

# Attachment 3

February 12, 2015 Planning  
Commission Staff Report (No  
Attachments)



## Planning Commission Report

**Meeting Date:** February 12, 2015

**Subject:** In-lieu Parking Expansion

**Recommendation:** Adopt a resolution recommending to the City Council an ordinance amending the Beverly Hills Municipal Code to expand the in-lieu parking program. Pursuant to the provisions set forth in the California Environmental Quality Act, the Commission will also consider adoption of a Categorical Exemption for the amendment.

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### REPORT SUMMARY

During fiscal year 2014/15 staff completed an "In-Lieu parking study" with Nelson/Nygaard Consulting. The study analyzed the existing in-lieu parking program in the Business Triangle as well as the potential expansion of the program to several additional commercial corridors in the City. After analyzing the results of the study, the City Council directed staff to move forward with a number of policy changes related to the in-lieu parking program. One such change is expansion of the in-lieu program to five commercial corridors in the City. This report outlines the process that has been followed thus far, and summarizes the draft ordinance included as Attachment 1.

### BACKGROUND

#### Review of In-Lieu Parking Program:

The City's in-lieu parking program currently allows owners of properties located within the Business Triangle that meet certain criteria to pay into the City's in-lieu parking fund rather than provide all required parking spaces on-site<sup>1</sup>. The in-lieu program has made it economically feasible for property owners to add floor area to existing buildings, build new structures, and fill existing tenant spaces with businesses such as restaurants that normally require additional on-site parking. Originally established in 1976, the program goals are:

- Foster business vibrancy in the Triangle by relieving the burden of providing required parking on-site.

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

#### Attachments

1. Resolution and Draft Ordinance
2. Map of Proposed In-Lieu Commercial Corridors
3. Redlined Code Language

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- Enhance the pedestrian experience by encouraging redevelopment of properties into restaurants, retail shops, theatres, museums and other pedestrian-attracting uses while concentrating parking resources on City-owned properties throughout the area.

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

The corridors chosen for study and potential inclusion in the in-lieu parking program include:

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

In March, 2014 the City procured a consultant team, headed by Nelson/Nygaard Consulting Associates, a transportation firm with extensive parking planning experience, to complete the study.

The scope and draft report findings were presented to the Traffic & Parking Commission and the Planning Commission for their consideration and comments on the following dates:

- March 13, 2014, Planning Commission discussion of project scope
- April 3, 2014, Traffic & Parking Commission discussion of project scope
- May 1, 2014, Traffic & Parking Commission discussion of preliminary findings
- May 8, 2014, Planning Commission discussion of preliminary findings

**City Council Direction:**

The Commissions' comments were forwarded to the City Council, and the City Council considered the item on October 10, 2014, and October 21, 2014. The consultant team was present at these meetings to provide the Council with information and answer questions. After considering the findings and recommendations included in the study, the City Council directed staff to undertake several actions related to the in-lieu parking program including expanding the program to the five commercial corridors studied in the in-lieu parking study. Additional actions include:

1. Study the pricing structure for in-lieu parking space fees in the Business Triangle,
2. Explore facilitating shared parking arrangements with private garage owners as a way to fill vacancies in underutilized private parking facilities both in the Triangle and along other commercial corridors,
3. Expand efforts to implement dynamic or tiered parking pricing, enhanced wayfinding, and realtime parking aids to guide visitors through the area and better distribute parking demand,
4. Undertake a study to determine if the existing minimum parking requirements are appropriate for the community,

5. Conduct community visioning and goal setting efforts related to the commercial corridors in the City outside the Business Triangle,
6. Study alternative parking management strategies for the commercial corridors in the City, and
7. Evaluate and consider the use of automated parking under specific circumstances.

Many of these actions will require time and further study to implement effectively. At this time, staff is proposing a discreet amendment to expand the in-lieu parking areas to the five commercial corridors studied in the in-lieu parking study. After this action is complete, staff will continue to work to complete all actions directed by City Council.

## **DISCUSSION**

### **Ordinance Summary:**

The attached draft ordinance amends section 10-3-3301 of the Beverly Hills Municipal Code to include the five corridors noted above within the in-lieu parking district, with one minor change. Staff is proposing that the half block of Robertson Boulevard south of Olympic and north of Whitworth Drive be included in the new in-lieu parking area. While not originally studied as part of the in-lieu program expansion, this small commercial area is similar in land uses to the portion of Robertson Boulevard to the north, and, in order to maintain consistency with land use regulations staff recommends including this area in the in-lieu parking area. Please see the map in Attachment 2, which includes this proposed addition.

