

TO: JAMES L. APP, CITY MANAGER  
FROM: BOB LATA, COMMUNITY DEVELOPMENT DIRECTOR  
SUBJECT: DOWNTOWN PARKING "IN LIEU" FEE  
DATE: MARCH 15, 2005

Needs: For the City Council to consider taking steps to implement the adopted Downtown Parking and Circulation Action Plan.

Facts:

1. In October 2002 the City Council adopted a Downtown Parking and Circulation Action Plan. The components of the adopted plan are described in Attachment "A".
2. On December 31, 2005, code provisions that are designed to encourage new investment in the Downtown Area are scheduled to expire unless the City Council takes affirmative action to extend their effective date. A copy of the referenced Zoning Code Section is in Attachment "B".
3. When the City Council last extended the incentives in the year 2003, the Council expressed a need to create new off-street parking resources.
4. Adoption of an "in lieu" fee for downtown parking would be a step toward providing resources to increase future off-street parking spaces.
5. With an "in lieu" fee program in place, the Council could consider a further extension of the incentives for Downtown investment.
6. "Developing Downtown Parking" was identified as the # 11 priority on the City Council's list of 22 priorities for 2005-2007.
7. On February 28, 2005, the Council's ad hoc Committee on Downtown Parking (Council members Picanco and Strong) reviewed a draft of this staff report and attachments, and supported bringing the proposal forward for consideration by the full City Council.
8. At the same meeting, the ad hoc Committee suggested additional steps be taken to implement the 2002 Downtown Parking Action Plan. Those additional steps will be the subject of one or more separate staff reports for future City Council consideration.

Analysis  
and

Conclusion:

As Attachment “A” indicates, the City Council has adopted a three-step process to address Downtown Parking needs.

Mid-term plans (2006-2009) call for budgeting funds for acquisition and design of a facility to expand the number of parking spaces. It would, therefore, be appropriate to start the process of funding future off-street parking spaces as soon as feasible.

Attached is a description of options for funding off-street parking and, in particular, how “in lieu” parking fees would seem to be a feasible tool for implementing the adopted Downtown Parking and Circulation Action Plan.

As noted in the attached outline, the physical manner in which off-street parking is provided has a substantial impact on the future form of downtown development. Providing an “in lieu” parking fee would plan for the future and still give the City Council the option of extending the incentive for investment in the Downtown Area.

Policy

Reference:

Adopted General Plan and Downtown Parking and Circulation Action Plan

Fiscal

Impact:

None; funding is proposed to be drawn from the General Plan carry-over.

Options:

- a. That the City Council consider the contents of this report and the attached information, and authorize staff to prepare and circulate a Request for Proposals to seek qualified assistance in recommending an appropriate “in-lieu” parking fee for Downtown Paso Robles. The issuance of any contract for this work and a transfer of funds would be subject to separate City Council consideration.
- b. Amend, modify or reject the foregoing option.

## In Lieu Parking Fees

### Situation:

The adopted Downtown Parking Action Plan recognizes that there will eventually be the need for one or more parking structures. Attached is a copy of the adopted Action Plan.

Although providing one or more parking structures is the third in a series of three action steps to address the demand for Downtown parking, it would appear necessary and prudent to begin the process of addressing the funding of parking structures.

There is currently no revenue source, either one-time or reoccurring, that can support the construction and operation of a parking structure.

### Background Information:

The current incentives for development in the Downtown Area (which were established in 1994) are scheduled to expire on December 31, 2005, unless the City Council agrees to extend them. A copy of the current parking code for Downtown is attached.

Even if the incentives are permitted to expire, the Zoning Code would continue to allow existing buildings to be “grandfathered” in terms of meeting any off-street parking requirements. The expiration of the incentives would, however, significantly impact proposals for physical expansions of existing buildings and other new construction.

The purpose of the current incentives was to encourage investment and revitalization in the downtown area. The adopted General Plan calls for the City to “Continue to revitalize the historic Downtown.” and to “Focus efforts on developing Downtown Paso Robles as the specialty retail, government, office, cultural, conference, and entertainment center of the City and North County region.”

The physical manner in which off-street parking is provided has a substantial impact on the future form of downtown development. Parking that is located along street fronts breaks up the continuity of buildings in the downtown, tending to discourage pedestrian traffic. In contrast, a consistent pattern of stores, shop windows, and other physical attractions will encourage pedestrian activity.

