

**DATE:** September 19, 2017

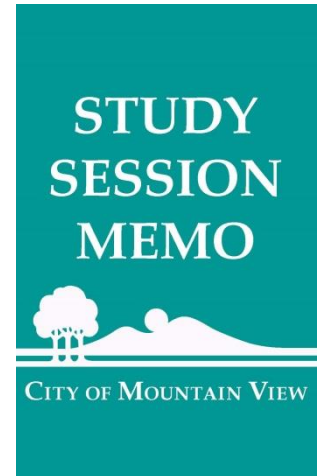
**TO:** Honorable Mayor and City Council

**FROM:** Eric Anderson, Senior Planner  
Randal Tsuda, Community Development  
Director

**VIA:** Daniel H. Rich, City Manager

**TITLE:** **Downtown Parking Requirements**

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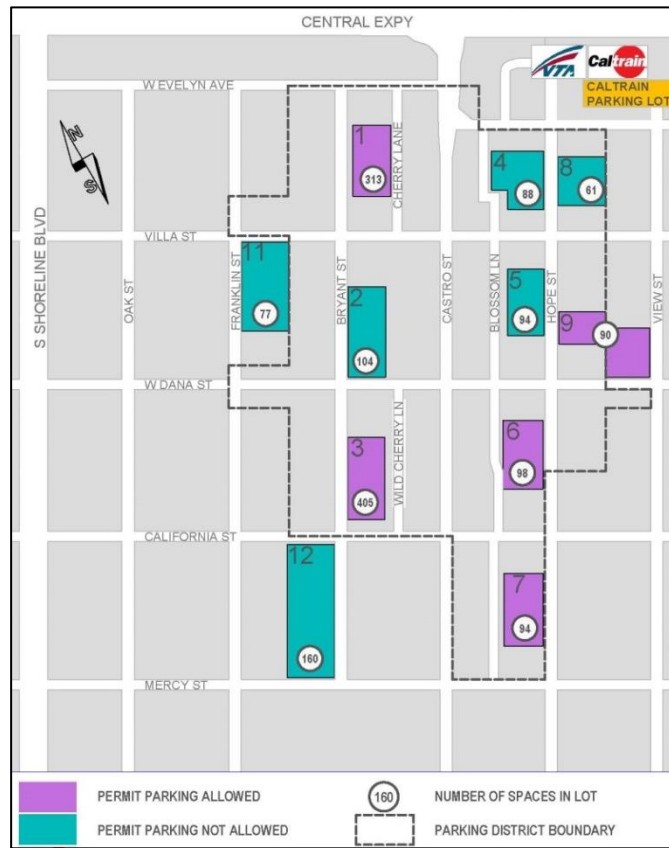
### **PURPOSE**

The purpose of this Study Session is for the City Council to provide input on downtown parking requirements, including the portion of downtown development parking that may be provided through payment of in-lieu fees.

### **BACKGROUND**

The City of Mountain View finances and maintains public parking in the Downtown Parking District (District), which was created in 1959. While development outside the District must provide its own parking, development within the District may rely on public parking spaces. This arrangement has many benefits for downtown and the community. For example, the public parking supports automobile access to older buildings that do not have their own parking; shared parking can be used by more people than private parking; and carefully sited public parking supports urban design goals for Castro Street and cross streets, which benefit from continuous building frontages. A map of the District is included as Attachment 1, and is shown on the next page. This map also shows the two parking structures (Nos. 1 and 3), and nine other public parking lots downtown.

## Map of Downtown Parking District



### *Parking In-Lieu Fee Background*

The Downtown Precise Plan includes parking regulations for new development in the District (see Attachment 2 – Downtown Precise Plan Excerpt). Not all developments are required to provide parking—for example, ground-floor retail is exempt from all parking requirements, and other uses (like indoor recreation) are exempt from parking requirements when it is a new use in an existing building. However, many developments are required to provide parking, including offices or restaurants that replace a different use, or most new construction. In these cases, the Downtown Precise Plan sets a standard number of required parking spaces based on the intended use. These standards are lower than in the rest of the City due to the benefit of shared parking facilities, businesses and homes within walking distance, and transit access. The City Code allows adjustments to that standard when special conditions apply or a special use is proposed through the Conditional Use Permit process.

