly Hills and Culver City

City	Cost	Application Fee
Beverly Hills	\$28,284.60 - \$47,007.40 in four payments ³⁶	\$11,625.40
Culver City	\$80/space monthly	N/A

Sources: City of Beverly Hills; City of Culver City; BAE, 2014.

Using a present value calculation to compare the cost of the two programs over a ten-year period allows for the comparison of renting a space in Culver City over ten years with paying an in lieu fee over four years in Beverly Hills. Using an annual discount rate of 2.7 percent³⁷, and multiplying the number of spaces required for 1,000 square feet of building space³⁸ shows that parking leases would cost developers \$23,800 over ten years in Culver City, compared to in lieu fee payment of \$87,300 - \$137,300 over four years in Beverly Hills.

³⁶ Parking in-lieu fees in Beverly Hills vary by location.

³⁷ Based on the 10-year US Treasury Rate as of March, 2014.

³⁸ Both Culver City and Beverly Hills require 2.9 spaces to serve 1,000 square feet of commercial space.

Figure 20: In-Lieu Program Costs in Beverly Hills and Culver City

City	Present Value of Fee and Application for 1,000 sf	Number of Spaces	Discount Rate	Number of Years/Payments Compared
Beverly Hills	\$87,265 - \$137,334	2.9	2.7%	1
Culver City	\$23,759	2.9	2.7%	10

Sources: City of Beverly Hills; City of Culver City; US Treasury 10-yr rate; BAE, 2014.

Currently, Culver City’s parking policy indicates a stronger interest in filling its current public parking than constructing new parking spaces. If Culver City continues to improve its competitive position to the point where new parking spaces are required to meet demand, it may increase its parking fees and/or begin approving parking in-lieu applications.

Commercial Lease Rates

Although Culver City’s office and retail markets are becoming more attractive, its lease rates are significantly lower than Beverly Hills’s annual lease rates, indicating that Beverly Hills is a stronger market than Culver City.

Figure 21: Commercial Lease Rates in Beverly Hills and Culver City

Land Use	Beverly Hills Annual Lease Rate/Sf	Culver City Annual Lease Rate/Sf
Office	\$44.28	\$39.15
Retail	\$77.49	\$42.15

Sources: Loopnet.com; BAE, 2014.

Comparability to Beverly Hills

Culver City is only beginning to compete with Beverly Hills for new commercial uses. Currently, Beverly Hills and Culver City have very different identities that factor into developer or business location decisions. Because this analysis is focused on parking requirements and programs offered in competitive cities, it does not account for differences in land values, identity, overall attractiveness, demographics, or economic base, all of which impact a city’s desirability to developers and businesses. It only considers parking costs and requirements, which represent one factor in a developer or business’ location decision.

Although Culver City and Beverly Hills have comparable parking requirements for general commercial uses, Culver City currently offers a much lower parking fee through its lease program than Beverly Hills offers through its in-lieu fee program. Thus, businesses that are parking-cost sensitive may prefer to locate in Culver City, all else equal. However, if Culver City continues to improve its regional prominence as a retail and office destination, it will likely need to increase its lease rates and/or codify its in-lieu fees, reducing its competitive position relative to Beverly Hills, all else equal.

In addition, higher lease rates in Beverly Hills could reflect higher parking costs, as well as a stronger overall market. Once Culver City exhausts its available parking stock, the cost of constructing parking and/or an in-lieu fee may be passed on to tenants in the form of increases in lease rates, making Culver City less attractive relative to Beverly Hills, all else equal.

SANTA MONICA

The City of Santa Monica competes with Beverly Hills as both a retail and office destination. Santa Monica’s 3rd Street Promenade and Main Street shopping districts are internationally renowned, along with Beverly Hills’ Golden Triangle district. Most recently, Santa Monica is attracting high-tech and venture capital firms, making it a very desirable office location. As Santa Monica’s cachet as an office destination increases, it will continue to compete with Beverly Hills’ Wilshire corridor as a highly sought after office location.

Parking Requirements

Santa Monica’s parking requirements are higher than Beverly Hills’ requirements. The following table shows the parking requirements most applicable to the existing and new parking in-lieu fee programs. Appendix B shows the City of Santa Monica’s detailed parking requirements per land use.

Figure 22: Parking Requirements in Beverly Hills and Santa Monica

Land Use	Beverly Hills	Santa Monica
Office	1 space per 350 square feet	1 space per 300 square feet
Retail	1 space per 350 square feet	1 space per 300 square feet
Restaurant	1 space per 350 square feet	1 space per 300 square feet (inside the BSCD, C3, and C3C districts)

Sources: City of Beverly Hills; City of Santa Monica; BAE, 2014.

As the table shows, Santa Monica requires 1 space per 300 square feet of retail and office space, compared to one space per 350 square feet in Beverly Hills. Thus, if users were required to deliver the required parking spaces, those users that are relatively parking-cost sensitive would prefer to locate in Beverly Hills, all other things being equal.

Strong participation in Santa Monica's in-lieu fee program has allowed the downtown to set a lower target parking ratio of 1 space per 500 square feet.

That being said, strong participation in Santa Monica’s in-lieu fee program has allowed the downtown to set a lower target parking ratio of 1 space per 500 square feet (or 2 spaces per 1,000 square feet). This is a significantly lower rate of parking provision than that required under the municipal code of either Santa Monica or Beverly Hills.

In-Lieu Fee Programs

The City of Santa Monica charges a parking in-lieu fee based on the assessed value of new development. Commercial uses inside of the Downtown Mall Assessment District, which is bounded by 2nd Street to the west, 4th Street to the east, Wilshire Boulevard to the north, and Broadway Avenue to the south, can currently pay \$1.50 per square foot annually as a parking in-lieu fee. In order to compare Santa Monica’s annual in lieu fee payments to Beverly Hills’ in lieu fee, this analysis calculates the present value of Santa Monica’s annual in-lieu fees paid over ten years to compare with the City of Beverly Hills’ in lieu fee payment paid over four years.

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Figure 23: In-Lieu Fees in Beverly Hills and Santa Monica

City	Cost	Application Fee
Beverly Hills	\$28,284.60 - \$47,007.40 in four payments ³⁹	\$11,625.40
Santa Monica	\$1.50/sf annually	N/A

Sources: City of Beverly Hills; City of Santa Monica; BAE, 2014.

Using a present value calculation allows for the comparison of paying in lieu fees in Santa Monica over ten years with paying in lieu fees in Beverly Hills over four years. Using an annual discount rate of 2.7 percent⁴⁰, and multiplying the number of spaces required for 1,000 square feet of building space⁴¹, shows that developers would pay \$13,000 in in-lieu fees in Santa Monica over ten years, compared to payment of \$87,300 - \$125,700 over four years in Beverly Hills.

Figure 24: In-Lieu Parking Costs in Beverly Hills and Santa Monica

City	Present Value of Fee and Application	Number of Spaces	Discount Rate	Number of Years/Payments Compared
Beverly Hills	\$87,265 - \$137,334	2.9	2.7%	1
Santa Monica	\$12,993	3.3	2.7%	10

Sources: City of Beverly Hills; City of Santa Monica; US Treasury 10-yr rate; BAE, 2014.

Santa Monica's existing in-lieu fee is set to expire in 2016. Once it expires, the City Council has voted to implement a new parking in-lieu fee at an initial cost of \$20,000 per space, which is lower than the in-lieu fees under Beverly Hills' existing in-lieu program.⁴² Like in Beverly Hills, developers would be able to pay the fee over four annual installments, which will increase annually based on a construction cost index. It will also be voluntary and apply to changes in use as well as new development. After 2016, Santa Monica's in lieu fee will remain less than Beverly Hills' fee.

Figure 25: In-Lieu Parking Costs in Beverly Hills and Santa Monica after 2016

City	Cost	Application Fee
Beverly Hills	\$28,284.60 - \$47,007.40 in four payments	\$11,625.40
Santa Monica	\$20,000 in four payments	N/A

Sources: City of Beverly Hills; City of Santa Monica; BAE, 2014.

³⁹ Parking in-lieu fees in Beverly Hills vary by location.

⁴⁰ Based on the 10-year US Treasury Rate as of March, 2014.

⁴¹ Santa Monica currently requires 3.3 spaces per 1,000 square feet of commercial space, compared to 2.9 spaces in Beverly Hills.

⁴² Santa Monica City Council Report Agenda Item 7B, October 8, 2013

<http://www.smgov.net/departments/Council/agendas/2013/20131008/s2013100807-B.htm>

Commercial Lease Rates

Santa Monica’s office and retail lease rates are higher than Beverly Hills’s annual lease rates, indicating that Santa Monica is a stronger market than Beverly Hills.

Figure 26: Lease Rates in Beverly Hills and Santa Monica

and Use	Beverly Hills Annual Lease Rate/Sq.Ft.	Santa Monica Annual Lease Rate/Sq.Ft.
Office	\$44.28	\$57.23
Retail	\$77.49	\$81.20

Sources: Loopnet.com; BAE, 2014.

Comparability to Beverly Hills

Although Beverly Hills has lower parking requirements for general commercial uses, the City of Santa Monica’s new in-lieu fee that begins in 2016 will continue to offer a lower parking in-lieu fee than Beverly Hills offers, and is partially subsidized by local Business Improvement Districts (BIDs) and other stakeholders in return for offering 90-minute free parking. As local market lease rates show, Santa Monica has strong retail and office markets. Because its new in-lieu fees will remain below Beverly Hills’ and visitors will continue to enjoy free parking, Santa Monica will maintain its competitive position relative to Beverly Hills, all else equal.

WEST HOLLYWOOD

The City of West Hollywood competes with Beverly Hills for office and high-end retail uses. With compact high-end shopping corridors along Melrose Avenue and Sunset Boulevard, West Hollywood and Beverly Hills share an international reputation as shopping destinations.

Parking Requirements

West Hollywood’s parking requirements are higher than Beverly Hills’ requirements. The following table shows the parking requirements most applicable to the existing and new parking in-lieu fee programs. Appendix B shows the City of West Hollywood’s detailed parking requirements per land use.

Figure 27: Parking Requirements in Beverly Hills and West Hollywood

Land Use	Beverly Hills	West Hollywood
Office	2.9 spaces per 1,000 square feet (1 per 350 square feet)	3.5 spaces per 1,000 square feet
Retail	2.9 spaces per 1,000 square feet (1 per 350 square feet)	3.5 spaces per 1,000 square feet
Restaurant	2.9 spaces per 1,000 square feet (1 per 350 square feet)	3.5 spaces per 1,000 square feet

Sources: City of Beverly Hills; City of West Hollywood; BAE, 2014.

As the table shows, West Hollywood requires 3.5 spaces per 1,000 square feet of retail and office space, compared to one space per 350 square feet in Beverly Hills. Thus, if users were required to

deliver the required parking spaces, those users that are relatively parking cost-sensitive might prefer to locate in Beverly Hills, all other things being equal.

In-Lieu Fee Programs

The City of West Hollywood does not have an in-lieu program, per se. It offers parking credits on a first come, first served basis to those businesses under 10,000 square feet that are located within its parking district, which is bounded by Santa Monica Boulevard, Melrose Avenue, San Vicente Boulevard, and Robertson Boulevard. As the following table shows, credits cost \$382.50 annually, with an application fee of \$650, compared to Beverly Hills' in-lieu fee, which costs \$28,284.60 - \$47,007.40 paid over four years, depending on the business' location, and application fee of \$11,625.40. In order to compare West Hollywood's annual credit payments to Beverly Hills' in lieu fee, this analysis calculates the present value of West Hollywood's annual credit paid over ten years to compare with the City of Beverly Hills' in lieu fee payment paid over four years.

Figure 28: In-Lieu Fees in Beverly Hills and West Hollywood

City	Cost	Application Fee
Beverly Hills	\$28,284.60 - \$47,007.40 over four years ⁴³	\$11,625.40
West Hollywood	\$382.50 annually	\$650

Sources: City of Beverly Hills; City of West Hollywood; BAE, 2014.

Using a present value allows for the comparison of paying for parking credits in West Hollywood over ten years with paying a single in lieu fee in Beverly Hills. Using an annual discount rate of 2.7 percent⁴⁴, and multiplying the number of spaces required for 1,000 square feet of building space,⁴⁵ shows that parking credits would cost developers \$12,200 over ten years in West Hollywood, compared to in lieu fee payment of \$87,300 - \$137,300 over four years in Beverly Hills.

Figure 29: In-Lieu Parking Costs in Beverly Hills and West Hollywood

City	Present Value of Fee and Application	Number of Spaces	Discount Rate	Number of Years/Payments Compared
Beverly Hills	\$87,265 - \$137,334	2.9	2.7%	1
West Hollywood	\$12,247	3.5	2.7%	10

Sources: City of Beverly Hills; City of West Hollywood; US Treasury 10-yr rate; BAE, 2014.

Unlike a traditional in-lieu fee program, West Hollywood does not anticipate that its credit program will deliver new spaces. Rather, it sets the parking credit fee low to encourage small businesses to locate in West Hollywood that otherwise could not afford parking costs, either in new developments or after a change in use. The City sets the number of available credits every six

⁴³ Parking in-lieu fees in Beverly Hills vary by location.

⁴⁴ Based on the 10-year US Treasury Rate as of March, 2014.

⁴⁵ West Hollywood currently requires 3.5 spaces per 1,000 square feet of commercial space, compared to 2.9 spaces in Beverly Hills.

months, typically around 300 available credits. Once the credits are exhausted, new businesses must provide parking per City requirements. City staff indicate that parking credits are usually fully allocated within four to six weeks from availability. Thus, West Hollywood currently provides a less expensive option for delivering parking than Beverly Hills when credits are available; however, they are in high demand and quickly exhausted.

Commercial Lease Rates

West Hollywood’s office and retail lease rates are comparable but slightly lower than Beverly Hills’s annual lease rates, indicating that although they compete for users, Beverly Hills is a stronger market than West Hollywood.

Figure 30: Lease Rates in Beverly Hills and West Hollywood

Land Use	Beverly Hills Annual Lease Rate/Sq.Ft.	West Hollywood Annual Lease Rate/Sq.Ft.
Office	\$44.28	\$41.77
Retail	\$77.49	\$70.89

Sources: Loopnet.com; BAE, 2014.

Comparability to Beverly Hills

Although Beverly Hills has lower parking requirements for general commercial uses, the City of West Hollywood currently offers a much lower parking fee through its credit program than Beverly Hills offers through its in-lieu fee program. Once the parking credits are exhausted, which happens within four to six weeks, new businesses in West Hollywood must provide onsite parking, making Beverly Hills’ program more competitive for small businesses and other users that either do not have the space onsite or the financial capacity to provide parking space.

West Hollywood sets the parking credit fee low to encourage small business to locate in West Hollywood.

Parking requirements and costs also factor into the cities’ market lease rates. If developers must construct parking or pay for in-lieu fees when they build new commercial or change existing uses, they will pass along as much of those costs to tenants as the market allows. Thus, the market lease rates reflect the existing parking conditions in West Hollywood and Beverly Hills. Higher lease rates in Beverly Hills could partially reflect higher parking costs. However, higher lease rates and relatively low vacancies in the Golden Triangle indicate that Beverly Hills has a stronger overall market, and its ability to attract tenants has not been impacted to date by parking costs.

CONCLUSION

Although Beverly Hills has the highest parking fees of all four cities considered, its strong retail and office markets indicate that developers and businesses are not foregoing Beverly Hills for other locations. Beverly Hills’ office and retail markets remain more competitive than West Hollywood and Culver City. However, it is less competitive than Santa Monica from a parking fee perspective, and will remain so once Santa Monica’s new in-lieu fees take effect.

5 EXISTING AND FUTURE PARKING CONDITIONS IN THE POTENTIAL EXPANSION AREAS

The City is interested in exploring the potential for expansion of the in-lieu program to five corridors within Beverly Hills. Potential Expansion Area A includes the three non-contiguous north-south commercial corridors of South Santa Monica Boulevard, South Beverly Drive and Robertson Boulevard. Potential Expansion Area B includes the two east-west corridors of Wilshire Boulevard and Olympic Boulevard.

For each corridor, the study area includes commercial parcels along either side of the respective road. In most cases, commercial uses are only one parcel deep. Along the Santa Monica Boulevard corridor, however, commercial uses stretch to Durant Drive between Charleville Boulevard and S. Lasky Drive. Descriptions of the potential expansion areas are provided in Chapter 1.

Parking supply and demand varies from corridor to corridor. This chapter outlines the existing supply of parking in each corridor along with the existing parking demand, which is estimated using three different metrics: actual demand ratios, built ratios and code comparisons. Following this analysis, an assessment of future demand is undertaken based on likely redevelopment potential along the corridor.

EXISTING PARKING SUPPLY

On-Street Public Parking

Within the expansion areas, there is considerably less public parking than the Business Triangle. In total, there are 650 public parking spaces, including both on-street and off-street supplies. On-street parking constitutes the major component of public parking supplies

On-street parking is particularly important along the north-south corridors of South Santa Monica Boulevard, South Beverly Boulevard and Robertson Boulevard where there are 142, 138 and 74 on-street spaces respectively (see Figures 31). There is almost twice as much on-street parking on South Beverly Drive as Robertson Boulevard due to the use of an angle-parking configuration for part of the street. Despite its very wide right-of-way, streetscape features such as this angle-parking, corner bulbouts, and street plantings produce both ample convenient parking and a relatively walkable environment along South Beverly.

On-street public parking is much more limited on the east-west corridors of Olympic Boulevard (5 spaces) and Wilshire Boulevard (60 spaces) due to clearway conditions during certain hours of the day.

Off-Street Public Parking

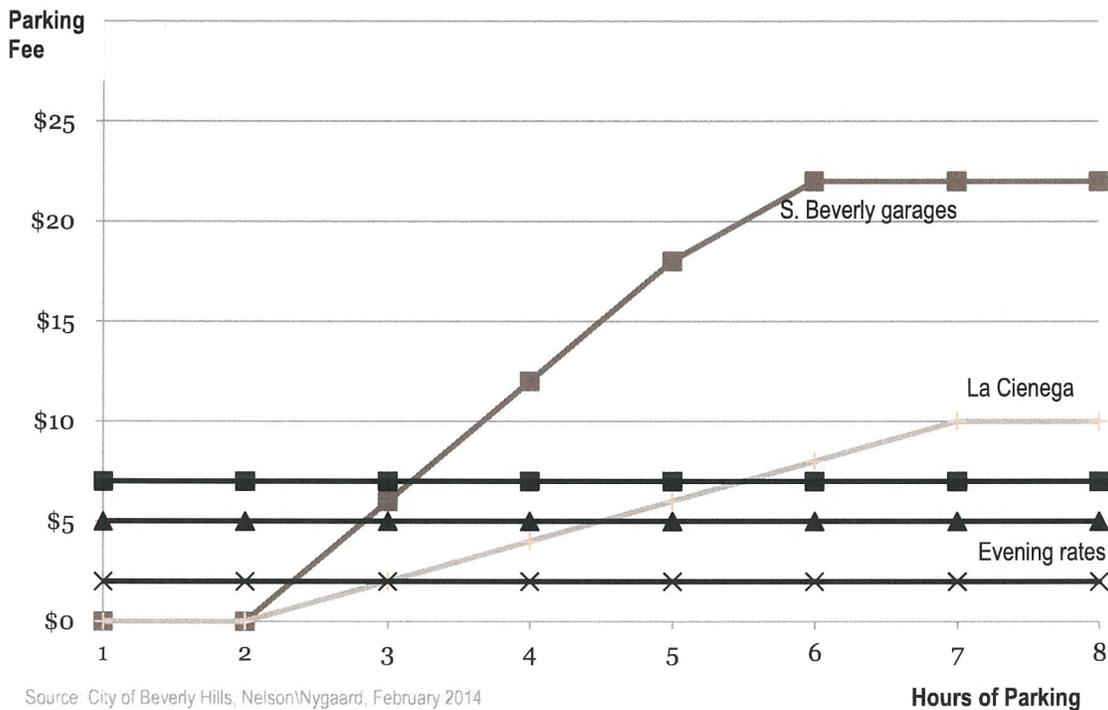
In contrast to the 19 public parking garages within the Business Triangle, there is only one city-operated garage in all five corridors of the expansion areas. This 233-spaces facility is located on South Beverly Drive near Charleville Boulevard. As shown in Figures 32 and 33, the South Beverly garage has a similar pricing structure to city-operated facilities in the Business Triangle, with 2-hours of free parking, followed by an hourly rate of \$6 up to a daily maximum of \$22.

Figure 32: Public Off-Street Parking Capacity and Pricing in the Expansion Areas

Location	Spaces	Hourly fee	Free parking	Quantity Discounts				Hours (M-F)
				Early bird flat fee	Evening flat fee	Daily max	Monthly rate	
216 S Beverly Drive	233	\$6	2 hours	-	\$5	\$22	-	6am-12am
321 S La Cienega Blvd	319	\$2	2 hours	-	\$0	\$10	\$85	6am-11pm

Source: City of Beverly Hills, Off-Street Parking Information, February 2014

Figure 33: Parking Rates by Duration of Stay at Public Parking Facilities in Beverly Hills



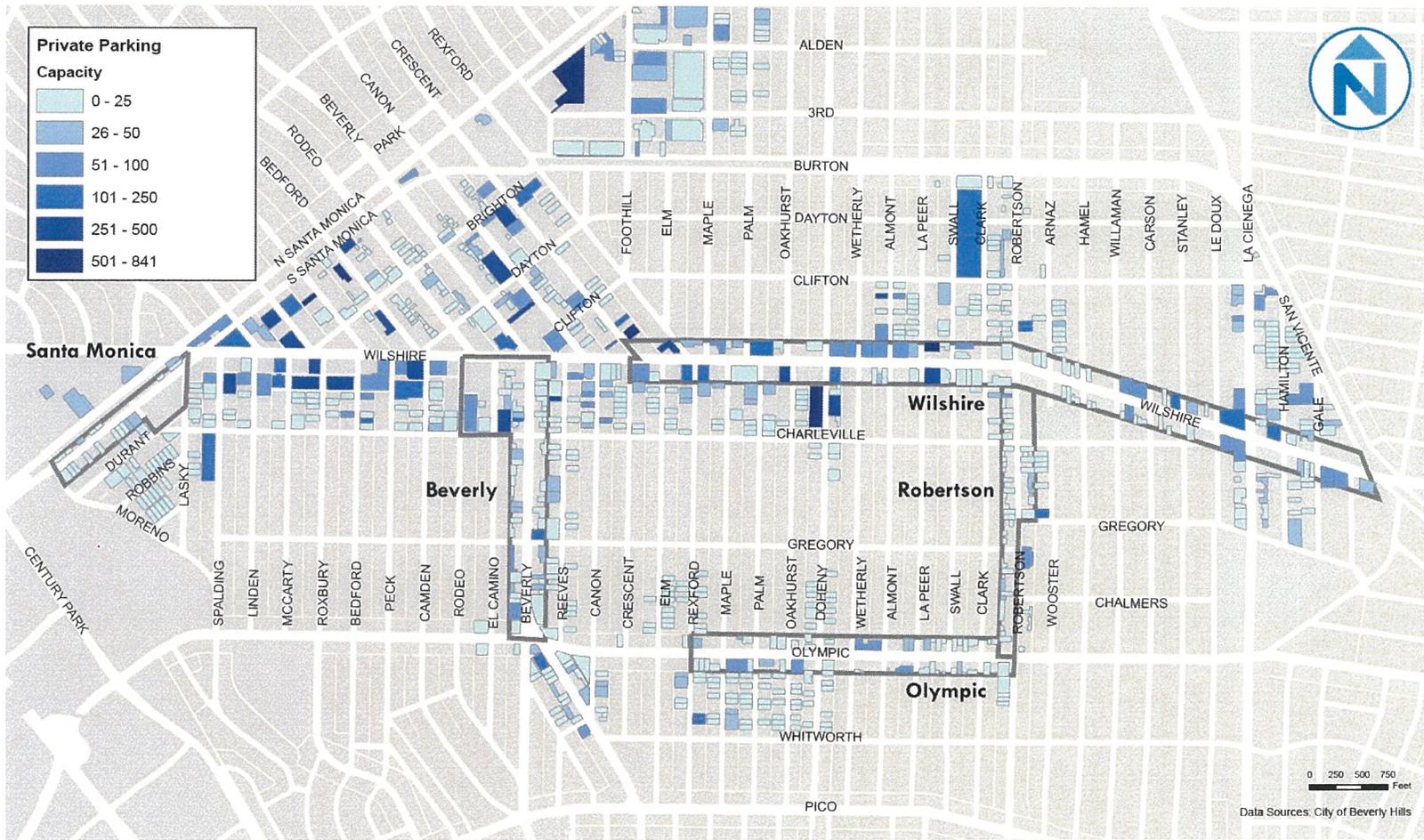
Source: City of Beverly Hills, Nelson\Nygaard, February 2014

Off-Street Private Parking

Given the limited supply of public parking, the main source of parking within the expansion areas is private lots, privately owned garages, and other parking facilities associated with private developments. The total supply of private parking within the expansion areas is 4,891 spaces, 7.5 times the number of public on- and off-street spaces. The location of these facilities is shown in Figure 34.

