> Parking Payment in Lieu

Council Committee on Economic Sustainability
September 10, 2021

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

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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 required 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?)

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February 2019 – Council to proceed with Payment-in-lieu

March 2021 – CCES presentation. Council asked staff to involve Walker Consultants

September 2021 – Council considers proceeding with text changes.

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Private Parking Supports Individual Businesses

Public Parking Supports the Entire Downtown

An imbalance between Public and Private Parking
can create bad outcomes

An effective system balances multiple modes of transportation

Pedestrians

Bicyclists

Bus Riders

Drivers

> Proposed steps :

- Change leased parking program to 12-hour increments
- Implement shared parking model with residences and offices
- East Rosemary Parking Deck – 1089 spaces
- Future development of parking infrastructure (West End Parking Deck, other)
- Engage with UNC leadership to discuss shared needs, assets
- Payment in Lieu of future development

Parking Payment in Lieu (PIL)

1) Update PIL fee in Code of Ordinances

2) Re-establish downtown parking requirement in LUMO

3) Set expectation for amount of new private parking (50% maximum)

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.

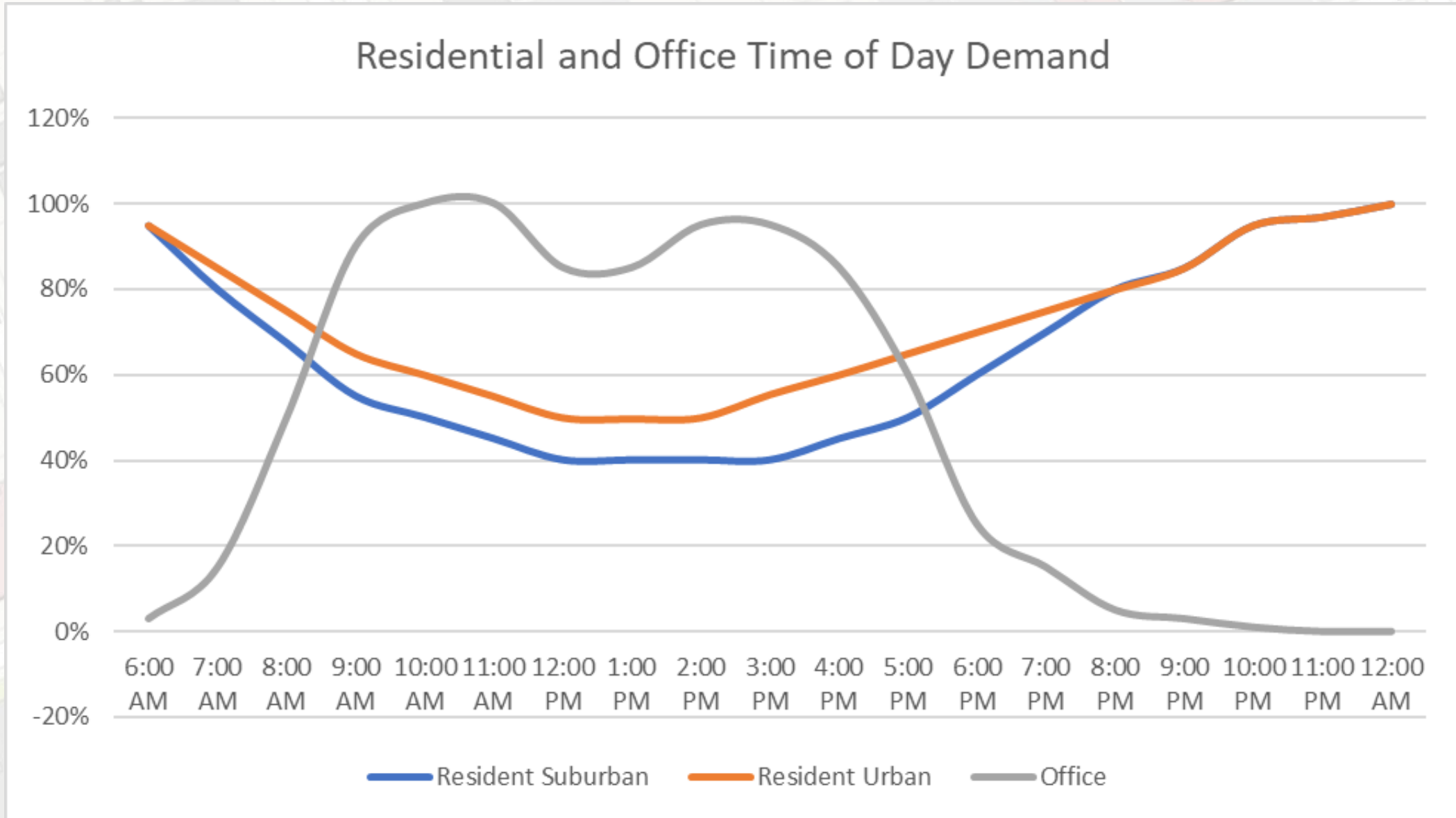– ***Donald Shoup*** *(from Parking Requirements Reform: A White Paper)*

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.
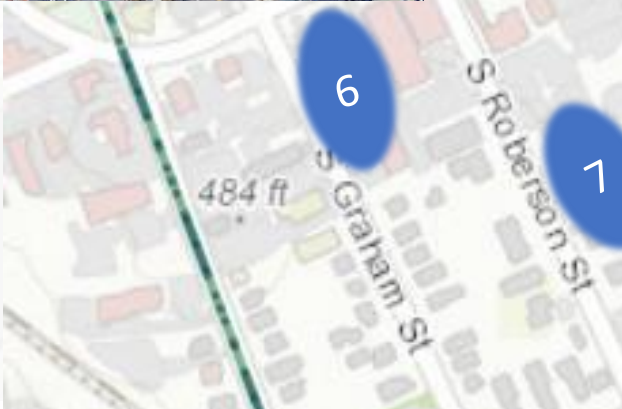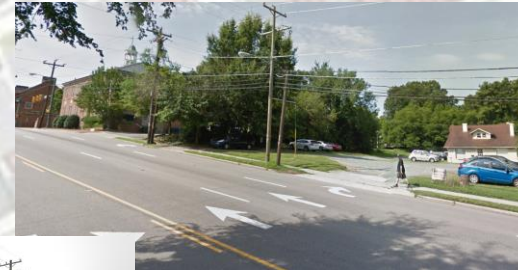
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Residential and Office Time of Day Demand

The Shared Parking, Third Edition, Time of day adjustment for planning shared parking for Residents and Office

> 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)

Downtown
Chapel Hill
Private
Parking

Created by
Town of Chapel Hill
GIS & Analytics Division
April 2021

Acres of Parking: 25.02

Legend

Surface Parking Lots

Structured Parking

0   250   500
Feet

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?