For certain developments, the Precise Plan allows the development to pay a one-time fee rather than construct required parking, called the Parking In-lieu Fee (Fee). The

Fee's intended use is to expand downtown public parking supply in response to increased demand from new development by collecting funds for City-sponsored parking facilities. Allowing a fee in lieu of private parking provides flexibility for development on downtown's small parcels, which are unable to construct their own parking; supports development feasibility in a key transit-oriented location; reduces the need for driveways that can interfere with the pedestrian streetscape; and reduces the occurrence of private parking, which is less efficient than shared public parking. The Fee is not intended for ongoing costs, such as maintenance or operations (such as valet parking), which are covered primarily by annual assessments to Parking District property owners, citations, and sale of parking permits.

During the budget update in 2016, the City Council approved raising the Fee from \$26,000 per required parking space to \$48,000 per required parking space for new development (the Fee is now tied to construction costs and increases every year based on average construction costs; it is currently \$49,963 per required parking space). At the time, constructing underground and structured parking was estimated to cost approximately \$60,000 to \$80,000 per parking space, excluding any land cost.

#### *Residential Parking Permit Program*

In 2016, the City Council adopted a Residential Parking Permit Program (RPPP), which establishes a process for neighborhoods to set limits on street parking. If neighborhoods choose to implement the RPPP, they could be protected from certain parking impacts, such as all-day parking by nearby commercial and office employees, or people who drive to the downtown transit station. This could support a key City goal—encouraging individuals to make their whole commute by transit, bicycle, or other nonautomotive modes. At this time, only one small downtown neighborhood near Eagle Park has applied for the RPPP.

#### *City Council Direction*

On October 18, 2016, the City Council held a Study Session on short-term and long-term solutions to support additional public parking in the District. The following is a summary of City Council direction from that meeting:

- Approved pilot programs for attendant-assisted parking and ride-share credits.
- Supported further study of shared parking agreements as a long-term parking solution, which staff anticipates working on commencing this winter.

- Endorsed studying paid parking, which staff anticipates working on commencing this winter.
- Not supportive of a third parking structure at this time.

On February 28, 2017, Council directed staff to proceed with the two short-term parking solutions identified above (ride-share credit pilot program and an attendant-assisted parking pilot program). Staff is currently negotiating contracts with Lyft and Uber for a ride-share credit pilot program to help incentivize transportation sharing rather than driving alone and parking in the downtown. In addition, staff has issued a Request for Proposals (RFP) for an attendant-assisted parking pilot program for Lot 11, which is slated for implementation by the end of the year.

#### *Other Downtown Parking Issues*

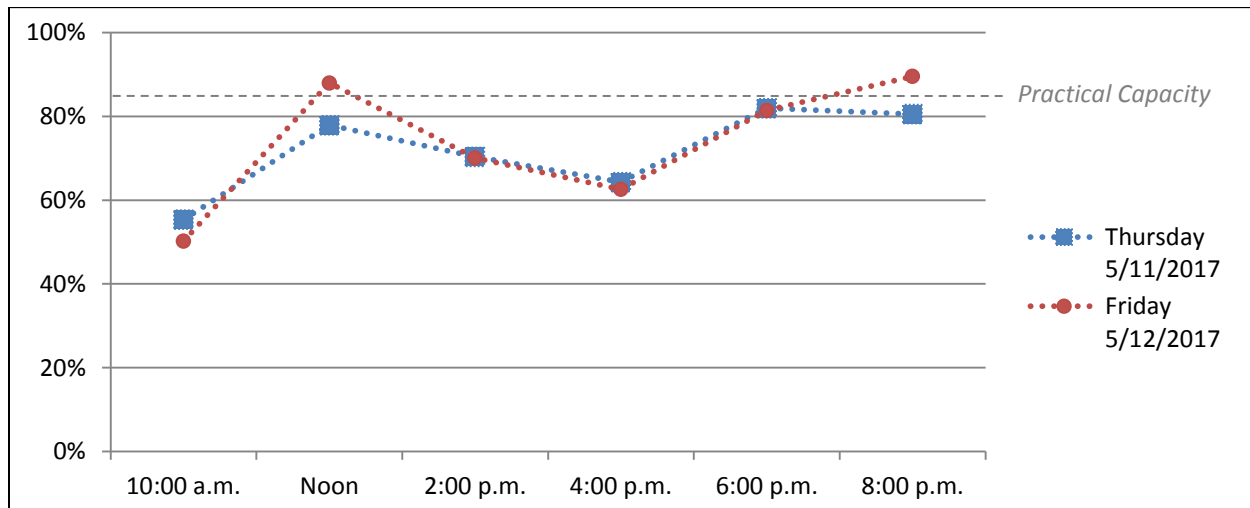
The City will hold a Study Session to discuss the process of marketing Lot 12's 160 public parking spaces for residential development next month. Lot 12 has always been considered temporary parking, and it is unknown at this time whether the new development will maintain public parking on the site. In addition, implementation of the Transit Center Master Plan may increase the number of parking spaces at the Transit Center from approximately 350 to approximately 600 to 700.