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Figure 34: Private Off-Street Parking in the Potential Expansion Areas



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The bulk of these facilities are located along the Wilshire Boulevard, where there are 31 facilities, charging between \$4 and \$12 per hour up to a daily maximum of between \$12 and \$21. A substantial number of off-street facilities also exist along South Beverly Drive: there are 9 facilities, charging between \$5 and \$12.50 per hour up to a daily maximum of between \$15 and \$36 per day. South Santa Monica Boulevard corridor has two facilities, with hourly rates at \$8 to \$9 and daily rates at \$9 and \$23. The other three corridors have no off-street parking facilities, though one could feasibly use facilities at the corner of Wilshire and Robertson for accessing destinations in the northern segment of South Robertson Boulevard.

In addition to paid parking facilities that are noted here, there are a number of surface spaces located in the rear of land uses along each of the corridors. These lots along with paid parking facilities are displayed in Figure 35.

Figure 35: Private Off-Street Parking Pricing in the Expansion Areas

Location	Operator	Hourly fee	Free parking	Quantity Discounts				Hours (M-F)
				Early bird flat fee	Evening flat fee	Daily max	Monthly rate	
South Santa Monica Boulevard Corridor								
Beverly Hilton, 9876 Wilshire Blvd	Self Parking	\$8				\$38.00		24 h
9811 Wilshire Blvd	Allied Parking Services	\$9				\$9.00		8am-7pm
South Beverly Drive Corridor								
Union Bank, 9460 Wilshire Blvd	Parking Management Services	\$5	0.5 h	-	-	\$16.25	-	9am-8pm
9454 Wilshire Blvd	Imperial Parking Industries	\$8	-	-	-	\$20.00	-	6:30am-10pm
9460 Wilshire Blvd	Parking Management Services	\$5	0.5 h			\$16.25		9am-8pm
150 S. Rodeo Drive	ABM	\$7			\$3	\$17.50		8am-6pm
280 S. Beverly Drive	Parking Management Group	\$7	-	-	-	\$17.50	-	8am-6pm
300 S. Beverly Drive	Parking Management Group	\$6	-	-	-	\$15.00	-	8am-6pm
314 S. Beverly Drive	Parking Management Group	\$8	-	-	-	\$16.00	-	9am-5pm
315 S. Beverly Drive	LAZ Parking	\$8	-	-	-	\$36.00	-	8am-7pm
350 S. Beverly Drive	ABM	\$12.50	-	-	-	\$25.00	-	7am-7pm
South Robertson Boulevard Corridor (at Wilshire)								
Wilshire/Robertson Lot, 150 S Clark Dr	Hodes Parking	\$6	-	-	-	\$13.00	-	8am-5:30pm
8750 Wilshire Blvd	Hodes Parking	\$6	-	-	\$8	\$15.00	-	6:30am-7pm

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Location	Operator	Hourly fee	Free parking	Quantity Discounts				Hours (M-F)
				Early bird flat fee	Evening flat fee	Daily max	Monthly rate	
Wilshire Boulevard Corridor								
9320 Wilshire Blvd	ABM	\$7.60				\$16.50	\$175-\$225	7am-8pm
9300 Wilshire Blvd	Modern Parking	\$7			\$6	\$15.75	\$192	8am-6pm
9250 Wilshire Blvd	Modern Parking	\$6	-	-	-	\$13.50	-	8am-6pm
9171 Wilshire Blvd	Imperial Parking Industries	\$5	-	-	-	\$15	-	7am-7pm
Wilshire Palm Office Bldg, 9150 Wilshire Blvd	ABM	\$7	-	-	\$3	\$14	-	8am-7pm
9100 Wilshire Blvd	ABM	\$9	-	-	\$5	\$18	-	7:30am-6:30pm
9100 Wilshire Blvd (on Doheny)	ABM	\$7.80			\$5	\$15.60	\$150-\$198	6am-10pm
9107-9111 Wilshire Blvd	Imperial Parking Industries	\$8	-	-	-	\$20	-	7am-8pm
9090 Wilshire Blvd	ABM	\$7	-	-	-	\$14	-	7am-6pm
9101-9111 Parking, 140 S Doheny Dr	Imperial Parking Industries	\$7				\$14	\$150	9am-9pm
Archway Medical Plaza Parking, 9033 Wilshire Blvd	Seton Parking	\$5.55	-	-	-	\$16.65	-	6am-6pm
9025 Wilshire Blvd	Car Park	\$5.55	-	-	\$4	\$16.65	-	8am-8pm
8942 Wilshire Blvd	ABM							
8901-8929 Wilshire Blvd	Imperial Parking Industries	\$4.95	-	-	-	\$16.50	-	8am-6pm
8920 Wilshire Blvd	ABM	\$8.20	-	-	-	\$16.40	-	6am-9pm
8900 Wilshire Blvd		\$6	-	\$8	-	\$14	\$185	7am-5pm
Wilshire/Arnaz, 8730 Wilshire Blvd	Hodes Parking	\$6	-	-	-	\$15	-	7am-6:30pm
8671 Wilshire Blvd	Ace Parking	\$6	-	-	-	\$10.50	-	9am-5pm
8665 Wilshire Blvd	Standard Parking	\$6	-	-	-	\$12	\$90-\$110	7:30am-7:30pm
8641 Wilshire Blvd	Hodes Parking	\$6	-	-	-	\$15	-	6am-6pm
8530 Wilshire Blvd	ABM	\$12	-	-	-	\$15	-	8am-7pm
8501 Wilshire Blvd		\$5	-	-	-	\$10	-	7:30am-10pm
8500 Wilshire Blvd	Imperial Parking Industries	\$6	-	-	-	\$15	\$130-\$160	7am-7pm

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Location	Operator	Hourly fee	Free parking	Quantity Discounts				Hours (M-F)
				Early bird flat fee	Evening flat fee	Daily max	Monthly rate	
8484 Wilshire Blvd	ABM	\$8			\$10	\$16	\$125	7:30am-7pm
8447 Wilshire Blvd	United Valet Parking	\$8				\$12		8am-7pm
8421 Wilshire Blvd		\$6				\$12		8am-5pm
8420 Wilshire Blvd		\$6				\$15		
8383 Wilshire Blvd		\$10.5			\$8	\$21	\$150-\$250	8am-8pm
The Karrass Building, 8370 Wilshire Blvd		\$4				\$12		6am-8pm
Olympic Boulevard Corridor								
No facilities								

Source: ParkMe Parking Information, March 2014

EXISTING DEMAND RATIOS

The most useful metric for understanding parking demand is that of *utilization*, or demand ratios, which provide a measure of actual demand under the local conditions and land use context. As shown in Figure 36, there is available parking capacity in each of the potential in-lieu expansion corridors, particularly when one considers private off-street parking supplies.

South Beverly Drive has the least available capacity, at 83% occupancy during the peak. This level of peak occupancy is considered target occupancy within the parking industry, and suggests that the right amount of parking is available for existing demand along South Beverly Drive. At this level, however, there is a need for wayfinding aids or pricing tools to ensure that available parking is readily accessible and evenly distributed along the corridor.

There is available parking capacity in each of the potential in-lieu expansion corridors, particularly when one considers private off-street parking supplies.

Figure 36: Parking Demand Ratios in the Expansion Corridors

Corridor	Private off-street		Public off-street		On-street		TOTAL	
	Capacity	Peak utilization	Capacity	Peak utilization	Capacity	Peak utilization	Capacity	Peak utilization
S Beverly Drive	2,298	81%	233	99%	153	90%	2,684	83%
Olympic Blvd	915	61%			8	64%	923	61%
S Robertson Blvd	595	67%			89	84%	684	69%
S Santa Monica Blvd	257	51%			270	53%	527	52%

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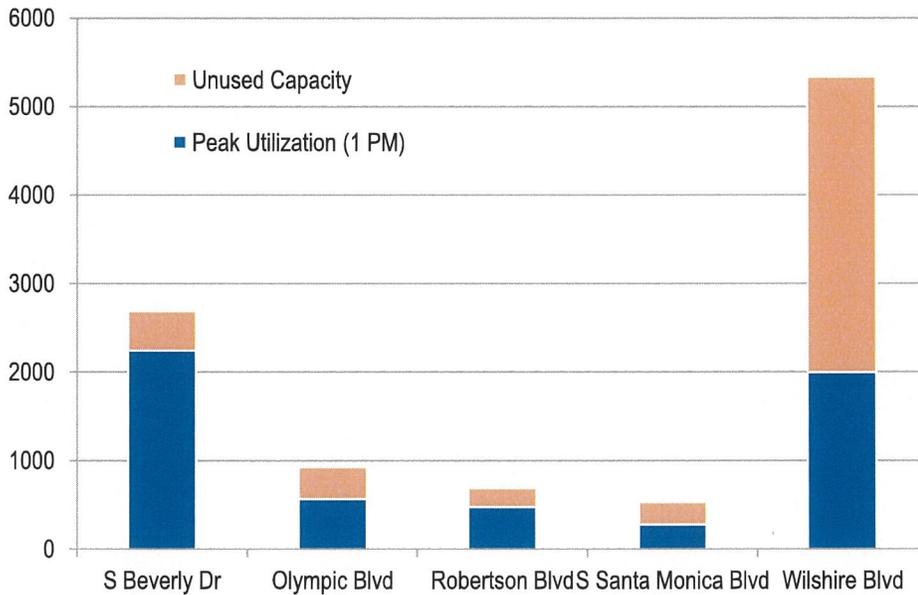
Wilshire Blvd	4,857	40%			476	13%	5,333	37%
All expansion areas	8,922	55%	233	99%	996	42%	10,151	55%

Sources: City of Beverly Hills, Nelson\Nygaard, March 2014

The corridor with the lowest occupancy rates is Wilshire Boulevard, where there is a great deal of private parking supply (see Figure 37) and more than 60% available capacity even during periods of peak demand. This suggests that the Wilshire Boulevard corridor has been over-provided in terms of parking and most parking remains unused almost all of the time.

The remaining three corridors fall between these two extremes, with peak occupancy rates at 50 – 70% during the peak. The total peak occupancy and parking availability (combining on-street, public and private parking) is illustrated in Figure 37 below.

Figure 37: Peak Parking Occupancy and Availability in the Expansion Corridors



While demand ratio data suggests that there is available capacity along each corridor, the distribution of this demand differs from site to site. As shown below in Figure 38, on-street parking is more limited in the southern end of South Robertson Boulevard, possibly due to less intense land uses or the large number Wilshire Boulevard parking facilities that are available to serve the northern end of the street.

Along South Beverly Drive, private parking (Figure 39) is most constrained near Gregory Way while public and on-street parking (Figure 38) is most constrained near Charleville Boulevard. This differing availability suggests the need for an integrated approach to parking supply and demand along the corridor.

EXISTING BUILT RATIOS

Calculations of built ratio provide an understanding of the amount of parking that is provided relative to the square footage of built development in the area. They may therefore help to understand the present amount of parking that is provided, which can be used as a basis for adjusting minimum parking requirements and/or introducing blended parking rates.

Built ratios may be calculated in terms of parking spaces per square foot of built development, or as a ratio of the square footage of parking divided by the square footage of built development. Traditionally, built ratios are calculated in relation to the amount of off-street parking that is available within an area. They therefore underestimate the total parking supply (especially if there is angle-parking) because on-street parking is excluded.

In the case of the Beverly Hills expansion areas, the estimated built ratio is based on per space sizes that vary depending upon whether parking is provided in surface lots, below grade or above grade. Assumed per space area is outlined in Chapter 6.

Figure 40: Parking Built Ratios in the Expansion Corridors

Expansion Corridor	Off-Street Parking Spaces	Built Square Footage	Built Ratio (off-street spaces / 1000 sf)	Built Ratio (sf parking / sf development).
S Beverly Drive	2531	1,034,394	2.45	1.09
Olympic Boulevard	915	403,007	2.27	1.01
S Robertson Boulevard	595	205,301	2.90	1.29
S Santa Monica Boulevard	257	354,893	0.72	0.32
Wilshire Boulevard	4857	3,258,794	1.49	0.66
Business Triangle	10,933	6,088,469	1.80	0.80

Sources: City of Beverly Hills, Nelson\Nygaard, March 2014

As shown in Figure 40, the built ratio of off-street parking in the expansion areas ranges from a low of 0.32 (0.72 spaces per 1000 sf) on South Santa Monica Boulevard to a high of 1.3 (2.9 spaces per 1000 sf) on South Robertson Boulevard. Other built ratios include 0.8 (1.8 spaces per 1000 sf) for Wilshire Boulevard, 1.0 (2.3 spaces per 1000 sf) for Olympic Boulevard, and 1.1 (2.5 spaces per 1000 sf) for South Beverly Drive. A built ratio or more than 1 indicates that more square footage is allocated to parking than the land uses within the area.

A built ratio of more than 1 indicates that more square footage is allocated to parking than to land uses

EXISTING CODE REQUIREMENT COMPARISONS

Beverly Hills’ parking requirements were introduced in 1962 and have undergone little change over the past half century.⁴⁶ For example, the City’s commercial parking requirement of 1 space per 350 square feet of development was established in the 1965 Amendment and has persisted since that time. While the basis of Beverly Hills’ original parking requirements is not clear, similar codes were usually based on data from the Institute of Transportation Engineer (ITE)’s *Parking Generation* publication, or similar rates in other cities. In the 1960s, when data was difficult to come by, minimum parking requirements were a proxy for likely parking demand associated with a particular land use.

Today, data is cheap but land and parking in places like Beverly Hills is expensive. Furthermore, the City’s minimum parking rates are problematic because they are both out of date and out of context. They are based on data from before 1965, and (in line with ITE data from that era) are probably derived from peak parking demand in isolated, single-use developments in suburban locations with cheap land and free parking. When applied to urban locations such as Beverly Hills’ expansion areas the minimum parking requirements can become a self-fulfilling prophecy because they limit the types of development that are feasible and influence the resulting travel demand (see discussion on feasible FAR in Chapter 8).

When data was difficult to come by, minimum parking requirements were a proxy for likely parking demand... Today, data is cheap but land and parking in places like Beverly Hills is expensive.

Since parking and transportation are derived demands, they help to achieve people’s primary goals but these goals could also be met without the need for parking and transportation. For example, if pedestrian facilities are convenient and attractive, people may reach food or social opportunities (primary needs) without the need to drive and park. For this reason, the notion of conflating minimum parking requirements and “parking need” is inaccurate. If businesses are vibrant and there are increasing levels of foot traffic, the city is achieving its goals. At that point, adding more parking to fulfill the minimum parking standard is moot and may be *counterproductive* if it reduces available square-footage, diminishes the streetscape, encourages more vehicular traffic, and discourages certain business initiatives (such as green businesses).

Notwithstanding the above issues, this section provides the ratio of existing off-street parking to the City’s parking requirements. Based on this assessment, the ratio of parking supply to code requirements is approximately 50% along South Santa Monica, Olympic, and South Robertson Boulevards, 100% on Wilshire Boulevard and 140% along South Beverly Drive. This is shown in Figure 41.

Figure 41: Parking Built to Code Comparison in the Expansion Corridors

Expansion Corridor	Required Off-Street Spaces	Existing Off-Street Parking Spaces	Code Requirement / Supply	Supply / Code Requirement
S Beverly Drive	1,792 – 1,812	2,531	0.71 – 0.72	140 – 141%

⁴⁶ City of Beverly Hills Ordinance No. 1195 regarding Municipal Code §10-3.2730, 1965

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Olympic Boulevard	1,709 – 1,736	915	1.87 – 1.90	53 – 54%
S Robertson Boulevard	1,100 – 1,127	595	1.85 – 1.89	53 – 54%
S Santa Monica Boulevard	511	257	1.99	50%
Wilshire Boulevard	5,015 – 5,063	4,857	1.03 – 1.04	96 – 97%

Sources: City of Beverly Hills, Nelson\Nygaard, March 2014

In the absence of demand data, this information would lead to the opposite conclusions regarding the location and scarcity of parking. By comparing to code requirements, one might come to the erroneous conclusion that much more parking is needed along South Santa Monica Boulevard, but that South Beverly Drive is already overbuilt with respect to parking. As shown in Figures 35 – 39, however, South Santa Monica still has a large amount of available parking, whereas South Beverly Drive is approaching 85% occupancy. This discrepancy demonstrates the fallacy of using code requirements as either a predictor or indicator of parking need within the City.

FUTURE PARKING REQUIRED UNDER THE CURRENT CODE

While parking requirements are not a good indicator of parking demand, they do indicate the level of parking that would be required according to the current Municipal Code. For this reason, we have used the current parking requirements to consider how much additional parking would be required under build out conditions for the expansion corridors according to the current code.

This analysis used County Assessor data on the value of land and the value of improvements in order to identify those parcels that are ripe for redevelopment within the corridors. Those with a ratio of improvements to land of less than 1 were considered ripe for redevelopment, while those with a ratio of 1 or more were considered unlikely to redevelop. Schools were assumed to retain in their present land use regardless of the relative value of improvements to land value.

For this analysis we have included two scenarios. The first scenario calculates that number of additional parking spaces would be required if the corridors were built out to the maximum bulk requirements defined by the City’s zoning code, that is an FAR of 2 and building heights of up to 45 feet. The second scenario calculates the number of additional parking spaces that would be required if the corridors were built out to the maximum when one accounts for at or above-grade parking that is required under the Municipal Code. As outlined in Chapter 8, current parking standards reduce the feasible FAR to 1.03 along Robertson Boulevard and 1.19 along the other potential expansion corridors.⁴⁷

Based on the improvements to land ratio, it is possible to add between 1.74 and 2.98 million square feet of development within the potential expansion areas. This level of redevelopment was based on an improvements-to-land ratio of 1.00, that is, where the value of land exceeds the value of improvements and therefore suggests that the property is ripe for redevelopment. Schools and properties in excess of current zoning standards were omitted from the calculation.

For a 30% build out scenario, this translates to a total lot area of 460,000 square feet, or a floor area of between 538,000 and 921,000 square feet of redevelopment (for feasible FAR and FAR respectively). This 30% build out would be associated with between 782 and 1,740 additional net spaces of required parking under the feasible FAR and allowable FAR scenarios respectively. The improvements-to-land ratios associated with 30% build out are extremely low, ranging from 0.1

⁴⁷ City of Beverly Hills Municipal Code §10-3-2726, §10-3-2755, §10-3-2730

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on Olympic and Wilshire Boulevards to 0.34 on Santa Monica Boulevard. These low IL ratios indicate that redevelopment is extremely ripe for the associated properties. It may also suggest that other factors such as site geometry and parking requirements are limiting redevelopment.

For an 85% build out scenario, the total lot area of redevelopment would be 1.28 million square feet, or a floor area of between and 1.50 and 2.57 million square feet. This redevelopment would be associated with between 2,690 and 5,550 additional net spaces of required parking associated feasible FAR and allowable FAR respectively. The IL ratios associated with this level of redevelopment fall between 0.45 on Robertson Boulevard and 0.80 for Wilshire Boulevard. The above levels of new parking are outlined in Figures 42 and 43. Levels could be reduced under lower minimum parking requirements.

Figure 42: Additional Required Parking Spaces for Build Out in the Expansion Corridors

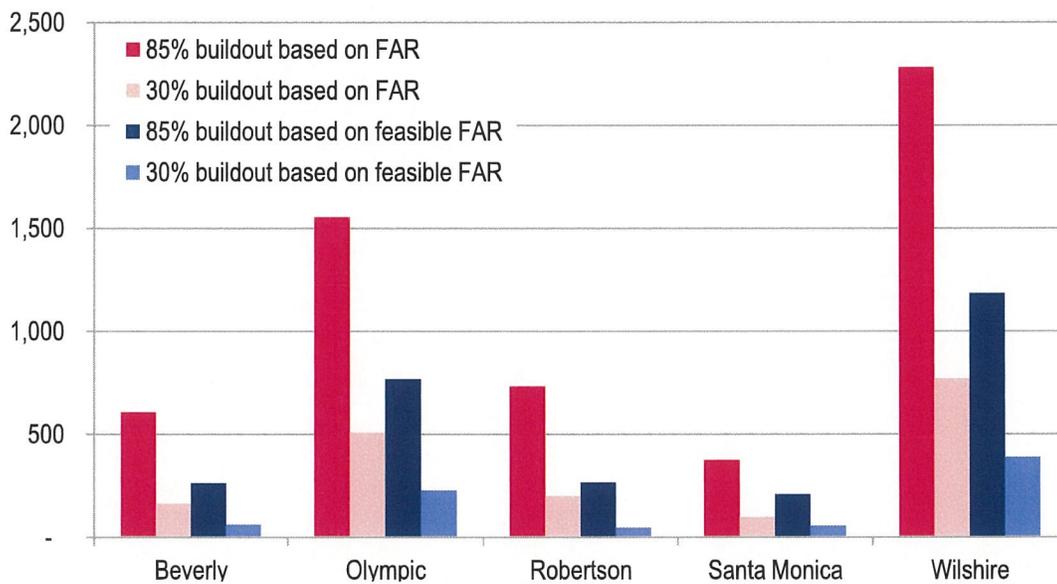


Figure 43: Redevelopment and Additional Required Parking Spaces for Build Out in the Expansion Corridors

Expansion Corridor	30% Build Out			85% Build Out		
	Redeveloped lot area (sf)	Additional required spaces based on FAR 2	Additional required spaces based on feasible FAR	Redeveloped lot area (sf)	Additional required spaces based on FAR 2	Additional required spaces based on feasible FAR
S Beverly Drive	63,244	164	63	174,001	609	264
Olympic Boulevard	121,160	508	228	345,817	1,555	768
S Robertson Boulevard	60,410	200	47	173,734	734	267
S Santa Monica Boulevard	27,389	98	56	80,395	375	210
Wilshire Boulevard	188,208	769	389	508,824	2,282	1,185
TOTAL	460,411	1,739	782	1,282,771	5,554	2,693

Sources: Nelson\Nygaard, Los Angeles County Assessors Office, City of Beverly Hills, March 2014

6 COST AND FEASIBILITY OF EXPANDING THE IN-LIEU PROGRAM AND CONSTRUCTING NEW PUBLIC PARKING IN EXPANSION AREAS

This chapter will consider the financial implications of expanding the in-lieu program, including an analysis of construction and real estate costs associated with building new municipal parking garages and development feasibility analysis for potential new development within the expansion areas.

CURRENT CONSTRUCTION COSTS FOR NEW PARKING FACILITIES

As part of the study of parking capacity in the potential expansion areas of the in-lieu program, the following are cost analyses for several potential parking structure types – surface lot, above grade parking structure, below grade parking structure, and above and below grade parking structures with automated operations. Each parking structure is assumed to be accompanied with retail that fronts the street. As the parcels within the City of Beverly Hills are relatively standard in size, the parking structure cost estimates assume a standard structure footprint that can be sited within four parcels of typical size while taking into account the required setbacks and height limits.

The cost of new parking ranges from \$38,000 per space to \$86,000 per space for anything other than surface parking.

The construction cost for the parking structures and retail will be comparable from site to site regardless of the location within the Expansion Area. However, the real estate and land costs will vary between South Beverly Drive, South Robertson Boulevard, South Santa Monica Boulevard, Wilshire Boulevard, and Olympic Boulevard. Below is a chart summarizing the parking structure data for each type, and cost breakdowns per square foot and per vehicle stall. The construction cost of new parking ranges from \$38,000 per space to \$86,000 per space for anything other than surface parking. Following the chart are summaries of each parking structure type with more detailed information, and the assumptions that were taken to derive the costs.

The cost estimates do not take into account unforeseen conditions that may be found on a particular site during the course of site excavation or construction. Any unforeseen conditions that are discovered and that results in additional work or remediation will be an additional cost to

the following estimates. The cost analyses are based on CPI and Engineering Cost Index parameters.