Downtown San Luis Obispo and Santa Barbara provides an example of communities with a pedestrian oriented development pattern. Parking is relegated to locations that typically do not conflict with pedestrian patterns (in parking structures and lots that lie behind commercial blocks). Communities that have failed to provide a concentrated development pattern and discourage pedestrian activity are, however, typical for Southern California.

If the incentives for Downtown development that are scheduled to expire 12/31/05 are not extended, new buildings or expansions of existing buildings would be required by current code to provide off-street parking within 300 feet (one block) of their property.

Since there are relatively few opportunities to provide parking within 300 feet for new construction, the effect of the parking code would be to discourage further new building investments in the downtown. There would also be an incentive to use existing vacant lots for parking instead of constructing new buildings that would be an enhancement to the pedestrian orientation of the Downtown Paso Robles.

In light of the pending consideration of whether or not to extend the Downtown investment incentives (due to expire 12/31/05), it would seem prudent and appropriate to consider establishing a long-term strategy and mechanism for common off-street parking for Downtown customers and employees.

#### Funding Options for New Off-Street Parking:

Based on an internet search of approaches being taken by other communities, options for downtown parking lots and structures include but are not necessarily limited to the following:

1. Parking meters: as demonstrated in the City of San Luis Obispo, parking meters and time parking enforcement provide a relatively stable / reliable source of revenues that can support bonded indebtedness for parking structures. Related considerations include:
  - The community's willingness to accept meters; and/or
  - The viability of other funding mechanisms
2. One-time "in lieu" parking fees can be charged in conjunction with new development entitlements. The challenge would be to formulate a fee that would be enough to help provide future parking spaces and still not discourage further investment in the downtown area.
3. Establishing a mechanism through which owners of new or expanded buildings could pay "in lieu" fees over time (e.g. annually), thereby somewhat mitigating the cost impacts of the fees.
4. Providing City owned parking facilities and charging merchants and/or property owners a price per space, thereby providing a means for property owners to meet their parking requirements through a City parking facility.
5. Encouraging private property owners to construct parking facilities that could be leased to others to meet parking requirements.

6. Relying on the City and/or Redevelopment Agency to provide one or more new parking structures to encourage / accommodate further development in Downtown Paso Robles.

Unless the community is willing to revisit the topic of parking meters, the focus falls on either “in-lieu” fees (in some form) or public resources (or some combination of the two approaches). In light of City and Redevelopment Agency funding constraints, some form of in-lieu fee would seem the most feasible means of funding new off-street parking facilities.

In examining in-lieu parking fees, the amount of the fee and the method of payment would seem the most significant factors. The fee needs to be enough to make a significant contribution to the costs of providing new parking spaces, but at the same time not be so large as to significantly discourage investment in the Downtown Area.

The selection of an appropriate in-lieu fee would seem to require consideration of other community experiences, along with local real estate finance / market factors.

#### Assistance to Formulate a Proposal for In-Lieu Fees:

The City has an adopted Downtown Parking and Circulation Action Plan. Establishment of an “in lieu” fee as a tool to fund future parking structures would be consistent with the purpose and intent of the adopted Action Plan.

At this juncture, it is recommended that the City seek professional assistance to formulate an in-lieu fee program in order to provide an option prior to the expiration of the Downtown Parking code on 12/31/05.

Funding for the parking analysis is proposed to be provided from the General Plan implementation carry-over, as an implementation of both the Mixed Use Overlay and commercial land use patterns for the Downtown Area as adopted in the General Plan.

**Councilman Nemeth motion from  
Downtown Parking and Circulation Workshop  
October 29, 2002**

I would like for the City Council to adopt resolution number 02-xx approving a mitigated Negative Declaration and Mitigation Monitoring Program, adopt resolution number 02-xx approving components of the Downtown Parking and Circulation Analysis and Action Plan, and direct staff to actively pursue the short term measures described in the attached draft program which would include angled parking, signage, public information, and include contacting the construction workers across the street and a request from the City Manager to our City Employees to see if they would opt to park outside of the City downtown core. This option would also direct staff to prepare a budget proposal for consideration during the next budget cycle, which is as soon as we can do it, fiscal year '03-'04, which would pursue increasing the supply of new parking spaces in the downtown core area including researching the components of a shuttle service between either the transit center or Robbins field, directing the City Manager to contact the Fair to see if we can use their parking facilities and appoint a City Council ad hoc committee to actually pursue long term options for further increase in the supply of parking spaces in the downtown area and implementing the balance of the action suggested in the attached draft program.