## **DISCUSSION**

### **Parking Occupancy**

To help with the overall management of the downtown public parking facilities, staff collects parking occupancy data in the spring and fall to understand current parking conditions. Parking counts are taken at the public parking facilities shown in the District map, and do not include on-street public parking, a total of 1,584 parking spaces. The counts are taken in two-hour intervals on a Thursday and Friday from 10:00 a.m. to 8:00 p.m. The most recent parking counts took place on May 11 and May 12, 2017, and the next set of parking counts will be collected mid-November 2017. A summary of these counts is shown below.

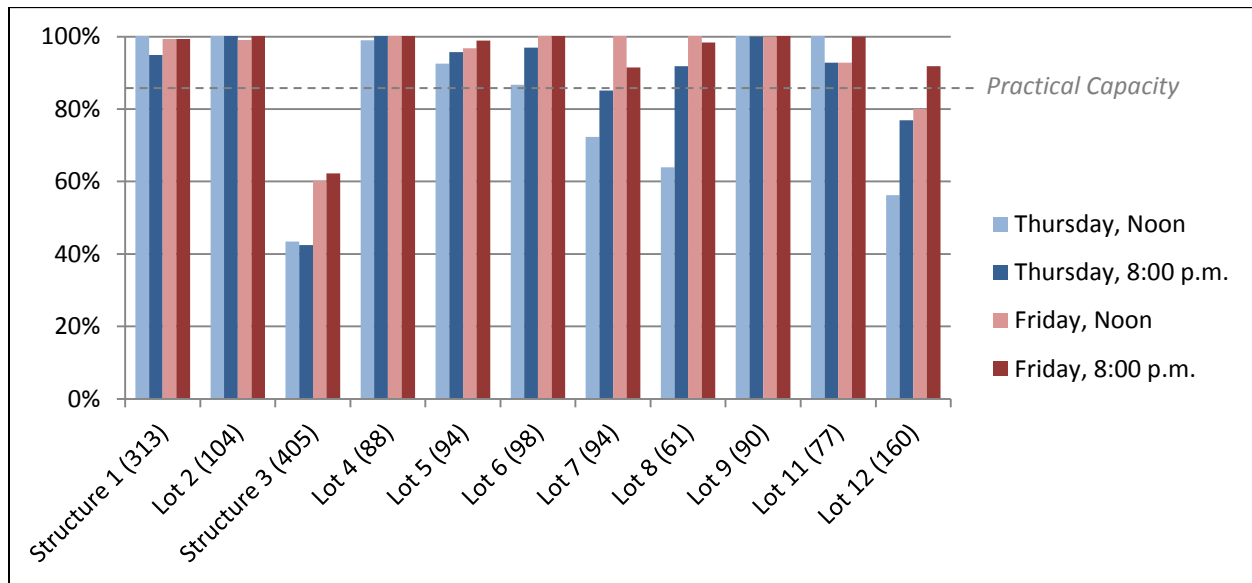
### Occupancy at All Downtown Parking Lots and Structures



Practical capacity is typically defined as 85 percent (when it becomes difficult for a driver to find a parking space without having to circle or “cruise” for parking). The data continues to show two parking peaks near or above practical capacity at the lunch and dinner hours on Thursday and Friday. Friday has a higher demand compared to Thursday during these peaks, but has a similar demand off peak.