Figure 44: Parking Structure Construction Cost Analysis

Facility Type	Stalls	Floor Levels	Site (sf)	Building Area (sf)	Cost per Square Foot	Cost per Stall	Equivalent Construction Cost
Surface Lot	76	4	24,360	24,360	\$19.49	\$6,247	\$475,000
Above Grade Parking Structure	159	4	24,360	76,320	\$89.51	\$42,966	\$6,830,000
Below Grade Parking Structure	126	4	24,360	73,710	\$147.31	\$86,178	\$10,900,000
Above Grade Parking Structure with Automated Operation	300	4	24,360	76,500	\$147.15	\$37,523	\$11,300,000
Below Grade Parking Structure with Automated Operation	270	4	24,360	73,710	\$227.33	\$62,060	\$16,800,000
Combination of Above Grade and Below Grade Parking Structure with Automated Operation	300	4	24,360	76,500	\$195.26	\$49,792	\$14,900,000

Sources: City of Beverly Hills, Watry Design, March 2014

Surface Lot

For the surface lot cost analysis, the following assumptions were made:

- A 24,360 square foot site (203 feet by 120 feet), the equivalent of combing four adjacent typical sized parcels in the City of Beverly Hills
- Two parking drive aisles, providing two-way traffic and 90 degree parking, with one exit/entrance driveway provided
- An estimated 76 parking stalls
- An efficiency of 321 square feet per parking stall
- Basic landscaping, site lighting, drainage, grading and paving, and parking stall striping
- Overhead and Markup of 15%
- Design Contingency of 10%
- Escalation cost of 4%, based on today's dollar
- A normal current construction market

Based on the above assumptions, we estimate that the surface lot will be approximately \$19.49 per square foot, which is a cost per parking stall of \$6,247.

Above Grade Parking Structure

For the above grade parking structure cost analysis, the following assumptions were made:

- A 24,360 square foot site (203 feet by 120 feet), the equivalent of combing four adjacent typical sized parcels in the City of Beverly Hills
- A total of four parking levels—one level on grade, and three supported levels
- The structural system of the parking structure is cast-in-place concrete, long span, with shear walls acting as the lateral system, and shallow foundations
- A high level of finish
- An estimated 159 parking stalls
- An efficiency of 480 square feet per parking stall
- A total building area of 76,320 square feet, which includes ground level retail fronting the street
- A cold shell ground level retail space of approximately 5,890 square feet
- Overhead and Markup of 15%
- Design Contingency of 10%
- Escalation cost of 4%, based on today's dollar
- A normal current construction market

Based on the above assumptions, we estimate that the above grade parking structure will be approximately \$89.51 per square foot, which is a cost per parking stall of \$42,966.

Below Grade Parking Structure

For the below grade parking structure cost analysis, the following assumptions were made:

- A 24,360 square foot site (203 feet by 120 feet), the equivalent of combing four adjacent typical sized parcels in the City of Beverly Hills
- A total of three parking levels below grade
- The structural system of the parking structure is cast-in-place concrete, long span, with shear walls acting as the lateral system, and shallow foundations
- A moderate level of finish (finish is focused on the interior, as there is no exterior finish for the below grade structure)
- An estimated 126 parking stalls all below grade (no parking stalls at grade level)
- An efficiency of 585 square feet per parking stall (retail square footage not included in efficiency calculation)
- A total building area of 73,710 square feet, which includes ground level retail fronting the street
- A cold shell ground level retail space of approximately 12,214 square feet (approximately half of the site, allowing for vehicle entrance into the parking structure at the rear of the site)
- Additional cost included for the roof of the retail, as the parking structure is not providing the roof
- A premium was included in the cost of the parking structures' top level (base of the retail) to account for a stronger structural system in order to support the live load of the retail, which is greater than the live load for a parking structure.
- Overhead and Markup of 15%

- Design Contingency of 10%
- Escalation cost of 4%, based on today's dollar
- A normal current construction market

Based on the above assumptions, we estimate that the below grade parking structure will be approximately \$147.31 per square foot, which is a cost per parking stall of \$86,178.

Above Grade Parking Structure with Automated Operation

For the above grade parking structure with automated operation cost analysis, the following assumptions were made:

- A 24,360 square foot site (203 feet by 120 feet), the equivalent of combing four adjacent typical sized parcels in the City of Beverly Hills
- A total height of four parking levels, the equivalent of a self-park above grade parking structure
- The structural system of the parking structure is cast-in-place concrete, long span, with shear walls acting as the lateral system, and shallow foundations
- A high level of finish
- An estimated 300 parking stalls
- An efficiency of 255 square feet per parking stall
- Four entry/exit portal bays to provide a level of service appropriate for 300 vehicles
- A total building area of 76,500 square feet, which includes ground level retail fronting the street
- A cold shell ground level retail space of approximately 5,890 square feet
- An estimated lump sum amount of \$4,000,000 for the mechanical parking system
- Overhead and Markup of 15%
- Design Contingency of 10%
- Escalation cost of 4%, based on today's dollar
- A normal current construction market

Based on the above assumptions, we estimate that the above grade parking structure will be approximately \$147.15 per square foot, which is a cost per parking stall of \$37,523. The cost per parking stall is lower than the self-park above grade structure due to the greater number of vehicles that the structure can accommodate, i.e. better efficiency. However, the square foot cost is higher in comparison to the self-park structure due to the added cost of the mechanical parking system.

Below Grade Parking Structure with Automated Operation

For the below grade parking structure with automated operation cost analysis, the following assumptions were made:

- A 24,360 square foot site (203 feet by 120 feet), the equivalent of combining four adjacent typical sized parcels in the City of Beverly Hills
- A total depth of three parking levels below grade, the equivalent of the self-park below grade parking structure

- The structural system of the parking structure is cast-in-place concrete, long span, with shear walls acting as the lateral system, and shallow foundations
- A moderate level of finish (finish is focused on the interior, as there is no exterior finish for the below grade structure)
- An estimated 270 parking stalls below grade
- An efficiency of 273 square feet per parking stall
- Four entry/exit portal bays to provide a level of service appropriate for 270 vehicles
- A total building area of 73,710 square feet, which includes ground level retail fronting the street
- A cold shell ground level space of approximately 19,109 square feet that includes the retail and enclosure for the vehicle entry and exit portals in the rear of the site. Additional cost was included for the roof of the retail, as the parking structure is not providing the roof.
- A premium was included in the cost of the parking structures' top level (base of the retail) to account for a stronger structural system in order to support the live load of the retail – which is greater than the live load for a parking structure.
- An estimated lump sum amount of \$4,000,000 for the mechanical parking system
- Overhead and Markup of 15%
- Design Contingency of 10%
- Escalation cost of 4%, based on today's dollar
- A normal current construction market

Based on the above assumptions, we estimate that the above grade parking structure will be approximately \$227.33 per square foot, which is a cost per parking stall of \$62,060. The cost per parking stall is lower than the self-park below grade structure due to the greater number of vehicles that the structure can accommodate, i.e. better efficiency. However, the square foot cost is higher in comparison to the self-park structure due to the added cost of the mechanical parking system

Combination Above Grade and Below Grade Parking Structure with Automated Operation

For the combination above grade and below grade parking structure with automated operation cost analysis, the following assumptions were made:

- A 24,360 square foot site (203 feet by 120 feet), the equivalent of combining four adjacent typical sized parcels in the City of Beverly Hills
- Two levels of parking above grade and two levels of parking below grade
- The structural system of the parking structure is cast-in-place concrete, long span, with shear walls acting as the lateral system, and shallow foundations
- A high level finish for the above grade levels of parking structure, and a moderate level of finish for the below grade levels of parking structure (finish is focused on the interior, as there is no exterior finish for the below grade structure)
- An estimated 300 parking stalls
- An efficiency of 255 square feet per parking stall
- Four entry/exit portal bays to provide a level of service appropriate for 300 vehicles

- A total building area of 76,500 square feet, which includes ground level retail fronting the street
- An estimated lump sum amount of \$4,000,000 for the mechanical parking system
- Overhead and Markup of 15%
- Design Contingency of 10%
- Escalation cost of 4%, based on today's dollar
- A normal current construction market

Based on the above assumptions, we estimate that the above grade parking structure will be approximately \$195.26 per square foot, which is a cost per parking stall of \$49,792.

SUITABILITY ANALYSIS FOR MUNICIPAL PARKING GARAGES

Conceptual drawings were developed to determine the feasibility of providing above grade self-park structured parking within Expansion Areas A and B. Four streets were analyzed: South Robertson Boulevard, South Beverly Drive, South Santa Monica Boulevard, and Olympic Boulevard.

Conceptual Drawings

The conceptual drawings for each location present the ground level floor plan of a parking structure that encompasses four parcels, each parcel being approximately 50 feet wide. A minimum of four parcels are needed in order to provide a parking structure that operates efficiently and satisfies the City's parking regulations for stall sizes, aisle widths, and ramp slopes. Each parking structure also accommodates a retail space of approximately 5,800 square feet that fronts along the street. Vehicle entry and exit access is located in the rear of the structure to take advantage of the rear alley behind each site.

Along with each floor plan a Summation Chart is provided that specifies the overall vehicle stall count for each structure.

Current Land Costs in Expansion Areas

The cost to acquire parking sites for new garages varies by location. Los Angeles County Assessor 2014 data provides the value of land and improvements for recently sold and recorded parcels⁴⁸ located in Expansion Areas A and B. Local brokers verified Assessor provided values. As expected, land values are lowest along Olympic Boulevard at \$260 per site square foot, and highest along South Beverly Drive at \$990 per site square foot. Figure 39 shows the land value per square foot for each corridor in Expansion Areas A and B.

Land values are lowest along Olympic Boulevard at \$260 per site square foot, and highest along South Beverly Drive at \$990 per site square foot.

⁴⁸ Only properties recorded between 2012 and 2014 were evaluated for land value.

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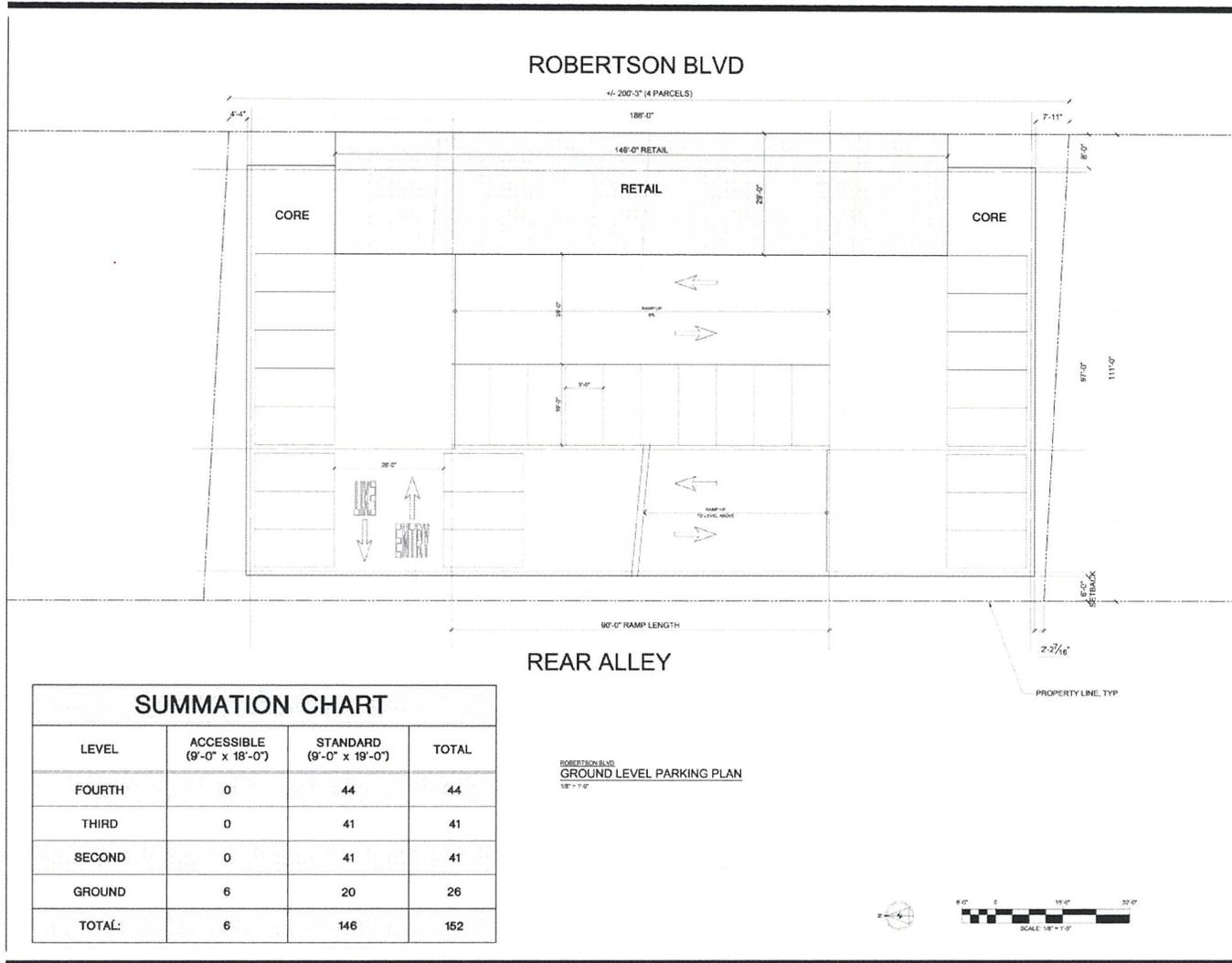
Figure 45: Suitability Analysis

Location	Stalls	Floors	Parcel size (SF)	Land cost by area	Equivalent land cost	Notes on access
Olympic Boulevard	159	4	24,460 (4 parcels)	\$260/ SF	\$6,360,000	Vehicle access at rear alley. Pedestrian access along street.
Robertson Boulevard	152	4	22,228 (4 parcels)	\$420/ SF	\$9,340,000	Vehicle access at rear alley. Pedestrian access along street.
Beverly Drive	159	4	22,000 (4 parcels)	\$990/ SF	\$21,800,000	Vehicle access at rear alley. Pedestrian access along street.
Santa Monica Boulevard	159	4	24,000 (4 parcels)	\$600/ SF	\$14,400,000	Vehicle access at rear alley. Pedestrian access along street.

Sources: City of Beverly Hills, Watry Design, March 2014

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Figure 47: Conceptual Ground Level Floor Plan for New Parking Structure on Robertson Boulevard



Architect/Engineer/Planning Department

WATKY DESIGN, INC.
San Jose, California
Hayward Branch, California
Austin, Texas
watkydesign.com

GROUND LEVEL PARKING PLAN
BEVERLY HILLS
PARKING STUDY
BEVERLY HILLS, CALIFORNIA

S. ROBERTSON BLVD.
SUITABILITY
ANALYSIS
MEMORANDUM B

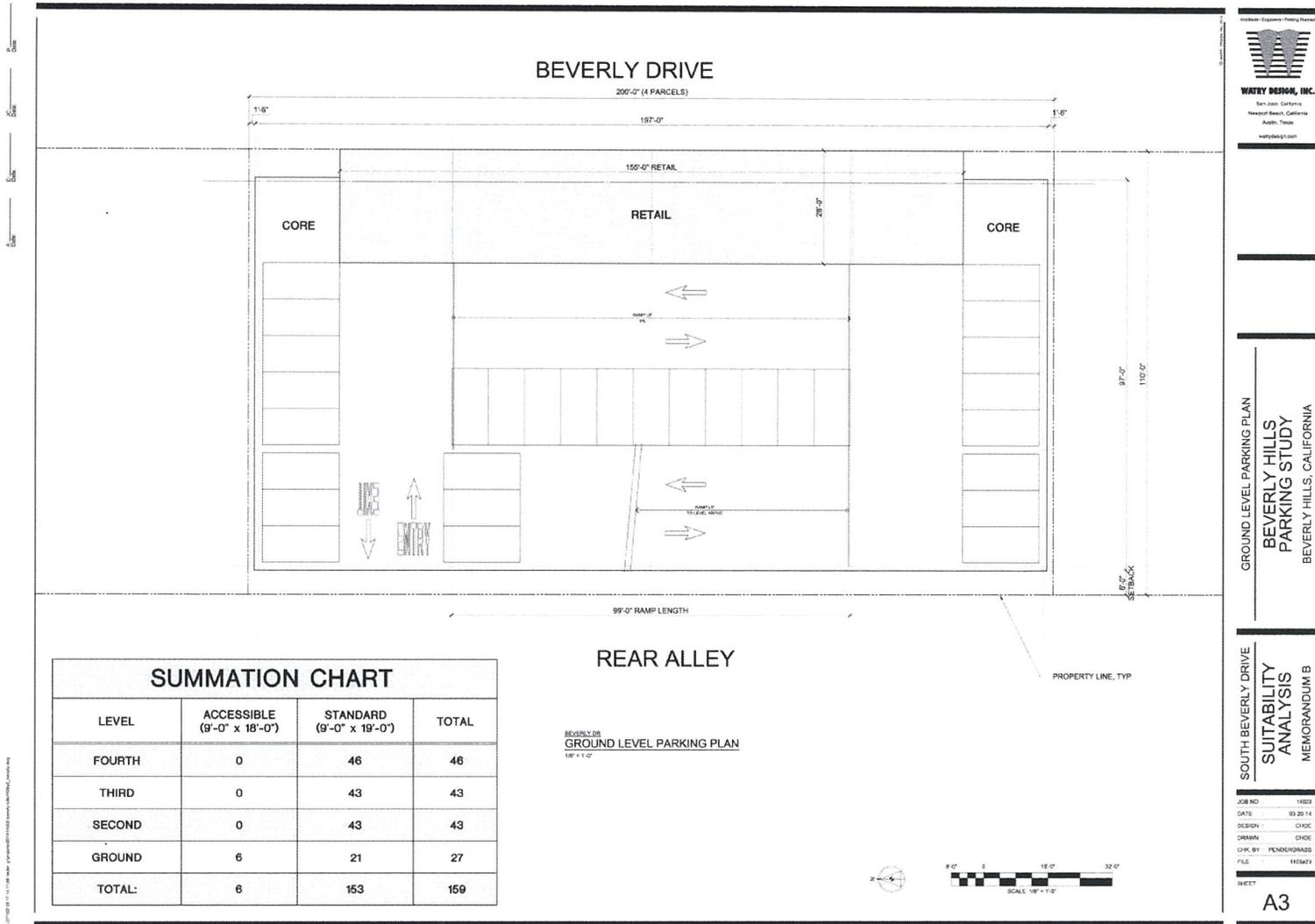
JOB NO. 14353
DATE: 03-29-14
DESIGN: CHAOE
DRAWN: CHAOE
CHK. BY: PENDERGRASS
FILE: 143542

SHEET

A2

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Figure 48: Conceptual Ground Level Floor Plan for New Parking Structure on Beverly Drive



Architect - Equipped Parking System
WATRY DESIGN, INC.
San Jose, California
Newport Beach, California
Austin, Texas
watrydesign.com

GROUND LEVEL PARKING PLAN
BEVERLY HILLS
PARKING STUDY
BEVERLY HILLS, CALIFORNIA

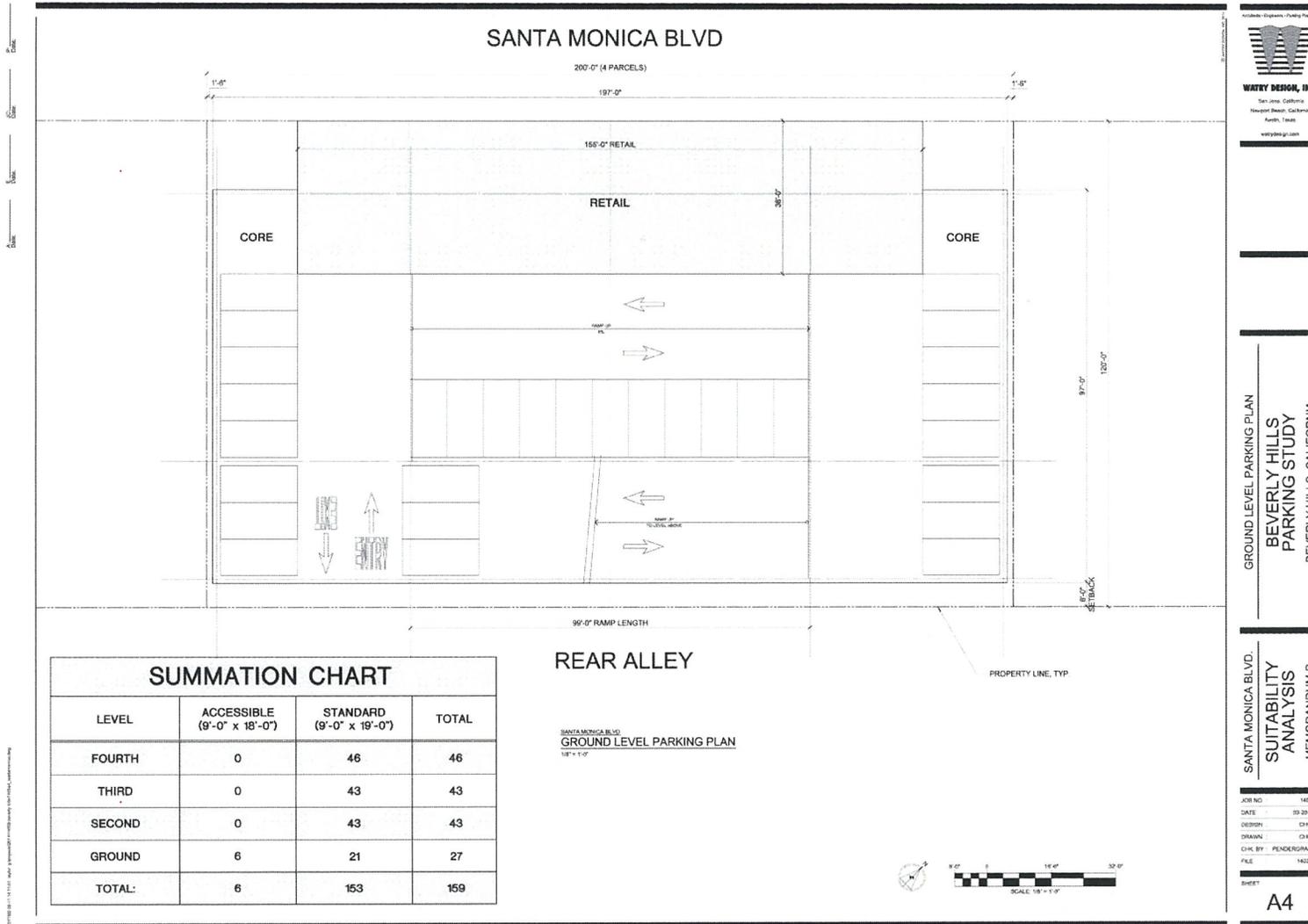
SOUTH BEVERLY DRIVE
SUITABILITY
ANALYSIS
MEMORANDUM B

JOB NO : 14023
DATE : 03.20.14
DESIGN : CHOC
DRAWING : CHOC
CHK BY : PENKORHASS
FILE : 1425473

SHEET
A3

In-Lieu Parking Study | Final Report
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Figure 49: Conceptual Ground Level Floor Plan for New Parking Structure on Santa Monica Boulevard



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DEVELOPMENT FEASIBILITY AND PRO FORMA ANALYSIS

In order to understand the implications of the current parking requirements on areas where the City wants to encourage new development, this analysis uses local market and construction cost data to determine the financial feasibility of new mixed-use construction located on Robertson and Olympic Boulevards. Development feasibility analysis provides a basis for understanding whether a developer would be attracted to the site to construct new uses under existing zoning and parking requirements, given current market conditions. In this case, a residual land value calculation indicates whether the value of new development, based on net operating income, is greater than the cost of development plus the land value and a reasonable developer profit, and thereby able to attract a developer to build the desired project types.

Methodology

Financial feasibility analysis uses current real estate market and construction data to determine whether a developer would be willing to undertake new development, using the following analytical steps:

- **Development Program:** Nelson/Nygaard, BAE, and the City of Beverly Hills formulated development programs for each prototype project based on actual parcel sizes located along Robertson Boulevard and Olympic Boulevard. The development programs include a description of the site area, development density, mix of uses and unit types, and parking requirements. Assumptions about how parking requirements would be fulfilled are reflected in allocations of parking to new surface parking spaces, spaces in above-grade parking podiums/structures, and underground parking spaces.
- **Cost Assumptions:** The analysis uses data from RS Means and local developers for each prototype project to estimate hard and soft construction costs for the development program, including on- and off-site costs, land costs, financing costs, and required developer rates of return. RS Means publishes construction cost estimates for different building types, with adjustment factors to reflect localized conditions. Parking cost estimates are based on the Parking Development Cost Analysis included in this chapter. Development costs are reported by building component (i.e., office, retail, restaurant, residential).
- **Revenue and Project Value Assumptions:** Data from Costar and local brokers provide the basis for revenue estimates for each prototypical project. Rental and sales revenue estimates are based on current market conditions in each corridor, and are used to calculate the value of completed projects by capitalizing net operating income (revenues less operating expenses) using market capitalization rates applicable to the real estate product category.
- **Residual Land Value:** To determine the residual land value, the pro forma model calculates the amount by which the total value of the completed project exceeds the total development cost, including required developer returns. If the residual land value is positive and equal to higher than the corridor's market land value, a developer would be attracted to the project. A negative residual land value, or value that is positive, but still lower than corridor's market land value, indicates that some level of subsidy would be required to attract a developer to the project under current economic conditions.