No other changes are proposed to the in-lieu parking program as part of this ordinance. A redlined version of the code language is included as Attachment 3 for reference.

The existing fees, eligible uses, and restrictions for the in-lieu parking program will apply to any in-lieu parking applications for projects in the new areas of the in-lieu parking district. The current fee (Established in the 2013/14 Schedule of Taxes, Fees and Charges) for each in-lieu parking space for new construction or reconstruction in the five commercial corridors would be \$28,284.60 dollars per space, the same amount charged for properties located in the Business Triangle and not having frontage on North Rodeo or North Beverly Drives. This fee can be adjusted annually by the City Council. Additionally, in-lieu parking fees may be studied as part of the future work to expand the in-lieu parking program (see work item #1 on following page).

New applicants for in-lieu parking spaces would also pay in-lieu parking fees in the same manner as those participating in the existing program. The payment options include:

- One-time payment: all fees are paid upfront prior to the change or expansion takes place or before the certificate of occupancy is issued.
- Four-year payment option: the fee is 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.

- Ten-year payment option: 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.

The “lease” payment 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 was established as a pilot program in 2013 and is no longer available to applicants.

**Potential Pros:**

Expanding the in-lieu parking program may make it more economically feasible for property owners to add floor area to existing buildings, build new structures and to fill existing space with businesses such as restaurants that normally require additional parking on-site along the expansion corridors. This program may be especially beneficial in areas of the city where the commercial lots are too small to provide parking on-site. Expanding the in-lieu program to these corridors may allow new pedestrian-oriented uses or businesses to open in these commercial areas, where they were previously constrained by lot size and parking requirements.

**Potential Cons:**

By expanding the in-lieu program, it is likely that there will be an increase in the number of applications that may be filed, which will require staff and commission time for review. Additionally, a number of the commercial corridors in the City are directly adjacent to residential uses. Any additional development activity on the commercial corridors could impact the nearby residential areas.

While the expansion of the in-lieu parking district will allow a greater number of property owners to take advantage of the in-lieu parking program, it also relieves the property owner from building parking on-site. The public parking in the in-lieu expansion corridors is limited and there are currently no immediate plans for the development of a new public parking facility in these areas. Increasing the intensity of uses along these corridors, without increasing the parking supply in these areas, could lead to parking shortages, especially at peak times. The City Council has expressed interest in exploring partnerships with owners of excess private parking in these areas to provide unused spaces to the public, which could relieve parking shortages. Staff is currently developing a timeline for this effort.

**Future Actions:**

The proposed ordinance represents a discreet change that expands the in-lieu parking district to the five commercial corridors. This establishes a framework for expanded applicability of the program; however, the City Council directed staff to complete the following work items associated with the in-lieu parking study including:

1. Study the pricing structure for in-lieu parking space fees in the Business Triangle,
2. Explore facilitating shared parking arrangements with private garage owners as a way to fill vacancies in underutilized private parking facilities both in the Triangle and along other commercial corridors,

3. Expand efforts to implement dynamic or tiered parking pricing, enhanced wayfinding, and realtime parking aids to guide visitors through the area and better distribute parking demand,
4. Undertake a study to determine if the existing minimum parking requirements are appropriate for the community,
5. Conduct community visioning and goal setting efforts related to the commercial corridors in the City outside the Business Triangle,
6. Study alternative parking management strategies for the commercial corridors in the City, and
7. Evaluate and consider the use of automated parking under specific circumstances.

Staff is currently working on a draft ordinance to allow automated parking (work item #7), which will come before the Planning Commission in March. Staff will initiate work on the remainder of these items in the 2015/16 fiscal year, at which time additional changes to the in-lieu parking program could be pursued.

#### **ENVIRONMENTAL REVIEW**

The Draft Ordinance has been environmentally reviewed pursuant to the provisions of the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the City's Local CEQA Guidelines. The adoption of the amendments included in the ordinance will not have a significant environmental impact and is exempt from CEQA pursuant to Section 15305 of Title 14 of the California Code of Regulations because the Amendments represent minor alterations in land use limitations and do not result in any changes in land use or density. Further, the new in lieu parking district areas have average slopes of not more than 20%.

#### **RECOMMENDATION**

Staff recommends that the planning commission consider and adopt the attached resolution recommending to the City Council an ordinance amending the Beverly Hills Municipal Code to expand the in-lieu parking program.

Report Reviewed By:

  
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