Parking demand is not evenly distributed across downtown, however. During the peaks, Parking Structure No. 3, located on the northeast corner of Bryant Street and California Street (containing CVS) and Parking Lot No. 12, located on the southwest corner of the same intersection, continue to have some capacity, while the other lots are at or over capacity during these times. These data are shown below.

### Peak Occupancy at Individual Lots and Structures



### Recent Development

The City has latitude to allow parking requirements in the District to be satisfied through the Fee. In most of the District (Areas E and H in the Downtown Precise Plan, corresponding to the blocks adjacent to Castro Street), commercial development can provide anywhere from 0 percent to 100 percent of their parking through the Fee. In other areas of the District, commercial development can provide anywhere from 0 percent to 20 percent of their parking through the Fee (80 percent to 100 percent of the parking requirement on-site). Residential development throughout the District must provide 100 percent of their resident parking on-site, but can provide their guest parking through the Fee.

From 2009 through 2017, three office projects were entitled, reflecting 156,852 square feet of office space. The percent of the parking requirement satisfied through the Fee ranged from 17 percent to 77 percent (see table below). Office projects are the focus of this analysis because those projects have more flexibility in the amount of parking provided through the Fee. Residential projects, such as 324 Bryant Street and 235 Hope Street, are required to provide all resident parking on-site, but the City has granted use of the Fee for the guest parking, which is usually limited to about 0.3 space per unit (approximately 13 percent of the total parking requirement). Changes of use, such as new restaurants at 315 Castro Street and 331 Castro Street, cannot usually provide any parking, and the City has allowed 100 percent of the parking through the Fee.

Project	Parking Space Demand	Parking Spaces Built	Parking In-Lieu Fee Spaces	Percent Fee
871 West Evelyn Avenue	146	33	113	77%
900 Villa Street	63	19	44	70%
250 Bryant Street	194	161	33	17%

Approximately 287 Fee parking spaces have been approved since the California/Bryant Parking Structure was built in 2007. However, the City recently finalized a Disposition and Development Agreement and Ground Lease with The Robert Green Company to construct a hotel and office development in the District. One of the terms of this Ground Lease is for the City to use a minimum of \$5.8 million of Parking In-Lieu Fee funds to integrate 76 net new public parking spaces into the proposed development. It is expected to be complete in 2022. A total of approximately \$14.7 million of City funds are being used to construct the 225 public parking spaces at the development.

### Proposed Development

Over the last year, staff has received inquiry into office development at multiple sites downtown. These sites are shown in the map at right. While some sites (990 Villa Street, which has since been withdrawn, 950 Villa Street, and 383 Castro Street) have proposed to provide 100 percent of their required parking on-site, none of the designs are complete, and this Study Session may inform their review, should they need or wish to use the Fee. In addition, staff also fields inquiries about prospective hotel or restaurant developments, which may also demand parking during downtown's peak periods. Many of these sites are too small to realistically construct much, if any, of their own underground parking.



The table below shows an estimate of the maximum number of on-site parking spaces the other three sites could provide, based on preliminary review of formal or informal plans.

Project	Parking Space Demand	Parking Spaces Proposed	Parking In-Lieu Fee Spaces	Percent Fee
701 West Evelyn Avenue	130	52	78	60%
714 Villa Street	83	17	66	80%
756 California Street	27	0	27	100%

### On-Site Parking Feasibility

In general, sites smaller than about 60' in width cannot provide much, if any, underground parking, and sites smaller than 110' in width cannot provide the multiple aisles and levels of underground parking needed to comply with the parking standard. (These assume the standard downtown lot depths of 120' to 150'.) Out of 243 parcels, the District includes 61 parcels larger than 60' in width and 17 parcels larger than 110', including eight City parking lots, the Post Office, the AT&T Communications Building, and five recently constructed projects. The two remaining parcels larger than 110' width are on the northeast corner of Dana Street and Castro Street ("Easy Foods Company" and other businesses) and the office/retail complex on the 400 block of Castro Street, including "Casa Lupe."<sup>1</sup>

In summary, few District parcels are large enough to provide a significant amount of their own parking. If the City Council expects a significant amount of on-site parking in the District, most new development could only occur if property owners assemble parcels, which may not be consistent with the vision for downtown.