BAE prepared a series of static pro formas to conduct this feasibility analysis. A static pro forma uses the assumptions described above to calculate the residual land value of the site without

accounting for the time value of money (i.e., inflation and discount rates). Instead, a static pro forma relies on capitalization rates determined in the market to account for the total value of the development if purchased outright at the time of analysis. This is the same method that is used by developers to screen potential projects for feasibility. The pro formas for each of the prototype projects are appended to this report as Appendix D.

Prototype Projects

The City of Beverly Hills, Nelson/Nygaard, and BAE conceptualized the following three prototype projects. Associated development envelopes, parking requirements, building heights, and other requirements are taken from the City’s zoning code and other relevant regulations. Each prototype project consists of two or three parcels that are considered in aggregate and evaluated under current parking requirements. Figure 50 summarizes the specifications of the three prototype projects.

Figure 50: Development Prototypes

Location/ Use	Robertson Office/Retail	Robertson Office/Restaurant	Olympic Rental Residential/Retail
Current Parking Requirements			
Parcel Size	16,350	16,350	12,480
FAR	1.06	0.60	1.14
Total Gross Area (Sq.Ft.)	41,250	41,910	35,310
Office (Sq.Ft.)	11,500	6,500	n/a
Retail/Restaurant (Sq.Ft.)	5,750	3,250	4,730
Residential (Sq.Ft.)	n/a	n/a	9,460
Residential Units	n/a	n/a	11
DU/Acre	n/a	n/a	3.15
Number of Stories	3	3	3
Parking Spaces	50	67	44
Parking (sf)	24,000	32,160	21,120

Robertson Boulevard: Office/Retail

This project consists of three parcels on Robertson Boulevard that, combined as a single project, would contain 11,500 gross square feet of office space, approximately 7,750 gross square feet of ground-floor retail, and 50 parking spaces. The office space has an assumed efficiency factor of 90 percent, resulting in approximately 10,350 rentable square feet. The same 90 percent efficiency factor is applied to the retail space as well, netting approximately 5,175 rentable square feet.

Parking requirements are one space per 350 gross office and retail square feet, all of which would need to be provided in an above ground parking structure, due to parcel size which makes underground facilities technically infeasible.

Robertson Boulevard: Office/Restaurant

This project consists of the same three Robertson Boulevard parcels considered in aggregate. Under this prototype, the site would be developed as office over restaurant space. Combined as a single project, this site would contain 6,500 gross square feet of office space, approximately 3,250 gross square feet of ground-floor restaurant, and 67 parking spaces. The office space has an assumed efficiency factor of 90 percent, resulting in approximately 5,850 rentable square feet. The same 90 percent efficiency factor is applied to the restaurant space as well, netting approximately 2,925 rentable square feet. The reduced development size compared to the office/retail prototype results from increased parking requirements for restaurant compared to retail uses.

Parking requirements are one space per 350 gross office and back of house restaurant square feet. The bar and dining area of restaurant space requires one parking space per 45 gross square feet. Due to the size of the site, all of the required spaces would need to be provided in an above ground parking structure.

Olympic Boulevard: Retail/Rental Residential

This project consists of two parcels on Olympic Boulevard that, combined as a single project, would contain 4,730 gross square feet of ground-floor retail, 11 rental residential units, and 44 parking spaces. The retail space has an assumed efficiency factor of 90 percent, resulting in approximately 4,494 rentable square feet.

The rental residential project component contains six studio units measuring 600 square feet per unit, five one-bedroom units measuring 1,000 square feet per unit, and 200 square feet of open space per unit that would be located on the roof. The units have an efficiency factor of 90 percent to accommodate circulation.

Parking requirements are one space per 350 gross retail square feet, one space per studio residential unit, and two spaces per one bedroom residential unit, per City of Beverly Hills parking requirements. Due to the site's size, all parking spaces would need to be provided in an above ground parking structure.

Key Assumptions

The analysis uses market data from CoStar, a commercial real estate data vendor, and construction cost data from RS Means as the basis for modeling development feasibility. Interviews with City of Beverly Hills planning staff, local brokers, and developers complement this data and provide additional insights into current development and market conditions in Beverly Hills. These data are input into the pro forma model as assumptions to generate the findings of this analysis. Below are some of the key assumptions used for each type of development tested.

All Development Types

The following key assumptions were used for all development types and do not change significantly by use.

- **Development Size and Above Grade Parking:** All analyzed scenarios assumed a above grade parking due to the difficulty associated with assembling enough parcels to develop subterranean facilities. If a larger number of parcels were to be assembled, this might enable development to an FAR of 2 with subterranean parking. The tradeoff is the higher parking construction costs, larger number of parking spaces required, and the greater difficulty of assembling at least four parcels.
- **Parking Costs:** Per the findings in the Parking Structure Construction Cost Analysis contained within this chapter, the analysis assumes that underground parking costs \$86,180 per stall, while podium or above ground structured parking costs \$42,970 per stall, and new surface parking costs \$6,250 per space.
- **Financing Costs:** The analysis assumes that developers can obtain financing for 60 percent of the total costs and will be charged two percent in loan fees and a seven percent annual interest rate.
- **Developer Profit:** This analysis assumes that developers would not be attracted to a project unless they could earn a 10 percent return on costs, excluding land costs. At the height of the market in 2006, developers required a 12 percent return on costs to undertake a project, while during the great recession, their required rate of return dropped to eight percent. This analysis uses a return-on-costs requirement that falls in the middle of the range.

Office Uses

The following assumptions specifically apply to office uses. Changes in market conditions and their corresponding assumptions could significantly impact development feasibility.

- **Parking Ratios:** This analysis assumes that new office development would require one parking space per 350 gross square feet.
- **Development Costs:** Based on current data from RS Means and interviews with local developers, this analysis assumes that office construction hard costs range from \$155 to \$183 per gross square foot, delivering a warm shell with an additional \$65 per leasable square foot in tenant improvements (TIs). Office construction costs vary by the size of the development, because larger developments can spread fixed construction costs over more square footage; thus developing a 5,800 square foot building would cost more on a per square foot basis than developing a 12,600 square foot building.
- **Net Operating Income:** According to Costar, office space along Robertson Boulevard commands rental rates of approximately \$4.00 per square foot per month, full service. Assuming that new space can command a premium from existing space, this analysis assumes that new office space could receive \$4.15 per month on a full service basis. Interviews with local developers and data from BOMA's 2013 Experience Exchange Report indicate that operating expenses would be approximately \$12 per square foot for newly built Beverly Hills Class A office space.

Retail/Restaurant Uses

The following assumptions specifically apply to retail and restaurant uses. Changes in market conditions and their corresponding assumptions could significantly impact development feasibility.

- **Parking Ratios:** This analysis assumes that new retail and back of house restaurant development would require one parking space per 350 gross square feet, while bar and dining restaurant space would require one space per 45 square feet.
- **Development Costs:** Based on current data from RS Means and interviews with local developers, this analysis assumes that ground floor retail construction hard costs range from \$101 to \$109 per gross square foot with an additional \$55 per leasable square foot in TIs, while ground floor restaurant construction hard costs range from \$166 to \$182 per gross square foot with an additional \$55 per leasable square foot in TIs. Retail and restaurant construction costs vary by the size of the development, because larger developments can spread fixed construction costs over more square footage; thus developing a 3,000 square foot building would cost more on a per square foot basis developing a 7,600 square foot building.
- **Net Operating Income:** Market data from CoStar on similar properties within the Robertson Boulevard corridor of Beverly Hills show that ground floor retail in a mixed-use project can charge approximately \$3.95 per square foot per month on a triple net basis. For restaurant uses, the assumed rental rate is higher at \$5.25 per rentable square foot per month on a triple net basis.

Residential Uses

The following assumptions specifically apply to residential uses. Changes in market conditions and their corresponding assumptions could significantly impact development feasibility.

- **Development Costs:** Based on current data from RS Means and interviews with local developers, this analysis assumes that residential construction hard costs range from \$133 to \$140 per gross square foot with an additional \$5,000 for appliances per rental unit. As with commercial uses, larger developments have a lower cost per square foot than smaller developments that cannot take advantage of economies of scale.
- **Rental Unit Prices:** The analysis uses rental rates from one-bedroom units advertised on Craigslist to project rental other studio and revenues from new apartment development along Olympic Boulevard. Rents range from \$1,400 per month for a studio to \$3,600 per month for a 3-bedroom unit and average \$2.30 per square foot of living space.

In order to realize desired development on Robertson and Olympic Boulevards, office and retail lease rates would have to increase approximately 40% and/or the City could reduce parking requirements.

Findings

As Figure 51 shows below, under current parking requirements and market conditions, all of the prototype developments are infeasible. Mixed-use office with retail would require the least amount of subsidy, compared to mixed-

use office with restaurant, which would require the largest subsidy due to the higher amounts of parking required for restaurant uses. In order to realize desired development on Robertson and Olympic Boulevards, office and retail lease rates would have to increase approximately 40 percent and/or the City could reduce parking requirements, either through a parking in-lieu fee, reduced parking requirements, or a combination of both.

Figure 51: Development Feasibility

Location/ Use	Robertson Office/Retail	Robertson Office/Restaurant	Olympic Rental Residential/Retail
Current Parking Requirements			
Project Value	\$10,444,260	\$6,697,240	\$6,514,079
Development Costs	(\$7,649,273)	(\$7,126,498)	(\$5,557,499)
Developer Profit	(\$764,927)	(\$712,650)	(\$555,750)
Residual Land Value	\$2,030,060	(\$1,141,909)	\$400,830
Residual Land Value/Sq.Ft.	\$124	(\$70)	\$32
Market Land Value/ Sq.Ft.	\$420	\$420	\$260
Feasible?	No	No	No

Feasibility Under a Parking In-Lieu Fee Alternative

If the City of Beverly Hills expands its in-lieu fee program to include the Robertson Boulevard and Olympic Boulevard corridors, thereby allowing developers to pay a parking in-lieu fee per required retail or restaurant parking space, it could lower development costs and incentivize development, thereby reducing the subsidy required to realize desired uses along the Robertson Boulevard and Olympic Boulevard corridors. In order to test the sensitivity of parking requirements compared to a parking in-lieu fee, this analysis tests the financial feasibility of the three prototype developments under a parking in-lieu fee alternative.

Development Prototypes

Under a parking in-lieu fee alternative, developers would be able to pay \$28, 285 per retail and restaurant space rather than build parking within their development projects.⁴⁹ As office and residential uses are not eligible to pay parking in-lieu fees under the current program, this analysis assumes that only retail and restaurant uses would be eligible for an expanded parking in-lieu fee program.

⁴⁹ This is the lowest parking in-lieu that the City charges under its current in-lieu fee program. The analysis uses this fee amount to reflect that land values are lower along Robertson and Olympic Boulevards than in the Golden Triangle.

As Figure 52 shows, not only is the parking in-lieu fee less expensive than building structured parking, it would also allow developers to use more of the parcel for revenue generating uses, compared to under existing parking requirements, thereby getting closer to the allowable FAR.

Figure 52: Development Prototypes under Parking In-Lieu Fee Alternative

Location/ Use	Robertson Office/Retail	Robertson Office/Restaurant	Olympic Rental Residential/Retail
Parking In-Lieu Fee Alternative			
Parcel Size	16,350	16,350	12,480
FAR	1.28	1.28	1.82
Total Gross Area (sf)	40,200	40,200	35,250
Office (sf)	14,000	14,000	n/a
Retail/Restaurant (sf)	7,000	7,000	7,590
Residential (sf)	n/a	n/a	15,180
Residential Units	n/a	n/a	17
DU/Acre	n/a	n/a	4.87
Number of Stories	3	3	3
Parking Spaces	40	40	26
Parking (sf)	19,200	19,200	12,480

Findings

Under a parking in-lieu fee, feasibility improves for all uses. This is due to a combination of factors:

- More space can be used for revenue generating uses than if the site also had to accommodate on-site parking;
- Larger developments can take advantage of economies of scale to achieve a lower construction cost per square foot than smaller development; and
- The parking in-lieu fee per space is less expensive than the cost of building a parking space.

As Figure 53 shows, the parking in-lieu fee alone does not make the prototype developments feasible. However, if the City charges restaurant users the same rate for a parking in-lieu fee for new development as it currently charges for expanding an existing restaurant (\$11,675 per space), then the residual land value would improve to \$178 per square foot, requiring a less drastic change in market conditions and/or reduced subsidy to attract a developer.

Figure 53: Development Feasibility under Parking In-Lieu Fee Alternative

Location/ Use	Robertson Office/Retail	Robertson Office/Restaurant	Olympic Rental Residential/Retail
Current Parking Requirements			
Project Value	\$12,714,752	\$14,424,824	\$10,514,995

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Development Costs	(\$8,580,337)	(\$13,291,684)	(\$7,656,665)
Developer Profit	(\$858,034)	(\$1,329,168)	(\$765,666)
Residual Land Value	\$3,276,381	(\$196,029)	\$40,028
Residual Land Value per Square Foot	\$200	(\$12)	\$168
Market Land Value per Square Foot	\$420	\$420	\$260
Financially Feasible?	No	No	No

In general, lowering the in-lieu fee alone would not be sufficient to incentivize new development. Although the mixed-use office/retail and rental residential/retail uses show positive land values, they are considerably lower than market land values along Robertson and Olympic Boulevards.

In order for these development prototypes to become feasible, markets would have to improve along the Robertson Boulevard and Olympic Boulevard corridors, in addition to the expansion of the parking in-lieu fee program. In addition to rising rents, another way the market could improve (from a developer feasibility standpoint) is if the cost for developers to acquire property declines. Based on conversations with City staff, it has been a number of years since developers have undertaken new construction in the Robertson and Olympic Boulevard areas that are the subject of this study. It is possible that the real estate sales transactions which established the market land values referenced above were premised on development expectations that are no longer valid. Given the fact that this pro forma analysis has shown such a large gap between residual land values for likely project types and the market values set by recent sales, it is possible that future land sales prices would be significantly lower, as land sales prices should reflect the economic utility of the property being purchased. Unless there are alternative uses of the property which are much more lucrative than the development prototypes modeled herein, the real estate market should eventually correct itself and land prices should decline. However, property owners will likely need to see significantly higher land values than the residual land values calculated for the different development scenarios, in order to have sufficient financial motivation to sell their property to developers.

In the meantime, the City could also consider reducing parking requirements for retail and other land uses as a tool for incentivizing development along these corridors, which would further reduce parking costs and improve development feasibility, regardless of whether parking is constructed on-site or an in-lieu fee is paid.

Feasibility Under an Automated Parking Alternative

In addition to expanding the existing in-lieu fee program, the City could allow parking to be developed in automated parking facilities. According to Watry Design, automated parking facilities require considerably less space per parking stall than standard garages, which translates into reduced costs per parking space. In addition, the reduction in required space per stall would

allow the developer to use more of its parcel for revenue-generating uses, thereby generating more revenue and getting closer to the allowable FAR. Thus, compared to existing parking requirements, allowing property owners to deliver parking in an automated garage would improve feasibility from baseline (existing) conditions. Whether an automated garage would improve development feasibility more or less than a parking in-lieu fee will depend on a variety of factors, including the relative number of spaces that could be delivered off-site under an expanded parking in-lieu fee program.

In order to update the code to allow developers to count parking spaces in automated garaged toward their parking requirements, the City would need to better understand the potential traffic and congestion impacts related to queuing on the street to get into the automated spaces, as well as any potential impacts to public garages and/or public safety from malfunctioning garages.

7 INDUSTRY BEST PRACTICES

This chapter provides a review of industry best practices from cities that have managed their parking to alleviate localized inefficiencies while spurring economic growth. The strategies described in this chapter are informed by a search of published articles, online sources, unpublished documents from cities or agencies with similar programs in their downtowns or commercial districts, and Nelson\Nygaard's previous experience with similar cities.

Historically, “solving the parking problem” often meant increasing the supply of free or underpriced parking. Unfortunately, constantly increasing the supply of a finite but underpriced commodity encourages inefficient overconsumption of that commodity. Providing “adequate” parking is therefore impossible when it is given away for free because the market for parking is not operating in a competitive and sustainable manner. Where parking is free, people will drive more, repark their car more often, use transit less, and walk less than is desirable or necessary.

This market inefficiency also degrades the quality of “place” due to increased traffic congestion, decreased foot traffic and business vitality, and degradation of the streetscape associated with frequent driveways and a large parking footprint. Parking provision is therefore only one tool available for managing parking demand and supply, and—more importantly—creating vibrant places. Studies of travel demand and elasticity highlight other factors that affect parking and travel demand, including land use density, distance to key destinations or events, land use mix, streetscape design, transportation system redundancy (or the availability of different routes and modes with comparable travel times), and pricing.⁵⁰ Complex interactions between these factors (and wider social and economic conditions) affect the attractiveness of a place as well as the demand for parking and different modes of transportation.

A holistic package of parking and transportation demand management tools is needed to produce great places that are attractive to new development, vibrant for businesses, walkable for customers, and healthy for local residents, with appropriate levels of parking. Managing parking is one of the most effective tools for managing traffic congestion and its environmental impacts, even when densities are relatively low and major investments in other modes have not been made. Parking management can also have a significant impact on commute mode choice, which translates directly to reductions in auto congestion and improved livability of commercial districts and adjacent neighborhoods.

⁵⁰There is a considerable body of research on the topic of parking and travel demand elasticity, but key articles include: Cervero, R. and Kockelman, K. “Travel Demand and the 3Ds: Density, Diversity, and Design.” *Transportation Research Part D: Transport and Environment*, Volume 2, Issue 3, 1997, pp. 199-219.
Shoup, D. “Cruising for Parking.” *Transport Policy*, Volume 13, Issue 6, November 2006, pp. 479–486.

As Beverly Hills continues to evolve, its parking needs will change as well. This chapter provides descriptions and case studies of industry best practices for alternative programs that aim to correctly price parking, provide new parking facilities, and raise funds for new parking. These strategies utilize policies and programs that will enable more efficient utilization of existing supply, while alleviating parking congestion in certain areas.

IN-LIEU PARKING FEE

An in-lieu parking fee gives developers the option to pay a fee “in-lieu” of providing a portion of the number of parking spaces ordinarily required by a city’s zoning ordinance.

Why implement it?

In-lieu fees are particularly appropriate for creating great places and undertaking adaptive reuse projects (to renovate and reuse historic buildings for something other than their original purpose) when these projects would be neither financially attractive nor architecturally feasible if forced to provide all required spaces on-site. An in-lieu fee can therefore encourage new development of the highest architectural and urban design quality as well as redevelopment of vacant, underutilized, dilapidated, and historic buildings in a downtown—often spurring a more successful and walkable district with a unique character and identity.



An in-lieu fee can encourage new development of the highest architectural and urban design quality

In-lieu fees have many benefits for both cities and developers. The fees provide flexibility for developers. If providing all of the required parking would be difficult or prohibitively expensive for developers, then they have the option to pay the fee instead. In addition, since the fees can be used to pay for spaces in public facilities, in-lieu fees are a good mechanism to facilitate shared parking between uses, thereby maximizing use of existing parking supply and forgoing the need to construct costly new parking facilities.

How will it work?

An in-lieu fee allows developers to undertake their developments without the required parking provision, by paying a fee “in-lieu” of parking. For example, a 3,500 square-foot restaurant that is required by municipal code to provide one parking space per 350 square feet of floor area would need to have 10 parking spaces on-site. However, a developer or restaurant owner may feel that only six spaces are needed on-site, and could therefore pay a per-space fee to make up for the remaining four spaces.

In-lieu fees are typically structured as either a fixed one-time fee per space or an annual fee per space. The one-time option provides upfront payments to the city at a time that closer aligns with parking impact, though the payment is unlikely to result in new parking supply until well after the impact. On the other hand, the annual payment option provides flexibility to the developer or lessee, as well as a steady income stream to the city so long as the business remains operational.

The in-lieu fees that are collected can then be used to build public parking spaces, purchase or lease private spaces for public use, support transportation demand management (TDM) strategies

that reduce trips, and improve overall mobility and access to the site. An in-lieu fee can also be combined with other techniques for meeting parking requirements including the use of shared parking, tandem or valet parking, or stacked parking to encourage better management of parking spaces provided on- and off-site.

What are the challenges?

In-lieu fees present certain challenges. First, setting the level of the in-lieu fee is complicated. The fee should be high enough to generate revenue for needed parking and mobility projects. If the fee is set too low then it will not be able to fund projects to replace parking or reduce the demand for parking in a timely manner. On the other hand, the fee should not be set so high that a developer would simply rather build parking themselves. In this case, the city is also unlikely to generate a sufficient stream of revenue to fund parking and parking demand projects. In some cases, the fee may even be cost-prohibitive for developers, which may lead to empty storefronts or cancelled projects—thereby reducing the economic vitality and regeneration of the city.

Secondly, the success of an in-lieu fee is highly dependent on the overall health of the development market. If no projects are being built, then there is no chance for payment of in-lieu fees. If a city is seeking to finance new public parking facilities, in-lieu fees may not be the most stable revenue source.

In-lieu fees in selected California cities

Beverly Hills' in-lieu parking fee ranges from \$11,675 per space for restaurant expansions to \$47,007 per parking space for new construction on Rodeo Drive. As discussed in Chapter 3, the average fee over the life of the program has been \$33,000 (adjusted to 2014 dollars). As shown in Figure 54, this fee is somewhat higher than other California cities, which often falls between \$10,000 and \$25,000 per space, with annual adjustment based on the CPI. On the other hand, Beverly Hills' in-lieu fee is lower than Palo Alto's fee of \$67,100, which was designed to cover 100% of the cost of parking construction in that city. Unlike Beverly Hills' lease option (which is only available for restaurant expansions by lessees), most cities charge a one-time, per-space fee.

While many cities have in-lieu fee programs, they have mixed success in generating the amount of revenue required to actually build additional parking. This is the result of the challenge of setting an in-lieu fee high enough to account for construction costs of parking but low enough to ensure that the fee is still economically attractive to developers. Since cities have struggled to achieve this balance, the result is a limited amount of parking revenue. Given that in-lieu fees are inherently tied to the development market, most fee programs have not generated substantial amounts of revenue in recent years.

Additionally, most cities dedicate revenue to fund construction, operation, or maintenance of parking facilities, yet there are a few cities (such as Ventura and recently, Santa Monica) that also use in-lieu fee revenue to fund other mobility programs.

In-Lieu Parking Study | Final Report
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Figure 54: In-Lieu fees in selected California cities⁵¹

City	Fee Amount	Fee Adjustment	Fee Revenue Expenditures	Year Initiated
Beverly Hills	Rodeo: \$47,007.40	Annually based on CPI (not to exceed 10%)	Used to construct parking garages on city owned lands and in partnership with private development	1978
	Beverly: \$37,605.80			
	Other CBD: \$28,284.60			
	Restaurant expansion: \$11,675			
Culver City	Case-by-case based on assessed value for specified land use (parking lease is \$80 per space per year)	Based on LA County assessed property value	Held in a fund for development of public parking facilities (but so far developers have opted to lease private spaces instead of participating in the in-lieu program)	N/A
Davis	\$8,000	As-needed	Held in consolidated off-site parking fund program for construction of public parking resources and parking structures downtown	1970's
	\$4,000 (Central Commercial & Mixed Use)			
Emeryville	\$7,300	As-needed	Dedicated to construct parking. No revenue has been generated by the fee.	1993
Hermosa Beach	\$29,500	As-needed	Used for construction of parking garages	1980's
Huntington Beach	\$27,350	Annually based on CPI (not to exceed 3%)	Used to provide additional parking opportunities or reduce parking demand downtown (shuttles, valet parking, bike valet, street re-striping), and design/engineering costs for new parking	1993
Millbrae	\$13,391	Annually based on CPI	Used to improve parking in the city's commercial district. Has been used to enhance and modify the city's three municipal lots and re-stripe the downtown area	1987
Mountain View	\$26,000	As needed based on cost of construction	Used to construct parking garages in downtown, provide shared parking facilities	1988
Palo Alto	\$67,100	Annually based on construction cost index	Used for construction of public parking spaces within the assessment district	1995
Old Pasadena	\$151.07 per space per year	Annually based on CPI	Used to build parking garages	1987
Pismo Beach	\$36,000	As-needed	Used for parking improvements inc. property acquisition, construction, lot lease fees, maintenance and downtown paid parking	2005

⁵¹ Fee amounts based on most recent data available.

