



> Parking Payment in Lieu

Council Committee on Economic Sustainability

April 9, 2021

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> Parking Payment in Lieu

Defined:

- Parking payment in-lieu, or in-lieu fees, allow, encourage, or require developers to pay a predetermined amount to the city in-lieu of constructing private parking
- Funds contributed to the in-lieu account are used by the city to provide an appropriate number of spaces in municipal parking facilities or to provide an alternative means of arriving to the site
- By definition, the fee in-lieu is tied to satisfying a requirement to provide a minimum number of parking spaces. However, the Town of Chapel Hill currently has no parking requirements in the downtown
 - Update fee associated with LUMO
 - Develop and adopt parking standards and expectations for Town Center zoning district related to parking
 - Set an expectation level for new private parking (50% maximum?)





GOAL: To reduce private parking lots, increased public parking usage and to encourage multi-modal options including walkability and activation.

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Private Parking Supports Individual Businesses



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Public Parking Supports the Entire Downtown



An imbalance between Public and Private Parking can create bad outcomes



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An effective system balances multiple modes of transportation

Pedestrians



Bicyclists



Bus Riders



Drivers



> Best Practices

Downtown Coconut Grove Business District, Miami, Florida

By Code, the City of Miami, Florida allows the payment in-lieu to meet the minimum off-street requirements as required by zoning. This has been successfully used in Coconut Grove business improvement district for funding parking while encouraging redevelopment. For the year ended September 30, 2017, the reported Parking waiver and surcharge fees amounted to over \$600,000.

Town of Pasadena, California

The Town of Pasadena, California implemented the Zoning Credit Parking Program in its historic district, Old Pasadena, to enable developers, business owners, and other property owners to provide parking for their users while discouraging (and, in fact, disallowing) any construction of new parking. The program enables shared use (not exclusive use) of public parking spaces located in existing public parking structures; the number of spaces allowed per use is determined based on minimum parking requirements set forth in the City of Pasadena Zoning Code (Article 4). An initial \$738 application processing fee is required to join the program, followed by annual payments of \$250 per space. Processing requires sign-off by the City's planning, transportation, and building and safety departments.

City of Golden, Colorado

By code, the City of Golden, Colorado allows a payment in-lieu for providing required parking within the Downtown development district. The owner may request to provide a payment rather than the parking for approval using one of three calculations, subject to the city council approval.

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History

- Evaluated and best practices presented as a part of our 2018 Parking Study
- Presented option to Council in February of 2019 – Council authorized work to proceed. Staff team met over the summer of 2019 into late year and then reconvened in fall of 2020



> Proposed steps from February 2019:



- Evaluate the current leased parking program
- Explore shared parking with private sector
- Wallace Deck Additional 100 spaces
- Future development of parking infrastructure
- Engage with UNC leadership to discuss shared needs, assets
- Payment in Lieu for future development



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Parking Payment in Lieu (PIL)

- 1) Update PIL fee in Code of Ordinances
- 2) Re-establish downtown parking requirement in LUMO with generation rates
- 3) Set expectation for amount of new private parking (50% maximum?)
- 4) Consider fee differentiation if it is shared resources (meaning 5pm/6pm to 8am) \$10,000 regular and \$5,000 for shared initiation fee. Still pays monthly costs.



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Principles of Sustainability

Moving toward a shared and balanced system

1. Improvements to Transit Service
2. Improvements to Pedestrian and Bicycle Service
3. Shared Parking for appropriate uses (residents and office workers)



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In-Lieu Parking Fees and Centralized Parking

Municipalities establish in-lieu parking fees as an alternative to requiring on-site parking spaces. With in-lieu fees, developers are able to circumvent constructing parking on-site by paying the city a fee. The city, in return, provides centralized, off-site parking that is available for use by the development's tenants and visitors. The fees are determined by the city and are generally based on the cost of providing parking. Cities set fees in one of two ways, either by calculating a flat fee for parking spaces not provided by a developer on-site or by establishing development-specific fees on a case-by-case basis. Shoup reports that in-lieu fees in the United States range from \$5,850 to \$20,180 per parking space. These fees can be imposed as a property tax surcharge.

– **Donald Shoup** (from *Parking Requirements Reform: A White Paper*)



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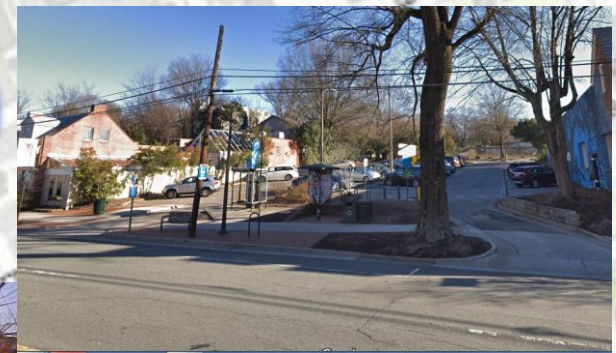
Shared Parking

Different types of land uses attract customers, workers, and visitors during different times of the day. Shared parking is another alternative that city planners can employ when setting parking requirements in mixed-use areas. An office that has peak parking demand during the daytime hours, for example, can share the same pool of parking spaces with a restaurant whose demand peaks in the evening. This alternative also reduces overall development costs.