### Use of Parking In-Lieu Fee

Based on the enacting legislation, the Fee can only be used for the construction or creation of actual parking spaces or facilities. So far, the Fee has only been used for construction of new parking, but at the October 18, 2016 meeting, the City Council indicated it was not interested in a new parking structure at this time, preferring to focus on other opportunities to expand the efficiency and supply of parking.

The only Fee-eligible strategy that the City Council endorsed in October was the pursuit of executing shared parking agreements with private property owners. Staff anticipates working on this long-term solution commencing this winter. This would be a new

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<sup>1</sup> This analysis includes all parcels in the District, including parcels for which redevelopment is impossible or undesirable, such as historic properties, condominium properties, recent development, public properties, and others.



strategy for the City, and it is not clear at this time how many parking spaces could be accessed in this way. In addition, it is unlikely to add new parking spaces during the daytime, when office development would demand parking.

Of the strategies endorsed in October, the other three are not currently Fee-eligible since they do not construct or create actual parking spaces: ride-share credits, attendant-assisted parking, and paid parking.

### **Direction Sought**

The purpose of the Fee is to add to the parking supply, but the City Council has directed staff not to study an additional parking structure at this time. The only planned expansion of downtown parking supply is associated with the Robert Green Company development agreements to build an underground parking structure that will add 75 new public spaces in conjunction with the hotel and office project on Lots 4 and 8. Additional fees collected could be used toward the City's obligation for the Hope Street parking, but it would not increase the supply of parking beyond what is currently planned.

This could present a future potential policy conflict between the Precise Plan, which allows the Fee, and the future of the District, which may not include significant new parking facilities. If the City approves development with the Fee, the community's expectation may be that significant new parking may be built. If parking supply is not also expanded, the downtown area could experience additional parking impacts, including fewer parking spaces available for customers or existing businesses, and spillover parking in residential areas.

Question: Does the City Council wish to modify the downtown parking requirements? If so, should staff pursue any of the following strategies?

- Require new development to provide most or all parking on-site. By requiring more parking on-site, a development's parking demand would be better contained within the development, reducing the potential impacts to surrounding businesses and neighborhoods.

This could be done without a Precise Plan amendment since the Plan allows development to provide any amount of required parking through the Fee (or up to 20 percent on the blocks farther from Castro Street), although the Council may opt to amend the plan to provide clarity, as discussed in the following paragraph. Staff could begin implementing the Council's direction through the review of the proposed projects described earlier in the report. However, this could make

development at 701 West Evelyn Avenue and 714 Villa Street less feasible since they have little opportunity to assemble land (without using the City's parking lot). Most other development projects in the District would either become less feasible or would need parcel assembly. In any case, if the City Council endorses this strategy, one would expect less downtown development. This may be inconsistent with the City's mode-share and greenhouse gas reduction goals since downtown is a key transit node.

If the City Council wishes, the Precise Plan could be amended to reduce the amount of parking that can be provided through the Fee. This would give developers more certainty, but it would also give future City Councils less discretion to allow development. To do this, staff would return to the Council for more direction on the appropriate maximum Fee proportion, and/or to adopt the revised Precise Plan language.

- Impose TDM requirements. Transportation Demand Management (TDM) programs may include transit subsidies, shuttles, commute alternative coordination, showers and lockers for bicyclists, or other tools to encourage travel by modes other than driving alone. The Downtown Precise Plan currently allows parking reductions up to 5 percent for office development that includes a TDM program. Greater increases can be reviewed and approved through Conditional Use Permits.

Recent analyses by the Palo Alto Transportation Management Association (Palo Alto TMA) have found that TDM programs can be successful at reducing the need for parking. About 70 percent of downtown Palo Alto tech workers (three-quarters of whom have transit benefits) commute by modes other than driving alone. Service workers have reduced their drive-alone rate by about 10 percent in the last year, which may have been due in part to the TDM benefits provided by the Palo Alto TMA.

This strategy would not completely eliminate the need for parking since new development will still generate parking demand, even if it is lower due to TDM programs. In addition, this strategy could mean additional cost to the City for monitoring and enforcement of these programs. TDM programs can be implemented, and parking requirements can be reduced, without a Precise Plan or Code amendment. However, staff would need to conduct additional analysis of the relationship between parking reductions and trip reductions, develop guidelines, and implement monitoring, penalty, and other procedures. Staff would return to the City Council with one or more development applications for the City Council's review.