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City	Fee Amount	Fee Adjustment	Fee Revenue Expenditures	Year Initiated
San Luis Obispo	New construction: \$17,072	Annually based on CPI	Placed in Parking Enterprise Fund for operations, maintenance and new construction of parking facilities	1987
	Change of use: \$4,100			
Santa Monica	\$1.50 per square foot per year (expires 2016, \$20,000 thereafter)	Annually based on CPI	Flexible use of fee for new construction, leasing private spaces, restriping, trip reduction measures and contributions to TMA	Mid-1980s
Ventura	\$24,445	N/A	Funds parking and transportation management strategies contained in the Downtown Parking Management Plan.	N/A
Walnut Creek	\$26,537 per space, 90% for 1st space, 75% for 2nd space, 50% for 3rd space, 25% for remainder.	Annually based on Construction Cost Index	Construction of new parking in the downtown area.	1975
West Hollywood	\$382.50 per parking credit per year	Annually based on CPI	Held in Parking Improvement Fund for maintenance and repair on public parking, and construction of new parking facilities	2012 change

Old Pasadena Parking Credit Program⁵²

In recent years, Old Pasadena has gained a reputation for being a pedestrian-friendly, vibrant downtown that combines a mix of uses with easy access by the automobile. Yet much of the area’s success can be attributed to its parking management policies that have spawned a wide variety of streetscape improvements and new opportunities for increased transit ridership and development.

Old Pasadena was not always so prosperous. In the 1970s, much of Pasadena’s downtown had been slated for redevelopment, as the decaying neighborhood had become the city’s “Skid Row.” In 1987, the city’s “Parking Credit Program” was established to allow property owners to enter into a contract with the city in order to buy “zoning parking credits” in lieu of constructing additional parking spaces to satisfy minimum parking requirements.

Similar to Beverly Hills’ in-lieu lease option, the parking credit program allowed new in-fill projects to make use of existing public parking for a modest annual fee. The fee was set at a very low rate (\$50 per space in 1987) to encourage business development. The fee has increased

⁵² References:

- City of Pasadena (2002), Old Pasadena Zoning Credit Parking Program Guidelines.
- City of Pasadena (2009). Zoning Parking Credit Program Current Activity – Reporting Period – July 1, 2008 through June 30, 2009. Staff Report to Old Pasadena Parking Meter Zone Advisory Commission, June 18, 2009.
- City of Pasadena (2009). Minutes of the Special Meeting. Old Pasadena Parking Meter Zone Advisory Commission, Thursday, October 1, 2009.
- Gruber, Frank (2001), “The Black Hole of Planning,” The Look Out, June 8, 2001.
- Litman, Todd, Parking Management Best Practices. Institute for Transportation Engineers.
- Kolozsvari, Douglas and Shoup, Donald (2003), “Turning Small Change into Big Changes,” Access, 23, pp 2-7.
- Shoup, Donald (2005). The High Cost of Free Parking.

following yearly CPI adjustments and was \$146.53 per space per year in 2008, which is still far below the market cost to build a new parking space. This fee structure allows developers to avoid financing problems due to high up-front costs, but has created some revenue collection issues, particularly where properties change owners.

Pasadena's Parking Credit Program, however, is not a typical in-lieu fee program. As described by Former Pasadena Development Administrator, Marsha Rood, each parking credit is "an entitlement to apply parking spaces in a publicly available garage towards parking requirements for development." The city issues 1.5 parking credits per space in the public garages, and therefore credits are limited. When existing parking reserves are completely subscribed on a shared basis, the credits are no longer available.

The program therefore depends upon the availability of some public parking in the vicinity. According to Marsha Rood, "without the parking structures, revitalization of Old Pasadena would not have happened— period." For the Beverly Hills expansion areas, it is conceivable that the City could implement a similar program involving shared parking arrangements with private parking operators or owners of private lots. However, if no public or private garages are available (such as on Robertson Boulevard), this model may not be applicable until after nearby public or private parking facilities are developed.

Since its inception, the Parking Credit Program has been particularly important in allowing adaptive reuse of historic buildings that were built without parking, where minimum parking requirements would be triggered by a change in use. Since few of the buildings in this historic part of the city have off-street parking, this removed a major barrier to adaptive reuse. In 2002, the criteria were tightened, with eligibility limited to designated historic buildings, and buildings that would require additional parking following rehabilitation or a change in use.

As a result of these policies, Old Pasadena has been revived. Stefanos Polyzoides, a local architect and urban designer and co-founder of the Congress for the New Urbanism, attributes much of the success of Old Pasadena to the "rules that allowed development to go forward with less than the traditional parking requirements. This has encouraged pedestrian activity in Old Pasadena, giving it a dynamic pedestrian environment."

Evidence of this revival is seen in sales tax revenue, which increased more than tenfold over 10 years, to more than \$2 million per year in 1999. By contrast, sales tax revenue at the adjacent shopping mall, Plaza Pasadena, which provided free parking, stagnated. The mall was "turned inside out" and converted to mixed uses in 2001. Its blank walls were changed to storefronts that resemble those in Old Pasadena, while hundreds of apartments were added on top.

Revenue generated by parking credits has also helped to maintain and operate Old Pasadena's four public parking facilities. Although the parking credit revenues provide only 5% of the funding needed to operate the garages, they do provide the link between the waiver in minimum parking requirements and the availability of public parking for a variety of uses. The City's public parking structures provide almost 1,600 parking spaces, with 90 minutes of free parking followed by \$2 per hour up to a maximum of \$6 per day. This provides spaces for visitors who are unwilling to pay the \$1 per hour charge for metered spaces.

Since the early 2000s, additional public parking spaces have been added to the general credit pool (approximately 102 spaces/153 credits at the One Colorado development), and dependent on demand for credits, more public spaces may be added in the future. As of 2009, 67 credits were available to eligible applicants.

Parking scholar Donald Shoup calculates that the Parking Credit program reduced the cost to the developer of parking provision for adaptive reuse projects to just 2.5% of the cost of on-site provision. This strategy represents an innovative way to mitigate limiting parking minimum requirements.

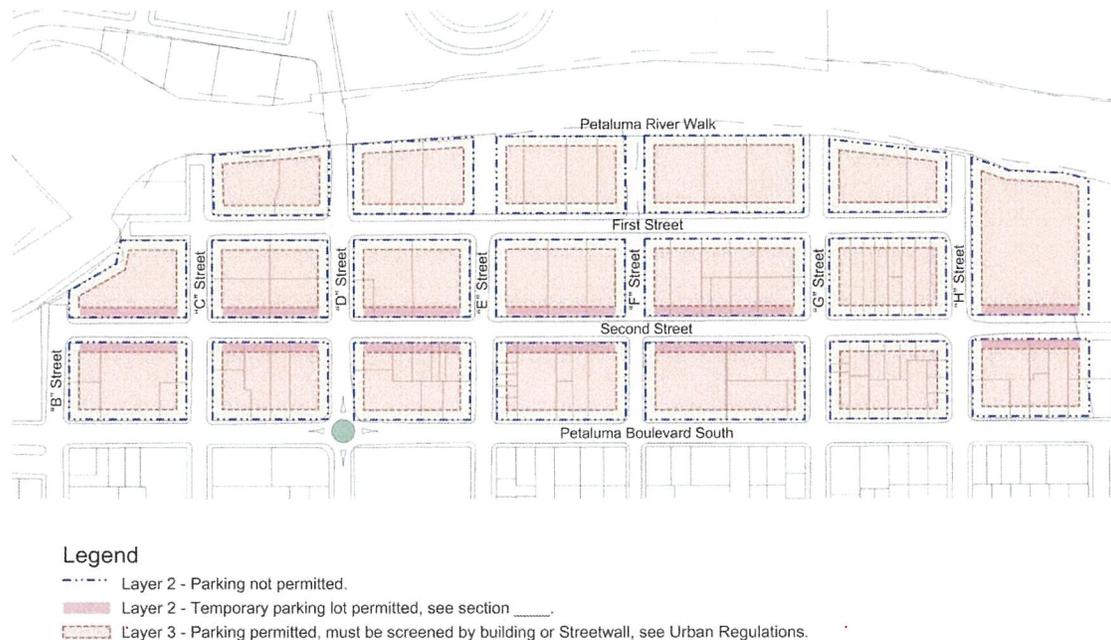
Petaluma's In-Lieu Fee and Sunset of Minimum Parking

In June 2003, Petaluma, California, adopted a development code for approximately 400 acres of the central city. Revitalization of the area, a mixture of partly vacant historic buildings, tired strip malls, abandoned car dealerships, riverfront warehouses, and greenfield parcels, had been difficult. The existing code was largely designed to produce single-use, auto-oriented, conventional suburban development.

The newly adopted code was the first example in the nation of implementing a New Urbanist SmartCode. Originally developed by Duany Plater-Zyberk & Company, an architecture and planning firm based in Miami, Florida, the SmartCode aimed to create walkable neighborhoods using a form-based code, and zoning categories that were linked to their urban or rural character or "rural-urban transect". All zones allowed for mixed development, and emphasized human-scale, pedestrian facilities and streetscape design.

As part of Petaluma's Central Petaluma Specific Plan, the SmartCode was designed to provide "...a system for ensuring that the design of the public realm and the design of private buildings are rigorously coordinated, and are focused on the pedestrian experience. It defines what is essentially a "kit of parts", with instructions, for building an urban district..." Like many zoning codes, the SmartCode included guidance on location of parking, size of parking spaces, specifications on access to parking, and requirements for lighting and surfacing for parking lots.

Figure 55: Form-based parking restrictions from the Petaluma SmartCode



In addition, the Petaluma SmartCode outlined two policies to improve parking in central Petaluma. These policies were designed to accomplish the goal of maximizing opportunities for

shared parking by encouraging structured parking facilities (Policy 4.1) and establishing procedures such as in-lieu fees for financing structured parking facilities (Policy 4.2).

Although the Code identified baseline parking minimum requirements, it introduced a phase-out of the requirements (§ 6.10.030). It also permitted waivers or reductions in minimum parking space requirements under the following circumstances:

- Alternative parking arrangements including payment of a parking in-lieu fee of \$20,000 per parking space (with annual fee adjustments), waiving the right to protest the formation of a parking district, or providing some other fair share contribution;
- Shared on-site parking where two or more uses on the same site have distinct and different peak parking usage periods;
- Quantitative information (such as sales receipts or land use standards from other cities) provided by the applicant that documents the need for fewer spaces;
- Off-hour use if it is determined that the site operates exclusively after the evening peak demand period when sufficient on-street parking will be available; and
- Reductions in water pollution and stormwater run-off for sites that are surfaced with permeable paving (eligible for a fraction of a 20% reduction in minimum parking requirement).

Perhaps the most striking element of Petaluma's SmartCode parking requirement was its inclusion of a sunset clause—a specific date on which the required parking minimums expired (§ 6.10.070). According to this clause, central Petaluma has not had any minimum parking requirements for any land use since January 1, 2008.⁵³ Development teams may include as much or as little parking as they wish, so long as they comply with building-form requirements. The amount of parking provided is therefore no longer dictated by the government, but guided by what development teams think that lenders, buyers, tenants, and the community will accept. This reduction, and eventual abolition, of minimum parking requirements has proven to be a key element of Downtown Petaluma's success.

The specific geometry of Downtown Petaluma is more akin to a downtown district such as the Business Triangle than a linear corridor such as that of the potential expansion areas. Form-based code requirements are highly suitable for linear corridors, however, because community members from adjacent residential areas have a more accurate sense of potential development in the area. If coupled with a shift away from use-based requirements (such as parking requirements that are linked to specific land uses), this approach is likely to be more attractive to developers since there is less of an administrative burden on new development so long as the form-based requirements are met.

⁵³ Study references: SmartCode Central. <http://www.smartcodecentral.org/>

City of Petaluma (2003). Central Petaluma Specific Plan, adopted June 2, 2003.

PARKING IMPACT FEE

An impact fee differs from an in-lieu because an in-lieu fee is optional, whereas an impact fee is not. Many communities throughout California are increasingly relying on transportation-specific impact fees to ensure that the costs of transportation infrastructure and services necessary to support new development are not borne disproportionately by existing residents, businesses, or property-owners. Instead, the developer pays a fee and passes along the costs to future owners and tenants of the development.

The power to exact impact fees for development arises from the City's police power to protect public health, safety, and welfare. Various types of impact fees are used to fund a variety of public facilities and services including roads, pedestrian facilities, transit service expansions, parking facilities, parks, schools, public art, and libraries. However, there must be a nexus between the impact for which the fee is charged and the type of project on which the fee is spent. This nexus is determined by a nexus study that is conducted in relation to the fee.

A Parking Impact Fee allows a city to collect revenue from new developments that are driving the demand for additional parking and its associated impacts. The cost of required parking is normally embedded in the cost of development, but impact fees expose the true cost of parking spaces and allow cities to express the parking requirements in terms comparable to municipal impact fees.⁵⁴

Why implement it?

Development impact fees are a widely used, well-accepted practice in California. They offer an efficient way to pay for new infrastructure, help sustain job growth in local economies, and contribute to economic prosperity. Above all, impact fees are one of the most efficient and effective ways to create a link between new development and the impacts it will have on the community.

Parking impact fees offer cities a revenue stream that can be used to fund a variety of transportation improvements which can help to mitigate or offset parking impacts. By law, these fees cannot simply go to a city's general fund, but must be specifically allocated to transportation and parking projects. California cities have used revenue from parking impact fees to finance:

- Additional public parking supplies
- Parking management and shared parking programs to increase the efficiency of how existing parking supplies are used
- Enhanced transit services, bicycle facilities and pedestrian infrastructure to encourage a shift from driving to other modes
- Transportation demand management (TDM) programs that reduce trips and parking demand
- Commuter subsidies and shuttles that reduce

Impact fees are one of the most efficient and effective ways to create a link between new development and the impacts it will have on a community.

⁵⁴ Shoup, Donald (1999) Instead of Free Parking. Access 5, Fall 1999

commuter trips and parking demand

How will it work?

Each parking space facilitates a certain number of vehicle trips with impacts on regional congestion and greenhouse gas emissions. A parking impact fee could be assessed based on a local nexus study quantifying these impacts. The provision of matching grants to cities that opt to pilot such a per-space municipal parking impact fee could lay the ground work for eventual implementation of a region-wide parking fee—a concept that could provide benefits along jurisdictional borders such as Robertson Boulevard.

The California Mitigation Fee Act⁵⁵ requires cities to make certain findings and conduct a nexus study in order to establish an impact fee. These findings must identify the purpose of the fee and the use to which the fee is to be put. It must also determine how there is a reasonable relationship (nexus) between the fee's use and the type of development project on which the fee is imposed.

The required nexus study is typically the venue by which the exact fee amount is determined. The methodology for determining the impact fee can vary from city to city, but generally involves a growth projection based on various land use scenarios, a synthesis of costs for potential capital projects and transportation programs to be funded by the fee, a traffic analysis to determine peak-hour vehicle trips, trip generation rates and impacts, and a final determination of fees by land use.

In terms of parking impact fees, the fee level could potentially be determined by the parking demand (spaces per 1,000 square feet) and a proportion of the cost to provide parking spaces. The parking impact fee would be charged on the basis of the square footage of a particular land use, and not the number of parking spaces. Funds generated by the fee would then be placed into a mobility fund to be used to finance the planning, design, construction, and implementation of needed parking- and transportation-related facilities, improvements, and programs.

What are the challenges?

Impact fees are exactions that require a finding of a nexus between the type of exaction and the projects toward which funds are allocated. This requirement adds legal, planning, and administrative costs to the process of implementing impact fees. In particular, the City would need to undertake a nexus study to ensure that there is a reasonable relationship between the Parking Impact Fee and the projects for which the fee is used.

Since passage of Proposition 218 in 1996, many fees now equate with taxes, which means that they also require a vote of property owners. This requirement adds further cost, time and difficulty to the process of establishing impact fees in California cities.

Impact fees in selected California cities

Until a nexus study is conducted, it is difficult to determine the level of a potential impact fee. As seen in Figure 56, impact fees in Californian cities vary dramatically. Many impact fees are for uses other than parking or trip reduction. Impacts fees on new housing are often used for road capacity expansion, schools, and parks that serve new populations associated with development.

⁵⁵ Government Code Section 66000 *et seq.*

Figure 56: New development impact fees among selected California cities, 2009 (n=42)⁵⁶

Land Use	Average	Median	Min	Max
Retail (per sf)	\$10.35	\$8.80	\$0.39	\$46.68
Office (per sf)	\$6.48	\$4.54	\$0.15	\$22.19
Industrial (per sf)	\$3.59	\$2.76	\$0.10	\$12.61
Single-family (per unit)	\$6,197	\$4,612	\$105	\$26,014
Multi-family (per unit)	\$4,059	\$2,934	\$63	\$16,934

Palo Alto’s Transportation Impact Fee

Palo Alto faces the dilemma of many great places: it is interesting to many different people and businesses, and therefore attracts more cars than it can handle. Recognizing this concern without wanting to diminish the attractiveness of the city, Palo Alto adopted a General Plan that emphasizes the importance of non-automobile modes and minimizes increases in vehicle trips throughout the city. To support these goals, the city replaced its previous traffic impact fee (which applied in a small part of the city and only allowed for intersection widening and roadway capacity expansion), with a citywide Transportation Impact Fee. Nelson/Nygaard drafted the new fee and undertook the associated nexus study on behalf of the City.

The new Transportation Impact Fee focuses on reducing motor vehicle trips associated with new development, and generates funds for bicycle, shuttle, transportation demand management (TDM), and computerized traffic management programs. The fee structure also provides financial incentives for developments to minimize their trip generation by locating close to transit, providing a mix of land uses, or implementing TDM programs.

In conjunction with the Transportation Impact Fee, the city instituted new, lower minimum parking requirements that were based on on-street and off-street parking demand as calculated within the fee’s nexus study. The City’s parking requirements apply a single “blended” parking rate to all non-residential uses. This approach confers a significant economic advantage on businesses and developers (as well as city administrators), because uses can change without parking requirements becoming an obstacle. The blended rate approach therefore allows



⁵⁶ The primary source of this information is the *2009 National Impact Fee Survey* by Duncan Associates http://www.impactfees.com/publications%20pdf/2009_survey.pdf

Palo Alto's mixed-use areas to compete with conventional shopping centers, which are able to change their tenant mix quite freely, without triggering requirements to build additional parking. In this way, the strategy has helped downtown Palo Alto to thrive, while many other historic districts struggle with storefronts that remain vacant, primarily because parking requirements cannot be met.

By combining lower minimum parking rates with the Transportation Impact Fee, Palo Alto has been able to simultaneously enhance business vitality, preserve historic assets, and increase walkability and multimodal mobility.

Photo credit: Camillo Miller, 2012

PARKING IMPROVEMENT DISTRICTS

Parking improvement districts (PIDs) are defined geographic areas, typically in downtowns or along commercial corridors, in which any revenue generated from on-street and off-street parking facilities within the district is returned to the district to finance neighborhood improvements.

Why implement it?

Paying for parking can be unpopular for a number of reasons. One of the primary reasons is that when motorists feed the meter, their money seems to disappear and they feel they derive little benefit from the transaction. This is largely because most cities have traditionally sent their parking revenue into the general fund, and not necessarily to improving parking or enhancing the transportation system. In recent years, some cities have sought to reverse this dynamic by implementing Parking Improvement Districts (PIDs).

The primary goal of a PID is to effectively manage an area's parking supply and demand so that parking is, above all, convenient and easy for motorists. PIDs typically employ a number of parking management techniques to manage parking supply and demand, including demand-based pricing and removal of time limits. However, experience has shown that in order to secure community and business support for new pricing of parking, the revenue needs to be reinvested back into the community. Drivers will always prefer not to pay for parking, but a PID can create a new local constituency for parking pricing.

PIDs require *local* parking revenue to stay *local*, while financing neighborhood improvements. They allow local merchants and property owners to clearly see that the monies collected are being spent for the benefit of their district, on projects that they have chosen. In turn, they become willing to support, and often advocate on behalf of, demand-based pricing.

How will it work?

A successful PID would typically incorporate a number of key elements. Firstly, the city would need to adopt an ordinance to create a PID, and stipulate that all parking revenue generated within the area be used to fund designated neighborhood improvements. The city would also



In order to secure community and business support for new pricing of parking, the revenue needs to be reinvested back into the community.

designate a governing body to develop and oversee the PID program. This governing body could take several forms. It could be an existing community organization such as a business improvement district (BID); or a newly created private advisory board, comprised of property owners or businesses. Alternatively, the body might be an appointed or volunteer advisory board representing residents, property owners, businesses, and city staff; or a non-profit community development corporation.

The governing body would then develop an approved program of revenue expenditures, subject to Council approval. Once the program is adopted, parking meters and pricing structures should then be implemented to facilitate demand-based pricing—whereby parking is priced to maintain desired occupancy levels (of say 85%). The governing body should also develop a coordinated public relations plan, which uses wayfinding, signage, and public outreach to explain the role of demand-based pricing and to articulate how parking revenue is being utilized to benefit the District and the city. Periodically, PID management systems, policies and expenditures should be evaluated.

Potential expenditures to be included in the PID program might include a range of parking and street related items:

- Purchase and installation costs of meters through revenue bonds or a “build operate-transfer” financing agreement with a vendor
- Transit, pedestrian, and bicycle infrastructure and amenities
- Shuttle services to remote park-and-ride facilities during peak periods
- Valet parking services during peak periods
- Leasing of private spaces for public use
- Additional parking enforcement
- Construction of new parking, if deemed necessary
- Streetscape improvements and landscaping
- Street cleaning, power-washing of sidewalks, and graffiti removal;
- Marketing and promotion of PID and local businesses
- “Mobility Ambassadors” to provide visitor assistance and additional security
- Management activities for the oversight entity

Austin Parking Benefit District

In 2007, the City of Austin, Texas initiated a pilot program to extend metered parking coverage along a commercial strip near the University of Texas in an effort to capture spillover where drivers were congesting adjacent streets to avoid existing parking meters. As the area has grown considerably in recent years due to proximity to the university, the City rolled out a full PID program (entitled the Austin Parking Benefit District) in 2012 to encourage both the turnover of spaces and to fund local improvements. The PID allows residents and business owners to distinguish boundaries extending out from the metered areas with the approval of the City where revenue generated from the meters can be applied to street and sidewalk enhancements. The program covers all of the City’s expenses (meter/pay station installation, credit card processing, back office support, and state sales tax) while still returning 51% of revenues to the district.

Expenditure of funds is community-driven; neighborhood associations develop prioritized project lists which are then submitted to the City for implementation. Since its inception, the program has been successful in effectively managing parking demand while funding street improvements which create a better environment for walking and cycling in the neighborhoods in which revenues are generated.^{57 58}

Parking Assessment Zoning

A parking assessment zone or parking assessment district is a defined area in which property owners are assessed in order to generate a new revenue stream, which is then leveraged for funding parking improvements.

Why implement it?

Assessment districts provide an independent source of revenue for funding public infrastructure, operations, and maintenance. Using an assessment district, the City is able to levy a special assessment against all properties within the assessment zone in order to implement a range of parking and trip reduction strategies. Unlike property taxes, which are based on the value of the property, the special parking assessment would be based on level of benefit that each property would receive as a result of implementing the associated projects. In this way, assessment

districts can be seen as a fair way of funding improvements in public infrastructure, as well as operations and maintenance.

Assessment districts provide an independent source of revenue for funding public infrastructure, operations and maintenance.

Since cities have become less able to rely on local tax revenues,⁵⁹ many cities have implemented assessment districts to help fund local infrastructure and services. Assessment districts are typically used to fund specific infrastructure such as streetlights, landscaping, and curbing and guttering. They have also been used for construction, operation, and maintenance of facilities such as libraries, fire protection services, roads, parks, and water and sewer systems.

How will it work?

Assessment districts became very popular in the 1980s and 90s, when many assessment districts were created without the need for a vote of affected property owners. In these cases, the district was formed by the city after receiving a petition from property owners in favor of providing the associated public improvement. Today, establishment of an assessment district requires a preliminary support petition, followed by a vote of affected property owners, and a public hearing.

Once an assessment district is established, it operates by levying an assessment on each property in accordance with the benefit that the property will receive from the associated project(s). Property owners have the opportunity to pay this assessment in cash prior to the period of bond

⁵⁷ "Study on Parking Benefit Districts and Opportunities for New Orleans." *Urban Land Institute*. 2012.

⁵⁸ City of Austin. <https://austintexas.gov/departments/parking-benefit-district>.

⁵⁹ Fulton and Shigley (2005) attribute this to the effects of Proposition 13 in 1978, which limited increases in property tax rates, as well as shifts in the funding of school districts in the early 1990s.

issuance. Otherwise, an assessment lien is recorded against each affected property, and the property owners pay through annual installments that are included on their county property tax bill. The payment period is usually in the range of 15 to 20 years. During this time, revenue that is generated is returned to the area to finance the agreed improvements.

What are the challenges?

Since the passage of Proposition 218 in 1996, the process of establishing an assessment district has become more difficult and requires a vote of affected property owners. Proposition 218 states that all local taxes are invalid unless they are approved by a two-thirds majority of local voters or a simple majority of property owners within the affected area.⁶⁰ It also provides the opportunity to protest assessment districts through a process that is similar to an election. These requirements add cost and effort to the process of establishing an assessment district.