## EXHIBIT A

# Paso Robles Downtown Parking Options

### **Short-Term (2002-2005); current / projected demand for 100 spaces:**

- Provide angled on-street parking where feasible.
- Propose a budget in FY 03-04 for new/additional signs for parking lots.
- In cooperation with Main Street, mark curb faces in selected blocks to designate on-street parking spaces “for customers”.
- Allow loading zones to be established by the Streets & Utilities Committee.
- Establish a City Council ad hoc Committee to review options for ways to provide more off-street parking spaces (particularly in the form of parking lots that could later be used for parking structures). Considerations shall include potential locations and costs for the City to lease and improve vacant properties as interim locations for additional off-street parking.
- Direct staff to prepare the appropriate paperwork to extend the current favorable parking ratio that expires in December 2003 to December 2005.
- Encourage Main Street to work with downtown merchants to formulate and implement programs that provide incentives for employees to park outside of the downtown core area. (To the extent that these programs are successful, it may not be necessary to pursue less attractive and more expensive measures to free up customer parking in the downtown core area.)
- Do one of the following:
  - a. Determine to rely on business owners to control the parking of their employees, thereby freeing up additional on and off-street parking spaces for customers, for a three-year period (ending December 31, 2005). Prior to the close of the three year period, review the potential need for time restricted parking; or
  - b. Direct staff to prepare a FY 03-04 budget proposal to enforce parking time limits. The time limits would restrict parking between 10 AM and 2 PM weekdays and would apply to areas identified in the Kimley-Horn study:
    - No time limits in public parking lots at 12<sup>th</sup> & Railroad, Spring between 12<sup>th</sup> and 13<sup>th</sup>, and south of City Hall, and along 11<sup>th</sup> Street and outside of the core area defined below in ii, iii, iv.
    - A time limit of 4 hours on Spring and Pine Streets south of 12<sup>th</sup>.
    - A time limit of 2 hours on Park & Pine Streets from 12<sup>th</sup> to 14<sup>th</sup> Street and in the parking lot east of Marv’s Pizza.
    - A time limit of 4 hours on 12, 13, and 14<sup>th</sup> Streets.

## **EXHIBIT A**

### **Paso Robles Downtown Parking Options**

- c. When development occurs at the NE and SE corners of 4<sup>th</sup> and Spring Streets, propose a budget for modifying lane configurations to channel a lane of traffic east on 4<sup>th</sup> Street and north on Pine Street.

#### **Mid-Term (2006-2009); projected demand for 350 additional spaces:**

- Reevaluate the need for time-restricted parking (if not established in the short-term program or if there is a perceived need to consider expansion of either the time limits or geographic area to which they apply).
- Consider whether or not to further extend the favorable parking ratio for new development in the downtown area.
- Budget funds for acquisition and design of a facility to expand the number of off-street parking spaces within Area IV (as defined in the Kimley-Horn report). The location of the additional off-street parking would be based on opportunity for purchase of land. Property would be improved for surface level parking as an interim measure, with future structured parking as a long-range plan.
- Once the 13<sup>th</sup> Street bridge project is complete, as a trial measure, close off 13<sup>th</sup> Street for a two-week period in the block between Railroad and Park Streets, installing traffic counting devices elsewhere to determine the patterns of traffic that result from the change. This trial would include installing directional signs at 10<sup>th</sup> and 16<sup>th</sup> Streets, designed to channel traffic to Riverside and Creston Roads. Depending upon the outcome of the trial (measured in terms of reasonable success in redirecting traffic), consider the budget for a permanent barrier.

#### **Long-Term (2010 and beyond); projected demand for 550 more spaces:**

- Reevaluate the need for time-restricted parking (if not established in the short-term program or if there is a perceived need to consider expansion of either the time limits or geographic area to which they apply).
- Consider whether or not to further extend the favorable parking ratio for new development in the downtown area.
- Design and construct one or more multi-level parking lots to service Area IV as defined by the Kimley-Horn Report.
- Plan for and implement measures to direct Spring Street traffic east to the Riverside Avenue corridor, based on a new rail underpass or overpass being constructed at 4<sup>th</sup> and Pine / Riverside.