Visitors' Center Temporary

From February 2019



Potential opportunities for future development.

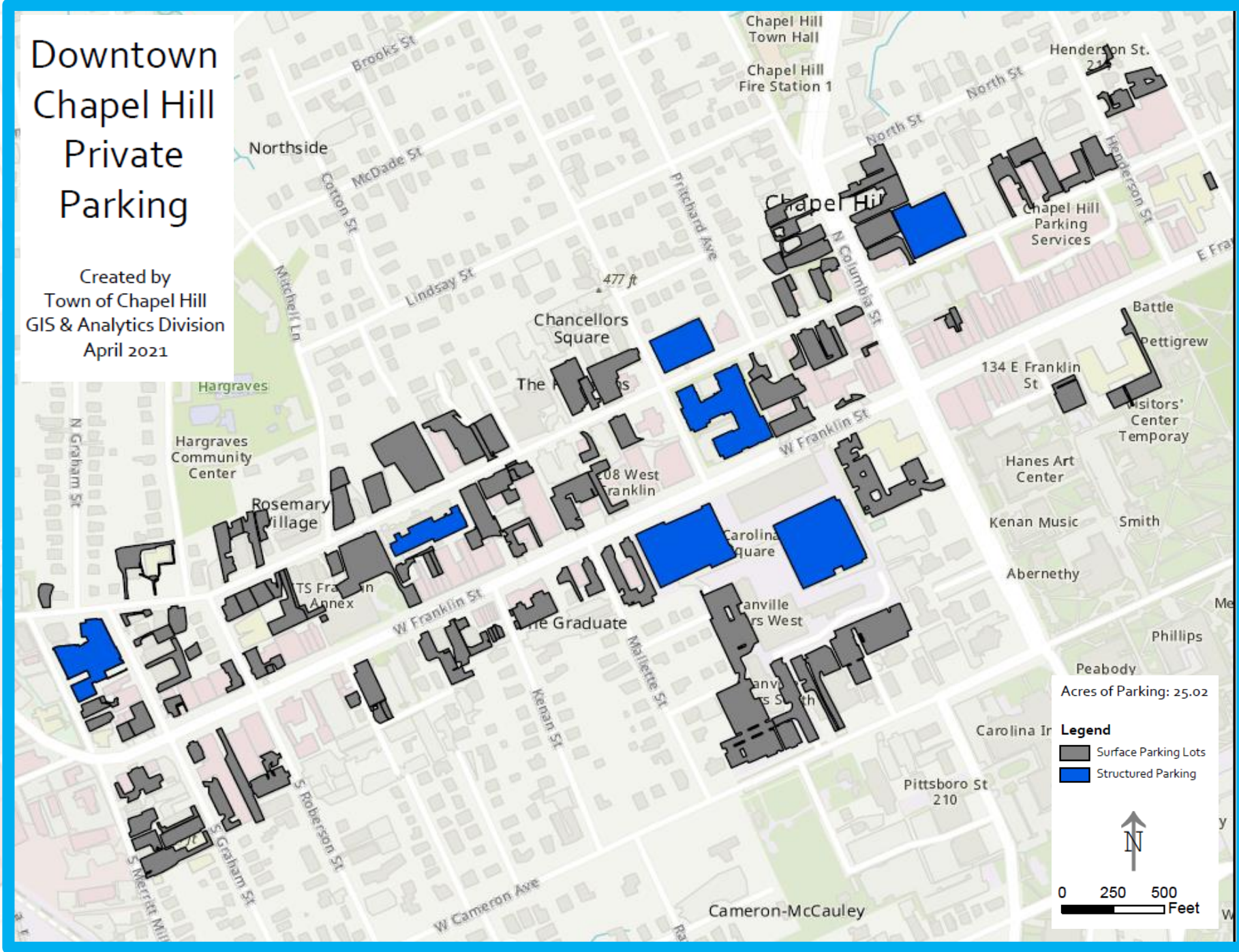


Private Parking lots



Downtown is roughly 85 acres, so private parking at 25 acres is roughly 29% of land use.

(Plus, private parking spaces accounts for over 3,100 spaces)



Does Council desire to proceed with Parking Payment in Lieu to reduce private parking lots, increased public parking usage and to encourage multi-modal options including walkability and activation?

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