Old Pasadena Management District

Old Pasadena Management District provides an example of how various tools can be combined within a single parking area. In this case, the City used a combination of a parking credit program (1987), existing public parking supplies, district improvements funded by parking meter revenues (1993), and a management district funded by property assessments (2000).

By the early 1990s, the City of Pasadena's efforts to revive Old Pasadena were hindered by a lack of convenient and available parking spots for customers. At that time, Old Pasadena had no parking meters, and proposals to install them were opposed by local merchants, who feared charges would drive customers away.

In 1993, the Old Pasadena Parking Meter Zone was created and meters were installed. Borrowing against future parking meter revenues, the City funded substantial streetscape, parking, maintenance, beautification, and safety projects. These investments helped to reverse the decline in the district, and an increase in sales tax revenue has created a cycle of revival and reinvestment, making Old Pasadena a popular destination. By 2001, net parking meter revenue (after collection costs) amounted to \$1.2 million, all of which is used for public services in that part of the city.



Photo credit: Mike Linksvayer, 2007

To further this work, the Old Pasadena Management District (OPMD) was formed in 2000. This non-profit management entity obtains most of its funds from annual tax assessments on privately

⁶⁰ Grisson, Lee, Antero Rivasplata and Tom Pace. A Planner's Guide to Financing Public Improvements. Governor's Office of Planning and Research, Sacramento, California, June 1997.

owned commercial property. OPMD also contracts with the City of Pasadena to manage the Old Pasadena Business Improvement District (BID)—a broad-based organization that includes merchants, tenants, property owners, residents, and city management.⁶¹ The Old Pasadena Management District uses a hybrid model that combines tax assessments with a portion of the parking meter revenues and other funding sources. OPMD revenues are spent on area-wide security, marketing, and maintenance programs to provide a clean, safe vibrant downtown experience.

PARKING USER FEES AND DYNAMIC PRICING

Parking is not an end in itself, but rather a means to achieve and support broader community goals and priorities. People do not park their vehicle simply to “park,” but rather to accomplish a task, such as shopping or having dinner, or arriving at their final destination such as work or home. A city’s parking supply is also a public good that needs to be actively managed so that it can meet parking demand during different seasons, different days of the week, or even at different times throughout the day.

The best way to balance parking supply and demand is to treat parking like any other scarce commodity... There will always be a scarcity of a commodity if it is given away for free.

The best way to balance parking supply and demand is to treat parking like any other scarce commodity, and require motorists to directly pay for use of a space. There will always be a scarcity of a commodity if it is given away for free. By setting a price for parking, a city can establish the “market value” for each parking space and adjust those prices depending on the level of demand. Just as hotel room rates increase or decrease based on availability, dynamic parking pricing seeks to increase prices when and where demand is highest and reduce prices when and where demand is low.

Dynamic pricing does not generate parking turnover through rigid time limits (like 3-hour parking), but uses progressive pricing structures that take into account how long one has been parked. In other words, the goal is not to punish someone for wanting to stay longer, but allow them to stay as long as they are willing to pay for the space being used.

New advances in parking meter technology, such as wireless “smart” meters, make demand-based pricing a feasible option and can dramatically increase motorist convenience.

Why implement it?

The primary goal of user fees and dynamic pricing is to make it as easy as possible to find a parking space. By setting specific availability targets and adjusting pricing, demand can be effectively managed so that when a motorist chooses to park, they can do so without circling the block or searching aimlessly. User fees and dynamic pricing can result in the following benefits:

- Consistent availability and ease in finding a parking space

⁶¹ Old Pasadena Management District. Annual Report 2012.

- Longer time limits, which eliminate the need to move a vehicle to avoid time restrictions
- Convenient payment methods (credit cards, pay-by-phone) that eliminate the need to “plug the meter” and make it easier to avoid parking tickets
- Reduced search time for parking, resulting in less local congestion and vehicle emissions
- Reduced illegal parking and improved safety and street operations
- More equitable and efficient accounting for the real costs of providing parking
- Reduced need to construct costly new parking supplies

How will it work?

An ideal occupancy rate for on-street, curb spaces is approximately 85% at even the busiest hour, a rate which leaves about one out of every seven spaces available, or approximately one empty space on each block face. For off-street facilities where motorists turn over less frequently, target rates should be even higher, at approximately 95%, to ensure that supply is optimally utilized. These rates provide enough vacancies that visitors can easily find a spot near their destination when they first arrive. For a given block or off-street facility, the “right price” is the price that will achieve this goal. This means that pricing should not be uniform: the most desirable spaces need higher prices, while less convenient lots are cheap or may even be free. Prices could also vary by season, day of week, or time of day.

In order to implement user fees and dynamic pricing the City would need to carry out a number of actions:

- Remove all on-street and meter parking time limits.
- Eliminate all free, 1-hour free and 2-hour free parking that undermine a competitive parking market.
- Eliminate quantity discounts such as early bird parking and monthly employee rates.
- Determine the program’s hours of operation. Hours of operation for metered parking are often set from 10 a.m. – 8 p.m., seven days per week with extended hours on Thursday, Friday, and Saturday for nighttime destinations. Structured parking hours may be based initially on the existing operating hours.
- Determine the pricing structure during operation, and use pricing to generate turnover. Pricing could start at \$0.50 an hour and be adjusted periodically (e.g. quarterly) to meet a target occupancy rate of 85%. These rates would be communicated via online parking tools or apps, as well as by the individual parking meters themselves.
- Monitor on- and off-street supply with regular occupancy counts.
- Grant city staff discretion to adjust hours or pricing in response to seasonal or weekend demand. Meter pricing would continue to be adjusted until it reaches target availability rates of one open space per block.
- Allow businesses to petition for future changes.

Dynamic Pricing in Redwood City

Redwood City is one of the foremost examples of a city that has implemented demand-based pricing to manage on-street demand and maintain availability across the on-street parking inventory.

The City created an ordinance that grants its parking management director authority to adjust meter rates based on documented utilization patterns and an explicit availability target of 15%. The City's smart parking program then varies the price of parking in order to better distribute parked cars throughout the downtown—charging more for parking on Main Street than they do for off-street supplies, and providing free parking on the edge of the downtown. This pricing structure increases the efficiency of parking use, reduces cruising congestion and delays to motorists, and provides new foot traffic to businesses in the city.

The City has three types of paid parking. Firstly, the City continues to operate a number of coin-operated parking meters that operate from 10 a.m. – 6 p.m. Monday through Friday at a fixed rate. Over time, the City has upgraded to solar-operated pay-by-space smart meters for numbered on-street spaces. Installation of smart meters has occurred in conjunction with streetscape improvements that make the downtown more attractive and walkable. The smart meters accept coins, bills, credit cards, and phone payments, and will even call motorists to check if they need more time when the meter is about to expire. Finally, the City's parking inventory includes public and private pay-on-exit garages.

This multi-layered approach allows the City to manage parking demands that vary dramatically over time. The system also integrates both public and private parking into a single system with consistent signage, wayfinding, real-time information, and easy payment options.

Using revenue generated from parking meters under this pricing strategy, the City of Redwood City has built a new public parking facility and financed other district improvements.



Photo credit: Nelson\Nygaard

PUBLIC-PRIVATE PARTNERSHIPS AND PARKING LEASES

Shared parking is one of the most effective public-private partnerships in parking management. Under public-private shared parking arrangements, parking spaces are not treated as individual units specific to particular businesses or uses, but are considered as a potential asset within a common pool of shared, publicly available spaces. These spaces may be leased to the City by private operators, or may be operated in a joint manner. These types of public-private partnerships and parking leases are particularly useful in places like Beverly Hills where there is a

high demand for parking and large private parking supplies that are underutilized for much of the day and the year (as discussed in Chapter 2).

Why implement it?

Building new parking in built-up environments such as Beverly Hills is extraordinarily expensive. It is always better and less expensive to first increase the efficiency of how existing parking supplies are used, than to simply build more spaces. This increase in efficiency can be obtained by creating public-private partnerships or lease arrangements that leverage existing private parking spaces for use as shared public parking supplies.

More efficient use of existing parking supplies yields economic benefits to the community, since property owners can make money from their underused parking supplies, and the city can benefit from businesses operating on land that would otherwise be given over to parking. Since different land uses (such as banks and restaurants) have different hours, days and seasons of parking demand, they can easily share a common parking facility, thereby reducing the need to provide additional parking. This is a key benefit of a mixed use district, and one that should be reflected in parking policies.

In Beverly Hills, public-private parking partnerships and parking leases also complement the City's policy of Park-Once-and-Walk, which allows motorists to park just once and complete multiple daily tasks on foot before returning to their vehicle. This policy reduces vehicle trips and impacts, as well as reducing parking demand because spaces are efficiently shared between different uses.

Public-private parking partnerships and parking leases also result in streetscape improvements associated with a smaller total parking footprint in the city. No great city is known for its abundant parking spaces, though many cities that are dominated by parking have become unattractive to residents, pedestrians and shoppers alike. Fewer, more strategically placed lots and structures allow for better urban design and more contiguous shop frontages. They also allow for a more active public life on the streets because motorists are transformed into pedestrians, who walk instead of drive to different destinations and therefore generate additional patrons of street-friendly retail businesses.

How will it work?

In Beverly Hills, there are a number of specific policies that will help to facilitate public-private parking partnerships or parking leases. These are listed below.

- Eliminate 1-hour free and 2-hour free parking policies that undermine the viability of private parking operators and encourage serial reparking.
- Improve wayfinding and real-time parking information to maximize use of the existing public and private parking supplies.
- Allow parking to be shared among different uses within a single mixed-use building by right.

It is always better and less expensive to first increase the efficiency of how existing parking supplies are used, than to simply build more spaces.

- Require as a condition of approval that all newly constructed private parking in any development or adaptive reuse project be made available to the public.
- Work with property owners and businesses to ensure that private parking is made available to the public when not needed for its primary commercial use.
- Work with property owners and businesses to develop mutually-agreeable operating and liability arrangements for public use of private parking facilities.
- Purchase or lease existing private parking lots or structures from willing sellers and add this parking to the shared public supply before building expensive new garages.
- Reduce minimum parking requirements to reflect the efficiencies that are gained as a result of public-private parking partnerships.

San Diego's Centre City Development Corporation⁶²

The Centre City Development Corporation (CCDC) is a public, non-profit corporation created by the City of San Diego to implement Downtown redevelopment projects and programs. Formed in 1975, CCDC serves as the City's catalyst for public-private partnerships and redevelopment projects. In terms of parking, the organization aims to achieve affordable, convenient, short- and long-term parking using multiple strategies, better utilization of existing parking supplies, and alternative forms of transportation.

Significant revenue from on-street parking meters funded and bonded CCDC's first public parking structure—Park It on Market. Much of the revenue from this first garage was used to fund a second parking structure—6th and K Parkade. While these facilities have generated significant revenue, their rates nonetheless represent the least expensive parking in downtown.



Photo credit: San Diego Unified School District

One of CCDC's goals for expanding the parking supply was to make use of the area's significant amount of private parking spaces (typically accessory to office uses) for public parking during evenings and weekends. Its first venture was to make parking facilities serving an office building and elementary school in the Little Italy neighborhood available to the public from Friday night through Sunday afternoon.

A shared-use agreement was formulated between the City, the Little Italy Association, and the two parking owners, outlining the following arrangements:

- The City paid the building owner to stay open;

⁶² "Downtown Parking Program Update – Final Report", Wilbur Smith Associates-- Consultants, 2009.

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- Parking was initially free to entice users to the formerly private parking facilities;
- Fees would be introduced when demand rose with the evening rate capped at \$5.00;
- Evening and weekend revenue would be distributed in a 40:60 split between the CCDC and operator respectively; and
- The program was managed through the Little Italy Association to simplify administration and ensure that local business was invested in program success.

The program has been successful in creating new supply. The school surface lot continues to be leased and now charges for parking. Parking income is collected by the School District on behalf of the school, and deposited into Washington Elementary School's account as discretionary income. School staff are pleased with the program and are not aware of any problems relating to safety or property damage.⁶³ Part of the rental fee also includes the cost of having a janitor on-site for security purposes whenever the facility is open.⁶⁴

Under this shared parking program, the school's south parking lot is open when school is not in session and is located adjacent to a small public park. This facility is highly visible, and well used by weekend and evening visitors to the area. The north parking lot is locked much of the time (when the school is not in session), and only rented when there are local events such as the San Diego ArtWalk, which annually attracts over 120,000 people to the district. This lot therefore helps to boost the area's parking capacity in times of greatest demand. As a result of these arrangements, the City has been relieved from the need to construct more facilities in order to accommodate demand for just a few days each week (or each year). This type of arrangement could be considered in relation to the Horace Mann School on Robertson Boulevard.

The less-visible office-related parking garage was not well utilized and was unable to compete with other local parking, which is free after 6 p.m. The City therefore suspended use of this garage, but considers the facility a potential resource or parking bank that is available to meet future demand. This strategy has therefore yielded considerable opportunity savings for the City in terms of undue development of public parking.

Santa Monica Using In-lieu Fees for Shared Parking

In 1986, Santa Monica's downtown area was identified as both a special assessment district and Developer Parking Fee (in-lieu fee) zone. The assessment district provided funding for the revitalization of the downtown, and the in-lieu fee was intended to fund existing municipal structures and future expansion of public parking garages in the pedestrian-oriented Park-Once-and-Walk area. A shared parking supply was already in place and functional when the assessment and fee districts were initiated.

The current in-lieu fee in Santa Monica is an annual fee of \$1.50 per square foot of building area for which parking is not provided. For example, if a 100,000 square foot project is developed but the developer only provides parking to satisfy the demand for 80,000 square feet of space, then the project is assessed an annual fee of \$30,000 (\$1.50 per square foot times the 20,000 square feet). This revenue is earmarked for constructing or replacing public parking in the Downtown

⁶³ Telephone communication with Trudy Gingery, School Secretary, Washington Elementary School, April 25, 2014

⁶⁴ Telephone communication with Debora Beaver, Real Estate Specialist, San Diego Unified School District (SDUSD), April 25, 2014.

Santa Monica, Inc. (DTSM) District. The ability to collect these annual fees is scheduled to expire in 2016, along with the Bayside Mall Assessment District.

In 2013, the City approved a new in-lieu fee of \$20,000 per space (for 2016), and evaluated the feasibility of allowing in-lieu fee revenues to be spent on other cost-effective programs that reduce demand for parking or more effectively utilize existing parking resources, such as the leasing of private parking spaces.



Developers have been very receptive to this in-lieu policy, as the fee is much lower than the cost of constructing, operating, and maintaining private parking, covering about 10% of structured parking construction costs.⁶⁵ The efficiencies gained from the in-lieu and shared parking programs have therefore allowed the City to establish a parking supply target of 2.1 parking spaces per 1,000 square feet of commercial floor area, which is markedly lower than the City's standards for general office, retail, and small restaurants.⁶⁶ The downtown continues to thrive with this low level of supply, which attests to the benefits of a park-once shared parking management district model.

⁶⁵ Walker Parking Consultants, Downtown Parking Program Update – City of Santa Monica. July 2009.

⁶⁶ The general standards for the City of Santa Monica are 3.3 spaces per 1,000 square feet for general office, retail, and small restaurants. Fast food restaurants have higher standards of 13.33 spaces per 1,000 square feet.

8 ZONING STANDARDS ON ROBERTSON BOULEVARD

As discussed in Chapter 1, new investment along the Robertson Boulevard corridor has been slower than other commercial areas within Beverly Hills and elsewhere. Land uses along the corridor are predominantly single-story commercial uses, including older, low-end retail activities such as hair and nail salons, auto repair facilities, cafés, restaurants, and several vacant properties. This chapter will consider zoning standards on Robertson Boulevard in relation to their likely effect on new development. These standards will be compared with those of comparable corridors in other cities, in order to identify potential code-related levers for new investment and business regeneration along the corridor.



Photo credit: Nelson Nygaard

COMPARABLE CORRIDORS

In an effort to showcase the potential of the Robertson Boulevard Expansion Area, we have selected three comparable corridors in other cities in California (Los Angeles, Santa Monica, and Palo Alto) which have successfully achieved vibrant and aesthetically appealing retail environments that allow for “park once” activity through innovative zoning and parking policies.

Robertson Boulevard, Los Angeles

Just a few blocks to the north of the expansion area, Robertson Boulevard runs through an appealing stretch of the City of Los Angeles from Burton Way to the border of the City of West Hollywood, just a few parcels short of Beverly Boulevard. The three block area predominately features single-story upscale retail. The road has a turning lane and one travel lane in each direction (as opposed to two lanes in each direction in Beverly Hills), with two-hour meter parking (between 8 a.m. and 8 p.m. on Monday-Saturday and 11 a.m. and 8 p.m. on Sunday) on both sides. In addition to on-street parking, the City of Los Angeles operates Lot 703, a garage priced at \$1.20 per half hour and \$1.20 for each fifteen minutes after three hours (maximum \$12). In addition to utilizing ground floor space for retail, the garage has a casing façade which masks parking from street view. Additionally, many businesses offer off-street parking in the rear, similar to the segment of the street located in the Expansion Area.



Photo credit: Nelson Nygaard

Main Street, Santa Monica

The Main Street Special Commercial district of Santa Monica runs along Main Street from Bay Street in the north to Pier Avenue in the south. The corridor accommodates a variety of uses, providing appealing independently owned retail and dining options for residents and visitors alike. The road has a turning lane and one travel lane in each direction, with two-hour meter parking on both sides and municipally owned pay-by-space surface lots located behind businesses.



Photo credit: Flickr user Gary Kavanagh

University Avenue, Palo Alto

The University Avenue corridor in downtown Palo Alto extends from Tasso Street to High Street towards the campus of Stanford University. The corridor features two and three story mixed-use buildings with predominately higher-end retail activities and independently owned restaurants, cafés, and bars located on ground floors. The road has one travel lane in each direction with alternating free two-hour parking and free thirty-minute angled parking along the curbs.

The University Avenue corridor is zoned as a special Ground Floor Combining District which is purposed as an adaptation to the City's CD commercial downtown district, with an emphasis on encouraging ground floor uses which facilitate pedestrian activity. By selecting to eliminate a few on-street spaces on each block, the City plants street trees in parking lanes, and widens curbs at intersections, allowing more room for pedestrians and street furniture.⁶⁷ Additionally the City has recently installed six bike corrals in spots previously occupied by curb parking, for a total of sixty new on-street spaces for bikes.

⁶⁷ Donald Shoup. The High Cost of Free Parking. American Planning Association, 2011, pp. 540.



Photo credit: Nelson\Nygaard

Parking in the prime real estate district of downtown Palo Alto is underpriced and heavily subsidized. On-street parking meters, which had been used since 1947, were decommissioned in the 1970s due to fears of economic encroachment by the newly-built Stanford shopping mall.⁶⁸ All curb and surface lot parking within the district has remained free but time-limited since that time, though these policies are currently under review as part of a major parking study. Public garages are also underpriced, with annual permits costing \$420, and City employees able to park for free.

Unfortunately for Palo Alto, the underpricing of parking in the district has led to congestion and the incentivized use of single occupancy vehicles (SOVs) in the downtown area,⁶⁹ which already offers an abundance of transit options. The city is currently exploring the possibility of implementing dynamic pricing schemes for on-street parking, such as those employed by SFpark in San Francisco, and a number of TDM measures to alleviate these concerns.

BULK REGULATIONS

Height Limits and FAR

Under the Beverly Hills Zoning Code, most of the Robertson Boulevard Expansion Area is identified as C-3, a Low Density General Commercial Zone as described in the General Plan with a floor area ratio (FAR) of 2.0 and height limits of 45 feet.⁷⁰ The Municipal Code specifies that no

⁶⁸Goebel, Bryan. "Palo Alto, choked by famously free parking, may consider pricing the curb." *StreetsBlog SF*, July 30, 2012.

⁶⁹ City of Palo Alto. Palo Alto Climate Protection Plan, December 3, 2007, p 48.

⁷⁰ City of Beverly Hills, General Plan 2010, Map LU1 (April 29, 2008). Municipal Code §10-3-2726 Height Limits of Buildings in Commercial Zones.

alterations or additions to existing and future buildings exceed a height of 45 feet or three (3) stories, whichever is less.⁷¹

In addition to commercially zoned areas, the Robertson Blvd Expansion Area has a site zoned for Public School, which is the site of the Horace Mann School.

Height limits and allowable FAR for commercial districts in Beverly Hills are generally consistent with, or more lenient than, such regulations in the comparable cities. In terms of setback requirements, however, new development along Robertson Boulevard is required to provide a 10-foot setback from the property line (presumably at the front) in addition to a 6-foot rear setback adjacent to residential uses.⁷² Given the relatively shallow depth of parcels (about 100-feet between the front property line and rear alley), this requirement limits the potential development footprint and therefore reduces the viability of new construction along the corridor. A more detailed development pro forma analysis is underway to assess the impact of these types of conditions on the feasibility of new development in the potential expansion areas.

Relative to comparable corridors, however, this minimum setback would tend to create a financial disadvantage for those who wish to undertake new construction along Robertson Boulevard. Coupled with the high land values in Beverly Hills, the geometric constraints produced by the setback and parking requirements (discussed below) reduce the potential profitability of new development projects.

⁷¹ City of Beverly Hills Municipal Code §10-3-2726 Height Limits of Buildings in Commercial Zones.

⁷² City of Beverly Hills Municipal Code §10-3-2755 Robertson Boulevard and Third Street Setbacks.

Figure 57: Bulk Requirements in Beverly Hills and Comparable Cities

Requirement	Robertson Blvd, Beverly Hills	Robertson Blvd, Los Angeles	Main Street, Santa Monica	Downtown Palo Alto
Building Height Limit	45' or 3 stories (C-3)	45' (C2)	27' or 2 stories (CM-2, CM-3, CM-4) 35' or 3 stories (preferred permitted projects) ⁷³	50' (CDC(GF)(P))
Maximum Floor Area Ratio (FAR)	2 (C-3)	1.5 (C2-1VL)	0.8 (CM-2) 1.0 (CM-2 w 30% housing) 1.5 (CM-2 preferred, CM-3, CM-4) 2.0 (CM-3 or CM-4 preferred)	1.0 (CDC(GF)(P)) 2.0 (hotels)
Minimum Setback	0' front (C-3) 6' rear (C-3) 10' (Robertson)	0' (C2)	0' front 25' (if frontage is on Second Street and abuts residential) 0' rear (CM-2 on west side) 5' rear (CM-2 on east side) 15' rear (3 story portions)	0' (CDC) 10' (abutting or opposite residential)
Size	No requirement	Minimum lot: 50' width 5,000 ft ² lot	Maximum lot: 6,000 ft ² lot	Maximum size (ft ²): 2,500 (personal services) 15,000 (retail) 20,000 (grocery) 5,000 (dining/drinking)

Sources: City of Beverly Hills Municipal Code §10-3-2726, §10-3-2755, City Of Los Angeles Housing Element 2006-2014, City of Palo Alto Municipal Code §18.16.060, City of Santa Monica Municipal Code §9.04.08.28.060.

Off-Street Parking Requirements

As discussed in Chapter 3, the City imposes minimum off-street parking requirements that are generally one space per 350 square feet of development, which is equivalent to 2.9 spaces per 1,000 square feet of development. Higher minimum parking requirements are imposed for specific land uses that are likely to generate trips—along with higher rates of foot traffic and business vitality. These uses include eating and bar facilities larger than 1,000 square feet, which are required to provide 23 spaces per 1,000 square feet for the first 9,000 square feet, and 16 spaces per 1,000 square feet beyond that. Also, exercise clubs have a minimum parking

⁷³ Preferred permitted projects include: 100% affordable housing; historic preservation; child day care centers; congregate housing; domestic violence shelters; homeless shelters with less than 55 beds; mixed use commercial-residential projects where at least 90% of floor area at the second floor and above is dedicated toward residential uses, 25% of the residential units are 3-bedroom or larger, 66% of remaining residential units are 2 bedrooms or larger, and the project is registered with the USGBC to receive a LEED rating of silver or higher level; places of worship; senior group housing; senior housing; and transitional housing (City of Santa Monica Zoning Code 9.04.08.28.060 CM Main Street Commercial District Property Development Standards).