- Create a Downtown TMA. The Mountain View Transit Management Association (Mountain View TMA) was created in 2013 as a partnership between some of the City's employers and landowners to reduce vehicle traffic. Currently, the Mountain View TMA is oriented toward serving the larger employment areas of North Bayshore and East Whisman. However, a more targeted group may better serve the needs of downtown businesses and residents by providing transportation-related information or transit benefits (for example, the Palo Alto TMA provides transit passes to low-wage workers in downtown Palo Alto). The TMA could help more existing parking spaces become available by reducing the number of drivers to existing businesses, thereby reducing the potential parking impacts of downtown development. One challenge of this strategy is that new development would trigger the requirement to join the TMA, but existing development would not be subject to the requirement. If the City Council is interested, staff would reach out to downtown businesses and property owners, and develop strategies for creating a downtown TMA, or incorporating it into the existing TMA. Staff would also explore ways to encourage existing development to join the TMA.
- Expand District to include development opportunity sites. The Fee is currently being used to build some of the new parking spaces at Lots 4 and 8 through the Robert Green Company development. However, the Fee cannot be used to build new parking spaces at Lots 11 or 12, or at the Transit Center since they are located outside the District. If the City Council wishes to use the Fee at these locations, the boundary of the District would need to be changed. Modifying district boundaries is more difficult and would require procedural actions consistent with State law and other laws governing the District, such as a vote of the existing District property owners. If this is something the City Council is interested in, staff would return to the City Council with more information about the costs and risks of such a proposal.
- Modify or expand the use of the Fee. The Fee could be modified or its use expanded to address other ways the District can improve access to downtown. A recent analysis for Redwood City recommended that their In-Lieu Fee be modified to allow for improved bicycle and pedestrian facilities, smart parking meters, and other infrastructure that may make more existing parking spaces available in the District. Staff would return to the City Council with more analysis, including possible expanded uses for the Fee. In addition, the Downtown Precise Plan and other City Codes and policies may need to be amended, and the Fee may need to be adjusted based on its broader use.

- Reconsider constructing a new parking structure. The City Council could direct staff to study constructing a new structure as a longer-term solution. It could be associated with another land lease similar to the Robert Green Company project, but the net new number of spaces would be lower than a stand-alone parking structure.

### **Downtown Committee Input**

At their meeting on September 5, 2017, the Downtown Committee discussed this topic. One member of the public described opportunities in other communities, where parking fees also support TDM.

Some comments from the Downtown Committee were as follows:

- Several members of the Committee did not support new development paying the Fee since parking is already near capacity and it will be a long time before any new parking is built.
- Several members of the Committee supported shifting resources to TDM.
- The Committee supported looking further into establishing a TMA for downtown or strengthening the existing Mountain View TMA's presence there.
- Several members of the Committee supported expanding the District's boundaries.

### **RECOMMENDATION**

Staff seeks City Council input on parking requirements for development in the Downtown Parking District. The specific question for City Council is:

Does the City Council wish to modify the downtown parking requirements? If so, should staff study or implement any of the following strategies?

- Require new development to provide most or all parking on-site.
- Impose TDM requirements.
- Create a downtown TMA.
- Expand District to include development opportunity sites.

- Modify or expand the use of the Fee.
- Reconsider constructing a new parking structure.

### **NEXT STEPS**

Staff will continue to review the proposed developments consistent with the direction provided by the City Council. The City Council will make final actions on these specific developments at future dates. If the City Council directs staff to study any additional changes to downtown parking requirements, that analysis would need to be added to the department's work plan, and those items would be scheduled for future Study Sessions and public hearings.

### **PUBLIC NOTICING**

The Council's agenda is advertised on Channel 26, and the agenda and this report appear on the City's website. All property owners within the Parking District and downtown businesses were notified of this meeting by mailed notice. Recent development applicants, the Central Business Association, Chamber of Commerce, the Old Mountain View Neighborhood Association, the TMA, and the Downtown Committee were noticed by e-mail.

EA-RT/7/CAM  
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Attachments: 1. Downtown Parking Map  
2. Downtown Precise Plan Excerpt