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requirement of 10 spaces per 1,000 square feet. Parking requirements may not be met through tandem or compact parking.⁷⁴

Figure 58: Parking Requirements in Beverly Hills and Comparable Cities (spaces/1,000 square feet)

Land Use	Robertson Blvd, Beverly Hills	University Ave, Palo Alto	Main Street, Santa Monica	Robertson Blvd, Los Angeles
Office	2.9	4	3.3	2
Retail	2.9		3.3	4
Restaurant	2.9 (<1000sf) 23 (1000–9000sf) 16 (spaces beyond 9000sf)		3.3 (support area) 13.3 (service and seating areas open to customers) 20 (separate bar area)	10
Hotel	1 space/rentable room		Prohibited Land Use	1 space/unit 0.5 space/unit (after first 30 guest rooms) 0.33 space/unit (rooms beyond 60)
Theaters	1 space/4 seats		1 space/4 seats or 12.5 per 1000sf of assembly area, whichever is greater	n/a
Medical office / lab	5	4 (land use permitted only above ground floor)	4 (≥1000sf of total FA of building) 3.3 (<1000sf of total FA of building)	5
School	1 space/classroom	n/a	n/a	1 space/classroom
Private Training Center =< 2,000 sf	5	4 *Requires CUP	12.5 (per 1000sf of assembly area) or 1 space/ each 4 fixed seats, whichever is greater *Requires CUP	20 or 1 space/ each 5 fixed seats
Exercise club	10	n/a	12.5 (per 1000sf of exercise space) 3.3 (per 1000sf of locker room, sauna, or shower area) *Requires CUP	10
Manufacturing	2	Restricted land use	2.5	2
Warehouse	0.67	Restricted land use	1	2

⁷⁴ City of Beverly Hills, Minimum Parking Standards Rev 0308.

Sources: City of Beverly Hills Municipal Code §10-3-2730; City of Los Angeles Zoning Code §12.21A.4, City of Santa Monica Municipal Code §9.04.10.08.040, City of Palo Alto Municipal Code §18.52 and §18.18.050.

As shown in Figure 36, minimum parking requirements for retail, restaurant, and office uses in Beverly Hills are similar to that of other cities with comparable corridors. Key differences are outlined below.

Restaurant Rates for Robertson Boulevard (LA) and Main Street (Santa Monica)

Restaurant uses are an important tool for encouraging more street-level pedestrian activity and complementing retail uses within a corridor.

Robertson Boulevard in Los Angeles has lower parking requirements for key land uses such as restaurants with dining and bar area larger than 1,000 square feet in size. The minimum parking requirement for this land use is 10 spaces per 1,000 square feet in Los Angeles compared to 22 spaces per 1,000 square feet in Beverly Hills. Similarly, Santa Monica’s minimum parking requirement for restaurant uses is 13.3 spaces per 1,000 square feet for service and seating areas open to customers, 20 spaces per 1,000 square feet for separate bar areas, in addition to 3.3 spaces per square foot of support area.



Robertson Boulevard in Los Angeles has lower parking requirements for key land uses such as restaurants.

These requirements provide a clear financial incentive for new or expanded restaurant uses along Robertson Boulevard, Los Angeles—especially when parking spaces are provided above or below grade (see Chapter 5 on parking construction and land costs).

If restaurateurs or restaurant developers do choose to locate in Beverly Hills, the City’s parking requirements provide a strong financial incentive to keep dining and bar areas below 1,000 square feet. Yet, with the high cost of land in Beverly Hills, it is difficult to make new construction profitable unless the cost is spread over a larger-sized development. For this reason, prospective developers are in a predicament of either paying excessive costs to build the required parking for projects that are large enough to pencil out, or receiving inadequate expected returns and dealing with difficult geometries for developments that fall below 1,000 square feet.

The Blended Rate on University Avenue in Palo Alto

Downtown Palo Alto’s special parking assessment district adopts a “blended” parking requirement that is shared over all uses so it is difficult to compare to Robertson’s parcel-by-parcel rate. Palo Alto’s blended parking rate provides an incentive for more mixed use and pedestrian-oriented development, and eliminates administrative and cost barriers associated with changes in land uses within the corridor. In addition, Palo Alto allows for minimum parking requirements to be met through the provision of on-site parking or off-site parking within a reasonable distance from a site.

Within Palo Alto’s University Avenue corridor, all nonresidential developments may also meet parking requirements through the payment of in-lieu fees. The City of Palo Alto allows for the payment of in-lieu fees if:

- Construction of on-site parking would necessitate destruction or substantial demolition of a designated historic structure;

- The site is less than ten thousand square feet and it would not be physically feasible to provide on-site parking;
- The site is greater than ten thousand square feet, but of such an unusual configuration that it would not be physically feasible to provide required spaces on-site;
- The site is located in an area where city policy precludes curb cuts or otherwise prevents use of the site for on-site parking;
- The site has other physical constraints, such as a high groundwater table, which preclude provision of on-site parking without extraordinary expense.⁷⁵



Palo Alto's blended parking rate provides an incentive for more mixed use and pedestrian-oriented development, and eliminates administrative and cost barriers associated with changing land uses.

For each 250 square feet of gross floor area in a development, in-lieu payments in Palo Alto require an initial fee equal to the sum of construction costs, land acquisition, and administrative costs which can be attributed to the provision of one new parking space. The current fee as calculated by the City is \$60,750 per space.⁷⁶

Feasible FAR is Determined by Parking Requirements

While the current parking requirement along Robertson Boulevard is roughly similar to comparable corridors, the City of Beverly Hills could consider adopting a blended rate for minimum parking, lowering the parking requirement, or even eliminating off-street parking requirements in order to attract new investment and development along the corridor.

The City's current minimum parking requirements artificially increase the cost of urban development and discourage turnover of land uses.⁷⁷ In addition to project time and administrative costs, the provision of surface, above grade, and below grade off-street parking facilities comes at a high opportunity and fiscal cost to developers. Surface lots and above grade structures fragment walkable and vibrant retail corridors at the expense of more productive uses that could generate higher levels of employment and tax revenue. Excavating sites for underground parking is an even more expensive, lengthy, and environmentally insensitive process that can bleed new projects of capital before they are even off the ground.

Equally damaging to developers is using a building's floor area as the determinate for setting minimum parking requirements. In many cases project size is driven by minimum parking requirements, not by bulk or setback requirements. Due to lofty and overly complex minimum

⁷⁵ City of Palo Alto, Zoning Ordinance Update – Information on Parking, April 9, 2003.

⁷⁶ This value is from the City of Palo Alto Development Impact Fees, 02/21/2013 <http://www.cityofpaloalto.org/civicax/filebank/documents/27226>. The City of Palo Alto Municipal Code §16.57.030 quotes a figure of \$30,250 per 250 square feet of gross floor area.

⁷⁷ Donald Shoup and Michael Manville. "People, Parking, and Cities." ACCESS 25. 2004, pp. 4-6

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parking requirements, floor space and differentiation of uses is often constrained by the number of parking spaces that a developer can afford.⁷⁸

Take for example a new 1,500 square foot ground floor restaurant with 1,000 square feet of dining and bar to be built in a three-story commercial building with an allowable FAR of 2. In meeting Beverly Hills’ minimum parking requirement for a small restaurant and commercial uses (2.9 spaces/1,000 square feet of dining and bar area), and given the average area of an above grade off-street parking space (480 square feet per space), the developer would need to dedicate 5,760 square feet for parking. Taken over three floors, this requirement results in a ground floor built area of 10,260 square feet. Assuming a square lot,⁷⁹ and accounting for a 6-foot rear setback adjacent to residential uses and 10-foot front setback along Robertson Boulevard, this translates to a total lot size of 4,356 square feet, which reduces the feasible FAR of the site to 1.03 (4,500 divided by 4,356) and results in 44% of the lot being used for parking.

A similar calculation for a two-story building with surface parking yields a feasible FAR of 0.67 (3,000 divided by 4,455) and 58% of the lot being used for parking.

If the developer wished to double the size of the development, a higher parking rate would apply to the restaurant uses. As a result of this parking requirement, the feasible FAR would drop to 0.61, with 67% of the lot being used for parking. In all three cases, the City’s minimum parking requirement means that the dominant use of land on the sites is parking and not the “land use” itself. These calculations are shown below.

Figure 59: Feasible FAR Calculation under Robertson’s Zoning Standards

Development	3 -story restaurant + commercial with above grade parking	2-story restaurant + commercial with surface parking	3 -story restaurant + commercial with above grade parking
Land use	1,500 sf ground flr restaurant (1,000 sf bar & dining) 3,000 sf upper flr commercial	1,500 sf ground flr restaurant (1,000 sf bar & dining) 3,000 sf upper flr commercial	1,500 sf ground flr restaurant (1,000 sf bar & dining) 3,000 sf upper flr commercial
Parking requirement	2.9 spaces / 1000 sf	2.9 spaces / 1000 sf	2.9 spaces / 1000 sf coml. 22.2 spaces / 1000 sf dining
Parking spaces	12 spaces	8 spaces	62 spaces
Area / space	480 sf/space	321 sf/space	480 sf/space
Parking area	5,760 sf	2,568 sf	29,760 sf
Use + parking	10,260 sf	5,568 sf	38,760 sf
Setback required	10’ front + 6’ rear	10’ front (rear parking)	10’ front + 6’ rear
Built footprint	4,356 sf	1,500 sf	12,920 sf
Built + setback side	58’	39’	114’

⁷⁸ Donald Shoup. *The High Cost of Free Parking*. American Planning Association, 2011, pp. 133-134

⁷⁹ The impact of the rear setback requirement would be lower for rectangular lots with a narrow street frontage, and greater for rectangular lots with a relatively wide street frontage. Since there are both narrow and wide street frontages in the potential expansion areas, a square built footprint was chosen to provide an average representation.

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Depth of lot	74'	49'	130'
Lot size	4,356 sf	4,455 sf	14,739 sf
Maximum FAR	2	2	2
Feasible FAR	1.03	0.67	0.61
Land used for land use	34%	34%	20%
Land used for parking	44%	58%	67%

Basis of Minimum Parking Requirements

Minimum parking requirements have a profound effect on the built environment, yet even for most urban planners the basis from which they are formulated remains unclear. Because few cities have the staff or financial resources to conduct comprehensive parking studies, they depend on minimums already produced by other cities and *Parking Generation* handbooks produced by the Institute of Transportation Engineers (ITE).⁸⁰ The purpose of the ITE’s handbooks is to set “parking generation rates,” defined as the peak parking occupancy for a specific land use, such as a restaurant or supermarket.

While such studies are well intended, the utilization of parking generation rates is problematic for numerous reasons. The vast majority of data used for these studies is collected at suburban sites, which often boast ample free parking and limited or no transit access, artificially inflating parking demand when applied to more transit-accessible, urban locations.

The vast majority of data used for [parking generation] studies is collected at suburban sites

Secondly, rates are further skewed by focusing on peak demand. Many land uses, such as banks, only utilize their parking capacity during the workday while other large facilities, such as theaters, may only achieve peak parking demand during weekend evenings.^{81,82} Under the City’s parking requirements, mixed use environments such as Robertson Boulevard are treated in an additive manner, which means that intrinsic efficiencies associated with sharing parking resources are not rewarded.⁸³ The City does, however, provide a partial discount where there is a day-and-night difference in uses associated with shared parking. In this case, up to 50% of the parking facilities associated with primarily daytime uses, may be used to satisfy the parking requirements for primarily nighttime uses.⁸⁴

The revitalization of the Horace Mann campus provides the perfect opportunity to adopt a shared parking scheme along the corridor, allowing for local businesses to utilize the school’s new parking capacity during evening and weekend periods when local parking demand is at its peak

⁸⁰ Donald Shoup. *The High Cost of Free Parking*. American Planning Association, 2011, pp. 31-32
⁸¹ Donald Shoup. *The High Cost of Free Parking*. American Planning Association, 2011, pp. 31-32
⁸² Donald Shoup. "The Trouble with Minimum Parking Requirements." *Transportation Research Part A: Policy and Practice* 33.7-8, 1999, pp. 550-555
⁸³ City of Beverly Hills, Municipal Code §10-3-2730D.
⁸⁴ City of Beverly Hills, Municipal Code §10-3-2730F .

and the school is not in session. A successful example of shared parking with a public school facility is the Washington Elementary School in San Diego's Little Italy district, which is discussed further in Chapter 7. Under the shared parking arrangement, the school district rents out the school's parking facility under the Civic Center Act (California Education Code § 38130-38139). According to the Civic Center Act, school districts may rent out school facilities through a joint use agreement, long term use agreement or civic center use permit for public or non-profit (501C) uses when school is not in session. The rental fee of opening the school to access its parking facility includes the cost of paying for a custodian to remain on site while the facility is being used. Rental income that is generated from shared use arrangements is credited to the school as a source of discretionary income.⁸⁵

Parking Pricing

Under the City's Municipal Code, there is no requirement for pricing of parking, and in some cases, the municipal codes specifies that parking must be free (see §10-3-2730.3C on auctions and §10-3-2730B on free validated valet parking for medical office buildings). The rationale for these regulations is the desire to prevent medical office users or auction attendees from parking in residential areas. The provision of parking, however, is never free. Therefore this requirement imposes a significant cost on developers and businesses without giving them the option of passing on appropriate price signals to those who reach their facilities by different modes of transportation.

USE REQUIREMENTS

Within C-3 zones, including much of the Robertson Boulevard Expansion Area, various uses are permitted. Permitted uses include cafes, retail or wholesale shops, stores, parking garages, offices (excluding medical uses), exercise clubs, cinemas or theaters, studios, photography galleries, and various other uses.⁸⁶ These uses as well as other allowed building purposes and conditionally permitted uses are listed in Appendix C along with use requirements for the other comparable corridors.

The City's use requirements are rather specific and repetitive, which reduces the readability of the Municipal Code, but would not likely affect the level of commercial regeneration within the Robertson Boulevard Corridor. The City requires conditional use permits for quite a number of uses, which would increase the time and costs associated with planning, discretionary reviews, and staff level hearings for these types of developments. However, none of the land uses which require conditional use permits, with the possible exception of hotels, are desirable uses for the redevelopment area. Therefore it is unlikely that these requirements are hindering they type of development that is desired along this corridor.

In reorganizing the code, the City could simplify language on allowed uses and reduce the complexity of the permitting process for new businesses. The Municipal Code which regulates Downtown Palo Alto provides an example of more simple but effective language. Palo Alto states the intention of Commercial Ground Floor Combining Districts as: "to modify the uses allowed in the City's commercial downtown district to allow only retail, eating and drinking and other service-orientated commercial development uses on the ground floor of developments"; the Code

⁸⁵ Telephone communication with Debora Beaver, Real Estate Specialist, San Diego Unified School District (SDUSD), April 25, 2014.

⁸⁶ City of Beverly Hills, Municipal Code §10-3-1601 Uses Permitted in C-3 Zones.

also provides a very short but comprehensive list of permitted uses.⁸⁷ This demands that only uses which generate significant pedestrian activity dominate the streetscape, to create an appealing retail and dining experience. Likewise, the Municipal Code of the City of Santa Monica defines the purpose of the Main Street Commercial District to accommodate a variety of uses “which provide daily necessities, places of employment, and leisure time opportunities for those living in the surrounding community.”⁸⁸

Considering that the Robertson Boulevard Expansion Area is flanked by relatively dense commercial districts, the City could consider pursuing developments which will provide more benefit and amenity to local stakeholders, while incubating businesses that later populate the more high-end retail areas within the city. This approach could generate foot traffic, and ensure that activity is sustained for longer and more frequent periods of the day.⁸⁹ One element of the Municipal Code use requirements that could be reconsidered is the approach to incubator uses. The Municipal Code makes it illegal to establish or conduct business in any vacant lot, or to conduct business activity outside of a permanent building that is fully enclosed by walls and a roof.⁹⁰ It also does not allow for any sort of housing, including mixed-use work-home lofts. In some cities, a more lenient approach toward vacant buildings and parcels has allowed incubator businesses to fuel the regeneration of regular commercial spaces within the city. Examples include the Brazil Café in Berkeley, which started as a café-food truck enterprise in a vacant lot on University Avenue. The café generated pedestrian life in that part of the city before moving into a brick-and-mortar commercial space nearby. In Silicon Valley, many tech start-ups have also been incubated in unconventional, low-cost spaces before moving into more regular accommodations. These types of incubator activities add street life and a new consumer base of local businesses, while allowing for space at street level to remain open for retail and similar uses.

Another section within the Code which could be reconsidered is the restrictions on live musical accompaniment, which precludes any dancing, singing, or spoken word performances by performers, patrons or any other persons.⁹¹ Based on this regulation, live acoustic music that involves the human voice is not permitted within eating establishments in the Robertson Boulevard area, thereby limiting the range of experiences that are available within the corridor. On the basis of this regulation, highly successful restaurants such as Demetra Café in Carmel, California, and Max’s Opera Café Restaurant in San Francisco would be illegal on Robertson Boulevard.

In general, the use requirements of the Municipal Code are comparable to other cities, but could be reconsidered in order to increase simplicity and allow for incubator and pedestrian-oriented uses that contribute to the regeneration of the corridor.

⁸⁷ City of Palo Alto, Municipal Code §18.30(C).010.

⁸⁸ City of Santa Monica, Municipal Code §9.04.08.28.010.

⁸⁹ Jane Jacobs. *The Death and Life of Great American Cities*. Modern Library Edition, 1993 (first published 1961), pp. 216, 255.

⁹⁰ City of Beverly Hills, Municipal Code §10-3-2702 Businesses on Vacant Lots and §10-3-2703 Businesses Outside of Permanent Buildings.

⁹¹ City of Beverly Hills, Municipal Code §10-3-2703

FORM-BASED REQUIREMENTS

The City's General Plan does not provide form-based requirements for the Robertson Boulevard corridor. It does provide basic form-based requirements for other designated pedestrian-oriented areas within the city. These requirements include:

“... that buildings in business districts be oriented to, and actively engage the street through design features such as build-to lines, articulated and modulated façades, ground floor transparency such as large windows, and the limitation of parking entries directly on the street. Parking ingress and egress should be accessed from alleys where feasible.”

In order to generate redevelopment and activity along Robertson Boulevard, the City of Beverly Hills could consider designating Robertson Boulevard as a pedestrian-oriented area and implement form-based requirements that contribute to the sense of place along this corridor. In Santa Monica, the comparable approach to form-based requirements stipulates maximum building square footages (7,500 sf) and maximum linear frontages (75 feet) along Main Street.⁹² This approach produces land uses with the unique character of boutique retail and mom-and-pop outlets.

Another element that contributes to the sense of place along the corridor is the street right-of-way, which is considerably wider than that of Robertson Boulevard in Los Angeles. To create a more intimate and attractive street environment, the City could consider traffic calming techniques such as narrowing of lanes, and corner bulb-outs. These elements would create a safer and more appealing environment for cyclists and pedestrians.

EVALUATION

Based upon this analysis, it is not conclusive that zoning standards are restricting regeneration and redevelopment along the Robertson Boulevard corridor substantially more than similar standards do in comparable corridors. In comparison to other California cities, which have achieved success attracting desirable commercial activity along similar corridors, the City of Beverly Hills tends to be no more restrictive in categories such as height limits, floor area ratio, minimum parking requirements, and permitted uses.

In regard to permitted land uses, the City accommodates a variety of uses, despite laborious language in the zoning code and the requirement of conditional use permits for uses which can be deemed undesirable for this particular corridor. The City could improve the clarity and conciseness of language in the zoning code with respect to the intended purpose of the Robertson Boulevard commercial district. Similar to University Avenue, Palo Alto, and Main Street, Santa Monica, the City might consider defining the district to promote ground floor pedestrian-oriented park-once activity. It could also provide a more concise list of permitted uses and more lenient requirements with respect to incubator spaces and musical accompaniment.

The one requirement that differs significantly from comparable corridors is the special 10-foot setback requirements along Robertson Boulevard. Setback requirements do not apply to any of the comparable corridors and do not match the land uses that already exist along the Robertson Boulevard corridor.

⁹² City of Santa Monica Municipal Code §9.04.08.28

These setback requirements along with the City's prevailing parking requirements impose a significant challenge on new potential developments. In the absence of an in-lieu option, the City's setback requirements and parking code forces developers to dedicate most of the land area for new construction to required parking and setbacks. For commercial developments, parking alone would constitute 40 – 60% of the site area. Parking and setback requirements prevent developers from being able to achieve the maximum Floor-Area Ratio (FAR) established by City's zoning code, but site geometry and feasible FAR is instead set by the parking and setback standards.

Given Beverly Hills' high land values, it may be difficult to make a profit on smaller redevelopment projects therefore developers may normally wish to consider spreading their costs over larger projects. In Beverly Hills, however, higher parking standards apply to larger restaurant uses so an even greater proportion of the site must be dedicated to parking (two-thirds of the lot for a typical 3-story restaurant/commercial development). Not only would this impose costs on development, it would also have a significant negative impact on the quality of the streetscape along Robertson Boulevard and the rear transition to residential areas.

While the City's parking code has a profound effect on the shape and viability of potential redevelopment along Robertson Boulevard, the basis of these standards is unclear. In all likelihood, the City's parking rates are inherited from Institute of Transportation Engineers (ITE) *Parking Generation* publications, which are problematic and are based on parking rates at suburban sites.

In borrowing from the successes of other cities, the City could consider implementing parking policies similar to the "blended" requirements of Palo Alto as well as the in-lieu fee program that is implemented in the Business Triangle. Finally, the City could seek innovative ways to meet parking capacity needs for local businesses, such as a shared parking scheme between a non-profit organization of business owners and the Horace Mann School.

9 RECOMMENDATIONS ON PARKING NEEDS AND RESOURCES

Based on this analysis of the in-lieu program and its potential expansion to other commercial corridors, a number of policy approaches and parking-related strategies are recommended. These recommendations aim to address parking needs and maximize parking resources in the expansion areas.

1. COLLECT AND USE PARKING DATA

Regular data collection regarding occupancy rates for on-street parking, off-street public parking, and off-street private parking would be beneficial. This data should aim to provide a more complete **inventory of private parking supplies**, as well as more accurate data on **parking utilization** across different types of parking. Parking occupancy data should be collected both during the week and on the weekend in order to provide insight on temporal shifts in parking demand.

Occasional **parking duration surveys** are also recommended to gain a better grasp on parking practices. Duration surveys should employ license plate recognition technology and should make note of whether parked vehicles are displaying a DP/DV placard or plate. This information would improve the calibration of parking occupancy based on parking revenues. It would also help to understand the nature and scale of different parking practices such as reparking within the Business Triangle.

Parking data should be used to **inform parking policy**. For example, the City may consider shifting away from minimum parking requirements that were established in the 1960s, and toward parking requirements that are based on actual demand for parking.

2. CREATE PARKING PARTNERSHIPS

Current data indicates close to optimal levels of parking supply in the Business Triangle and Beverly Drive, despite less than market rate pricing. If additional parking capacity is sought, the City could address parking demand through pricing, TDM and transportation alternatives, and/or increase parking capacity through new supply and more efficient use.

It is always better to make more efficient use of existing parking resources before building new parking structures. Therefore we recommend that the City develops **public private partnerships** to facilitate shared parking within the Business Triangle and along the city's commercial corridors. Shared parking arrangements save the City money while generating income for private parking owners, allowing for more productive land uses, and preserving the high quality of Beverly Hills' streetscapes.

Along Robertson Boulevard, shared parking facilities could include public private partnerships with private property owners, in addition to “**Civic Center**” use of parking at Horace Mann School when school is not in session, and **cooperative parking arrangements** with property owners or agencies in the City of Los Angeles (on the east side of the street).

3. REDUCE MINIMUM PARKING REQUIREMENTS

Beverly Hills’ minimum parking requirements are comparable to peer cities but not in line with industry best practice, which is moving toward lower minimum parking requirements.

At current levels, Beverly Hills’ minimum parking requirements reduce the feasible FAR of development to 1.19 along most commercial corridors and 1.03 along Robertson Boulevard (where there is a special front setback requirement).⁹³ This means that unless developers are willing to build underground parking at a cost of \$86,000 per space, they are not able to build to the level that is outlined in the General Plan and Municipal Code. As a result, the minimum parking requirements affect the feasibility of potential development within the city.

To address these concerns, the city could adopt **lower minimum parking requirements**, implement a **blended parking rate** (which would reduce administrative burdens associated within changing land uses), or **eliminate the minimum parking requirement** and allow the market to determine the amount of new parking that is provided. All three of these strategies would have benefits on the feasibility of development and the likely attractiveness of streetscapes within the city.

At a minimum, the City could make it easier for developers to meet minimum parking requirements by allowing requirements to be met through more efficient parking arrangements such as **automated or stacked parking** arrangements. Under certain conditions, the City may also provide credit for tandem parking in residential uses, and valet parking associated with restaurant uses.

4. RETAIN AND EXPAND THE IN-LIEU PARKING PROGRAM

The in-lieu parking program has been successful in attracting development to the Business Triangle on a consistent basis (other than during the years of recession). This program participation has allowed for redevelopment of pedestrian-oriented businesses and generation of retail customers in the area.

Given the success of the program, and the difficulty of meeting minimum parking requirements, it is recommended that the in-lieu program be **extended to the potential expansion areas** within the city. The Robertson Boulevard corridor would particularly benefit from the expanded program since the feasible FAR is lowest along this corridor and many properties are ripe for redevelopment.

In order to provide an attractive program for businesses, it is recommended that the City continue and extend the **lease option** that is available for restaurant expansion projects under the in-lieu program.

⁹³ City of Beverly Hills Municipal Code §10-3-2755 Robertson Boulevard and Third Street Setbacks.

5. ALLOW MORE FLEXIBLE USE OF IN-LIEU REVENUES

The current in-lieu parking program requires that all revenues be used for the purposes of acquiring, constructing, operating and maintaining new parking facilities. Based on the large amount of available capacity within private parking facilities, we recommend that in-lieu revenues used for more flexible purposes including rental and other costs associated with **shared parking arrangements**.

Additionally, we recommend that the City allows in-lieu revenues to be used for a **range of strategies** that increase the retail attractiveness of commercial areas and reduce trip generation or parking generation to the area. Potential uses could include streetscape improvements, shared parking arrangements, travel demand management (TDM) strategies, parking signage and real time wayfinding aids, shuttle services, and transit enhancements.

It is recommended that these funds be available for use **across all in-lieu areas** so that in-lieu revenues that are generated within the Business Triangle can be applied to related projects in any of the expansion areas.

In conjunction with this strategy, the City may also wish to consider implementation of a hybrid model that combines elements of a parking improvement district with the in-lieu program. This strategy could potentially allow in-lieu funds to be combined with parking meter and parking garage revenues in order to provide effective range of area improvements that may be selected by local stakeholders.

5. IMPROVE PARKING WAYFINDING AIDS

In areas where parking demand is uneven, wayfinding aids can greatly assist in helping people to locate available parking and distribute parking demand more evenly. Wayfinding aids include real time counts of available spaces that are displayed on the street and made publicly available via online tools. It may also include signage and directions to different parking facilities.

Given that parking is most constrained in the South Beverly Drive corridor, wayfinding aids could be implemented in this location first. Wayfinding may also help to alleviate perceptions of parking shortages in the Business Triangle by directing visitors to underutilized facilities.

6. ADJUST THE PARKING PRICING STRUCTURE

Finally, the City could consider adjusting parking pricing structures to better distribute parking and to encourage more retail activity via a Park-Once-and-Walk approach. Key strategies to reconsider include adjustment of on-street meter rates to encourage better distribution of parking across the Business Triangle, as well as elimination of 1 and 2 hour free parking to discourage reparking patterns.

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APPENDIX A: COMPETITIVE CITY PARKING REQUIREMENTS

CULVER CITY

Land Use	Required Parking
Accessory food service	Same as primary use.
Accessory retail use	Same as primary use.
Animal boarding and kennels	1 space per 350 square feet of indoor use area
Auto and vehicle sales	3 spaces if for full service station, 1 space if for self service station, plus 1 space for each 100 sf of retail, and requirements for automobile repair where applicable
Banks and financial services	1 space per 250 square feet.
Bars and nightclubs	1 space per 100 square feet, plus 1 space for every 30 square feet of dance floor.
Convenience stores	1 space per 225 square feet, with a minimum of 8 spaces.
Child or adult day care centers	1 space per 300 square feet of floor area.
Large family day care home	1 space per employee, in addition to required residential spaces.
Small family day care home	As required for the single-family dwelling (see parking requirement for residential uses).
Food retail	1 space per 350 square feet.
Hotels and motels	1 space for each guest room; plus 1 space for each 20 guest rooms; plus retail, restaurant and conference uses calculated at 1 space per 100 square feet.
Hospitals	1 space for each 1.5 patient beds, plus required spaces for accessory uses as determined by the Director.
Medical/dental offices, clinics and labs	1 space per 350 square feet.
Offices, administrative, corporate, professional	1 space per 350 square feet.
Plant nurseries	1 space per 350 square feet of indoor use area; plus 1 space for 1,000 square feet of outdoor use area.
Restaurants	
General (Table Service) 1,500	1 space per 350 square feet. With a minimum of 3 spaces

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Land Use	Required Parking
square fee or less	
General (Table Service) Greater than 1,500 square feet	1 space per 100 square feet.
Takeout (counter service), with customer tables	1 space per 75 square feet, with a minimum of 8 spaces.
Takeout (counter service 750 square feet or less), no tables	1 space per 250 square feet, with a minimum of 3 spaces.
Located in shopping centers:	
Less than 25% of floor area of center for all restaurants	Parking requirement covered under the general requirement for shopping center.
25% or greater of floor area of center for all restaurants	Portion of restaurant(s) exceeding 25% of shopping center's floor area shall use the same parking requirement for general restaurants above.
Outdoor dining	No parking required for first 250 square feet of outdoor dining area. Any outdoor dining area exceeding 250 square feet shall be included as restaurant floor area in determining the parking area.
Retail and service uses, general	1 space per 350 square feet.
Shopping centers general (2) (3)	
Less than 5 acres in net parcel area	1 space per 250 square feet (also see restaurant requirements).
Storage, personal storage facilities	1 space per 50 storage units or 5,000 square feet of storage area, whichever is greater. Plus 2 additional spaces for the manager's office, with a minimum of 5 spaces per facility.
Vehicle services	
Car wash self service	2 spaces for each washing stall.
Car wash – full service	10 spaces; plus 10 space queuing area for drying of vehicles; plus queuing area for 3 vehicles ahead of each wash lane.
Car wash – automated, accessory to fueling station	4 spaces; plus queuing area for 3 vehicles ahead of the wash lane (in addition to the parking required for fueling station).
Fueling stations	1 space per 225 square feet (includes convenience store), with a minimum of 3 spaces. For parking required above the minimum of 3, half of the parking provided at pump islands may be credited towards meeting parking requirements.
Maintenance, repair, installation, and detailing	3 spaces per service bay (work station), plus 1 space for each 350 square feet of additional retail sales and service.

Notes:

- (1) Parking for certain uses within the CD Zone are subject to the requirements of Subsection 17.220.035.C.
- (2) Parking requirements for bars, nightclubs, health/fitness facilities and theaters shall be calculated separately in all cases.
- (3) A multitenant regional shopping center with a floor area of 600,000 square feet or more, with 1 or more traditional department stores, excluding those common areas as described in Subsection 17.320.020.C. of this Chapter, may provide a parking ratio as recommended in a parking demand study approved by the City; provided, that the parking demand study: (i) is prepared, at the sole cost and expense of the applicant, by an independent traffic

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Land Use	Required Parking
	engineer licensed by the State of California, who is reasonably approved by the Director prior to the commencement of that study; and (ii) presents reasonable justification for modification to the parking ratio(s) otherwise required under Table 33 (Parking Requirements by Land Use) of this Chapter. If, as reasonably determined by the Director, the parking demand study supports requiring a parking ratio greater than that otherwise required in this Title, then the higher parking ratio shall apply.

Sources: Culver City; BAE, 2014.

SANTA MONICA

Land Use	Required Parking
Automobile rental agency	1 space per 500 sf of FA plus 1 space per 1,000 sf of outdoor rental storage area. (1)
Automobile repair	1 space per 500 sf of non-service bay FA plus 2 spaces per service bay. (1)
Automobile service station with or without mini-mart	3 spaces if for full service station, 1 space if for self service station, plus 1 space for each 100 sf of retail, and requirements for automobile repair where applicable
Automobile sales	1 space per 400 sf of floor area for showroom and office, plus 1 space per 2,000 sf of exterior display area and requirements for automobile repair where applicable, plus 1 space per 300 sf for the parts department.
Auto washing (self-service or coin operated)	2 spaces for each washing stall, not including the stall.
General office	1 space per 300 sf of FA.
Hotels, motels	1 space per guest room plus 1 space for each 200 sf used for meetings and banquets. Other uses such as bars and restaurants which are open to the general public shall provide parking as required by this Section.
Lumber yards, plant nurseries	1 space per 300 sf of FA for interior retail plus 1 space per 1,000 sf of outdoor area devoted to display and storage.
Market of less than 5,000 square feet, liquor store	1 space per 225 sf
Markets 2,500 square feet or less in the BSCD, C3 and C3C Districts	1 space per 300 sf
Markets with floor area greater than 5,000 square feet	1 space per 250 sf
Restaurant:	
Restaurants 2,500 square feet or less with no separate bar area located in the BSCD, C3 and C3C Districts	1 space per 300 sf
Restaurant	1 space per 300 sf of support area, 1 space per 75 sf of service and seating area open to customers, and 1 space per 50 sf of separate bar area.
Fast food, take-out, drive-in, drive-through restaurants	1 space per 75 sf of FA. Minimum of 5 spaces must be provided.
Bars and nightclubs (dance halls, discos, etc.)	1 space per 50 sq. ft of FA. Portions of restaurants that include bars shall be calculated using this standard.

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Retail:	
Retail, general and service	1 space per 300 sf of FA.
Retail, furniture and large appliance	1 space per 500 sf of FA.

Notes:

(1) No required off-street parking space shall be used for sale, rental or repair of autos.

Sources: City of Santa Monica; BAE, 2014.

WEST HOLLYWOOD

Land Use	Required Parking
Adult retail businesses	3.5 spaces per 1,000 sf
Adult day care facilities	1 space for each 7 clients for which the facility is licensed plus adequate drop-off area as approved by the Director.
Art galleries	2 spaces per 1,000 sf
Artisan/craft product manufacturing	2 spaces per 1,000 sf
Artisan shops	3.5 spaces per 1,000 sf
Auto and vehicle maintenance and repair	4.5 spaces for each service bay, plus adequate queuing lanes for each bay.
Auto and vehicle sales/rental, auto parts sales	2.5 spaces per 1,000 sf; plus 3 spaces per 1,000 sf of parts department.
Automated teller machines (ATMs), exterior; not associated with an on-site financial institution.	4 spaces for one or two machines plus 2 spaces for each additional machine over 2; no parking requirement within 1,000 feet of the intersection of San Vicente Boulevard and Santa Monica Boulevard.
Banks and financial services (see also ATM, above). 1,200 sf or less, tenant space existing prior to May 2, 20012 (2)	3.5 spaces per 1,000 sf
All others	5 spaces per 1,000 sf
Exterior ATM machines	1 space for each exterior ATM.
Bed and breakfast (B&Bs) and urban inns	In historic buildings: 0.5 spaces per guest unit
Bed and breakfast (B&Bs) and urban inns	In non-historic buildings: 1 space per guest unit
Bed and breakfast (B&Bs) and urban inns	All projects: Plus owner/operator parking as required for multi-family residential projects.
Broadcasting studios	3.5 spaces per 1,000 sf, for the first 25,000 sf, and 3 spaces for each 1,000 sf thereafter.
Building material stores	1.6 spaces per 1,000 sf
Business support services	3.5 spaces per 1,000 sf
Cardrooms	9 spaces per 1,000 sf
Child day care centers	1 space for each 10 children that the facility is licensed to accommodate, plus adequate drop-off area as approved by the Director.

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Land Use	Required Parking
Clubs, lodges, and meeting halls	1 space for each 2.5 fixed seats, or 28 spaces per 1,000 sf of assembly or viewing area where there are no fixed seats. (3)
Community centers	1 space for each 5 seats, or 14 spaces per 1,000 sf of assembly areas where there are no fixed seats. (3)
Convention centers	1 space for each 2.5 fixed seats, or 28 spaces per 1,000 sf of assembly or viewing area where there are no fixed seats. (3)
General retail stores (see also the parking requirements for shopping centers)	3.5 spaces per 1,000 sf
Grocery stores	3.5 spaces per 1,000 sf
Health/fitness facilities	10 spaces per 1,000 sf
Health/fitness facilities, personal training	4 spaces per 1,000 sf
Hotels	1 space for each guest room; plus retail, restaurant, and conference uses calculated at 50% of the requirements of this table, and all other uses at 100% of the requirements of this table.
Indoor amusement/entertainment facilities	Determined by Conditional Use Permit.
Kiosks	No parking required. Outdoor dining related to kiosk must meet requirements of this table.
Laundries and dry cleaning plants	2 spaces per 1,000 sf, including incidental office area comprising less than 20% of the total floor area. Parking requirements for additional office area shall be calculated separately as required by this table for offices.
Laundromats	1 space for each 3 washing machines.
Libraries and museums	3.5 spaces per 1,000 sf
Live/work units	3.5 spaces per 1,000 sf
Media production	3.5 spaces per 1,000 sf for the first 25,000 sf, plus 3 spaces for each additional 1,000 sf
Medical marijuana dispensaries	3.5 spaces per 1,000 sf
Medical services	
Clinics, offices, labs, and other outpatient facilities of 1,200 sf or less, tenant space existing prior to May 2, 20012	3.5 spaces per 1,000 sf
All others	5 spaces per 1,000 sf
Extended care	1 space for each 3 beds the facility is licensed to accommodate.
Hospitals	2 spaces for each patient bed the facility is licensed to accommodate, plus spaces for ancillary uses as required by the Review Authority.
Microbreweries in conjunction with on-site sales	9 spaces per 1,000 sf

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Land Use	Required Parking
Mortuaries and funeral homes	1 space for each 5 seats, or 14 spaces per 1,000 sf for areas without fixed seats.
Newsstands and flower stands	None required.
Night clubs and bars	15 spaces per 1,000 sf, plus 28 spaces per 1,000 sf for all dance floor areas.
Offices	3.5 spaces per 1,000 sf for the first 25,000 sf plus 3 spaces for each additional 1,000 sf
Outdoor commercial recreation	Spectator seat areas: 1 space for each 3 seats. (3) Sport courts: 2 spaces per court, plus 4 spaces per 1,000 sf of floor area other than courts. Ancillary uses: as required by this table for the specific use.
Palm readers, fortune tellers, psychics	3.5 spaces per 1,000 sf
Pawn shops	3.5 spaces per 1,000 sf
Personal services	
1,200 sf or less, tenant space existing prior to May 2, 20012. (2)	3.5 spaces per 1,000 sf
All others	5 spaces per 1,000 sf
Pet shops	3.5 spaces per 1,000 sf
Pharmacies	3.5 spaces per 1,000 sf
Plant nurseries and garden supply stores	3.5 spaces per 1,000 sf of indoor use area; 1.5 spaces per 1,000 sf of outdoor use area.
Printing and publishing	2 spaces per 1,000 sf, including incidental office area comprising less than 20% of the total floor area. Parking requirements for additional office area shall be calculated separately as required by this table for offices.
Public safety facilities	3 spaces per 1,000 sf
Recycling facilities	0 spaces; see Section 19.36.260(C)(5).
Religious facilities/places of worship	1 space per 5 fixed seats, 14 spaces per 1,000 sf for areas without fixed seats.
Research and development (R&D)	3.5 spaces per 1,000 sf
Restaurants	
1,200 sf or less, tenant space existing prior to May 2, 2001	3.5 spaces per 1,000 sf
All others	9 spaces per 1,000 sf
Outdoor dining	9 spaces per 1,000 sf if outdoor dining area is 251 sf or more; none required otherwise.
Service stations	1 space per pump island; plus 1 space per service bay.
Shopping centers (4)	5 spaces per 1,000 sf for new centers.

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Land Use	Required Parking
Smoking areas	No parking required for smoking areas that do not have food and/or alcoholic beverage service. Otherwise, 250 sf allowed without parking; 251 sf or more shall be provided parking at the ratio required for the underlying use.
Studios—Art, dance, music, photography	5 spaces per 1,000 sf for facilities with classes of up to 10 students at a time or facilities that cater exclusively to children under 17 years of age. 10 spaces per 1,000 sf for facilities with more than 10 students per class excluding classes only for children under 17 years of age.
Supper clubs	9 spaces per 1,000 sf
Theaters	
Live performance facilities	1 space per 2.5 fixed seats, or 28 spaces per 1,000 sf of assembly or viewing area without fixed seats. (3)
Cinemas—Single-screen	1 space per 3 seats, plus 6 additional spaces.
Cinemas—Multi-screen	1 space per 5 seats, plus 10 additional spaces.
Utility facilities	2 spaces per 1,000 sf
Veterinarians, animal hospitals, kennels, boarding	3.5 spaces per 1,000 sf
Warehousing, wholesaling and distribution, accessory	2 spaces per 1,000 sf, including incidental office area comprising less than 20% of the total floor area. Parking requirements for additional office area shall be calculated separately as required by this table for offices.
Wholesale design showrooms	1.6 spaces per 1,000 sf

Notes:

- (1) See Section 19.28.090.D.2 for parking space enclosure requirements.
- (2) Two or more tenant spaces that are each under 1,200 square feet may be reconfigured and continue to qualify as preexisting spaces
- (3) Where fixed seating is in benches or bleachers, a seat shall be construed to be 18 inches of continuous bench space for the purpose of calculating the number of required parking spaces.
- (4) Applies only when less than 50% of floor area in center is occupied by restaurants, medical offices, personal services, or medical facilities, provided that restaurants may comprise only 25% of the total shopping center area; otherwise parking shall be provided as required for each separate use, subject to any parking reduction granted in compliance with Section 19.28.060 (Reduction of Off Street Parking Requirements) or 19.28.070 (Shared Use of Parking Facilities). Parking requirements for bars, nightclubs, health clubs, theaters and cinemas shall be calculated separately in all cases.

Sources: City of West Hollywood; BAE, 2014.

APPENDIX B: PRESENT VALUE OF PARKING FEE CALCULATIONS

Parking Fee Comparison Calculator

City	Building Size (Sq.Ft.)	Parking Spaces (a)	Fee	Fee Term	Discount Rate	Number of Years	Present Value	Application Fee	Total Cost (PV)
Beverly Hills, Mid	1,000	2.9	\$26,861	Annual	2.7%	4	\$100,566	\$11,625.40	\$112,192
Beverly Hills, Low	1,000	2.9	\$20,203	Annual	2.7%	4	\$75,639	\$11,625.40	\$87,265
Beverly Hills, High	1,000	2.9	\$33,577	Annual	2.7%	4	\$125,709	\$11,625.40	\$137,334
West Hollywood	1,000	3.5	\$1,339	Annual	2.7%	10	\$11,597	\$650.00	\$12,247
Santa Monica	1,000	3.3	\$1,500	Annual	2.7%	10	\$12,993	\$0.00	\$12,993
Culver City	1,000	2.9	\$2,743	Annual	2.7%	10	\$23,759	\$0.00	\$23,759
Santa Monica, Post 2016	1,000	3.3	\$16,667	Annual	2.7%	4	\$62,399	\$0.00	\$62,399

Note:

(a) Based on the following parking requirements:

City	Sq.Ft. per Parking Space	In-Lieu Fee per Sq.Ft.	In-Lieu Fee per Space
Beverly Hills	350		\$37,605.80
West Hollywood	286		\$382.50 (b)
Santa Monica	300	\$1.50	
Culver City	350		\$960.00 (c)
Santa Monica, Post 2016	300		\$20,000.00

(b) Credit cost per space

(c) Based on lease rate of \$80 per month.

Source: BAE, 2014.

APPENDIX C: PERMITTED USES ON ROBERTSON AND COMPARABLE CORRIDORS

Zone	Robertson Blvd, Beverly Hills	University Ave, Palo Alto	Robertson Blvd, Los Angeles	Main St, Santa Monica
Zone	C-3	CDC (GF)(P)	C2	CM Main Street District
Permitted Uses	Café Carpenter shop Cinema or theater Conservatory Dancing academy Dressmaking or millinery store Exercise club Library Lunchroom Office (excluding medical uses) Paint, paperhanger, or decorating shop or store Parking garage Photography gallery Plumbing shop Private training center of no more than two thousand (2,000) square feet of floor area Roofing or plastering store or office Shop for the conducting of wholesale or retail business.	Eating and drinking Hotels Personal services Retail service Theaters Travel agencies Entrance, lobby or reception areas serving non-ground floor uses All other uses permitted in the underlying district, provided such uses are not on the ground floor	Any use permitted in a C1.5 Limited Commercial Zone or in a C1 Limited Commercial Zone Art or antique shop. Bird store or taxidermist, or a pet shop for the keeping or sale of domestic or wild animals, other than those wild animals specified in the definition of "Accessory Use" Carpenter, plumbing or sheet metal shop Catering shop Feed and fuel store Interior decorating or upholstering shop Sign painting shop Tire shop Restaurant, tea room or cafe (including entertainment other than dancing) or a ground floor restaurant with an outdoor eating area. An outdoor eating area for	Single uses occupying less than 7,500 square feet, conducted within an enclosed building, and with ground floor Main Street frontage not exceeding 75 linear feet: Appliance repair shops Art galleries Artist studios Banks and savings and loan institutions Barber and beauty shops Bed and breakfast facilities provided that any dining facility shall be limited to use by registered guests only (only two such facilities may be permitted in the district) Child day care centers Congregate housing Domestic violence shelters Florists and plant nurseries Furniture upholsterer's shops

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	Robertson Blvd, Beverly Hills	University Ave, Palo Alto	Robertson Blvd, Los Angeles	Main St, Santa Monica
	<p>Store Studio Tailor Upholsterer Any similar use</p>		<p>ground floor restaurants may be located anywhere between the building and any required side or rear yard.</p>	<p>General offices General retail uses Homeless shelters with fewer than 45 beds Laundromats, dry cleaners Libraries Medical, dental and optometrist facilities above the first floor provided the use does not exceed a 3,000 square feet Multi-family dwelling units Print or publishing shops Restaurants with 49 seats or fewer Senior housing Senior group housing Shoe repair stores Sidewalk cafés not more than 200 square feet, subject to limitations in §9.04.10.02.460 Single family dwelling units. Single room occupancy housing Tailors Theaters with 75 seats or fewer Transitional housing. Wholesale stores where the public is invited.</p>
Other Building Uses	<p>Church Clubhouse Commercial garage Hotel Places of amusement Playground School</p>			<p>On parcels with frontage on Second St. and which abut residentially zoned property on at least one side, permitted uses are limited to: All uses permitted in the OP-2 District. (Congregate housing, Domestic violence shelters,</p>

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	Robertson Blvd, Beverly Hills	University Ave, Palo Alto	Robertson Blvd, Los Angeles	Main St, Santa Monica
				<p>Hospice facilities, Multi-family dwelling units, One-story accessory buildings and structures up to 14 feet in height, Public parks and playgrounds, Single family dwellings placed on a permanent foundation (including manufactured housing), Single room occupancy housing, Small family day care homes, Senior housing, Senior group housing, Transitional housing)</p> <p>Artist studios</p> <p>Child day care facility</p> <p>General office above the first floor, provided the use does not exceed four thousand square feet and all access is from Main Street.</p> <p>General retail, including art gallery, provided the use does not exceed 7,500 square feet and all access is from Main Street</p> <p>Shoe repair shops, provided all access is from Main Street</p> <p>Theaters, provided the use does not exceed 7,500 square feet and seventy-five seats and all access is from Main Street</p>
Uses requiring Conditional Use Permits	<p>Amusement parks,</p> <p>Ancillary brewing or manufacture of alcoholic beverages.</p> <p>Ancillary car washes for auto sales, leasing or rental.</p> <p>Licensed childcare uses.</p> <p>Convenience stores not occupying</p>	<p>Business or trade school.</p> <p>Commercial recreation.</p> <p>Day care.</p> <p>Financial services, except drive-in services.</p> <p>General business service.</p> <p>All other uses conditionally</p>		<p>Bars.</p> <p>Billiard parlors.</p> <p>Bowling alleys.</p> <p>Business colleges.</p> <p>Catering businesses.</p> <p>Dance studios.</p>

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	Robertson Blvd, Beverly Hills	University Ave, Palo Alto	Robertson Blvd, Los Angeles	Main St, Santa Monica
	<p>a tenant space whose primary entrance opens into the interior of a commercial building</p> <p>Drive-up, drive-in and drive-through facilities</p> <p>Educational institutions</p> <p>Hotels</p> <p>Mini-shopping centers</p> <p>Museums</p> <p>Off-site parking</p> <p>Private training centers of more than 2,000 square feet of floor area</p> <p>Public utility uses</p> <p>Religious institutions</p> <p>Vehicles sales, service or fuel stations</p>	<p>permitted in the applicable underlying CD district, provided such uses are not on the ground floor</p>		<p>Exercise facilities.</p> <p>Fast-food and take-out establishments.</p> <p>Homeless shelters with 55 or more beds</p> <p>Medical, dental and optometrist facilities at the first floor or in excess of 3,000 square feet</p> <p>Meeting rooms for charitable, youth and welfare organizations</p> <p>Museums</p> <p>Music conservatories and instruction facilities</p> <p>Open air farmers markets, which may include the sale of merchandise by individual businesses located on Main Street that have valid business licenses</p> <p>Places of worship</p> <p>Restaurants with 50 seats or more.</p> <p>Existing restaurants that add a private dining facility</p> <p>Retail stores with 30% or less of the total linear shelf display area devoted to alcoholic beverages</p> <p>Sign painting shops.</p> <p>Theaters having more than seventy-five seats</p> <p>Trade schools</p> <p>Wine shops devoted exclusively to sales of wine</p>

Sources: amlegal.com, City of Beverly Hills; City of Palo Alto Municipal Code §18.30, City of Santa Monica Municipal Code §9.04.08.28