Parking Payment in Lieu

November 5, 2021

Council Committee on Economic Sustainability

CHAPEL HILL

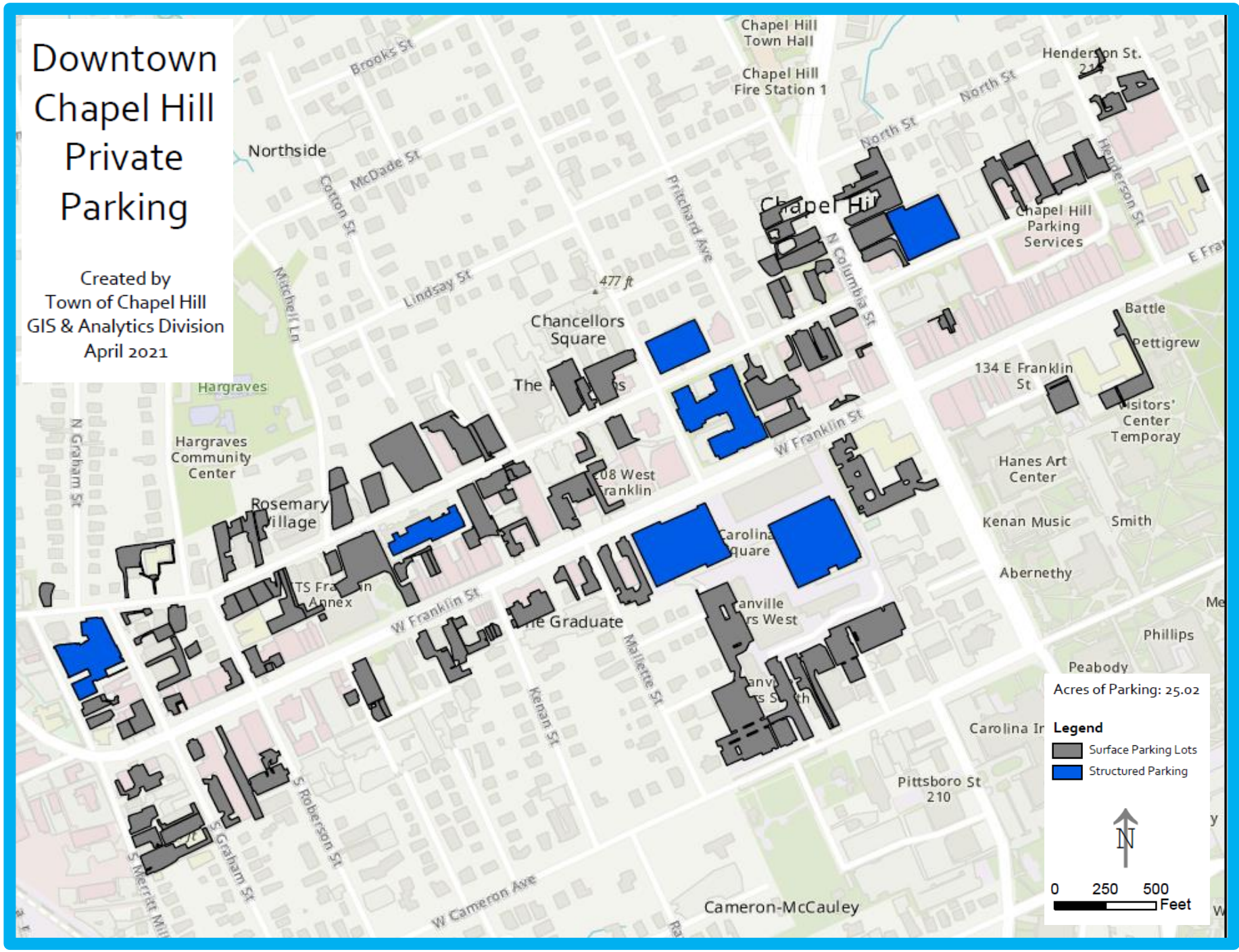
OPEN2.BIZ

Chapel Hill needs to change its land use pattern downtown

Private Parking lots

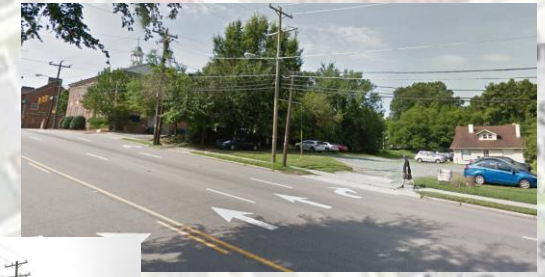
Downtown is roughly 85 acres, so private parking at 25 acres is roughly 29% of land use.

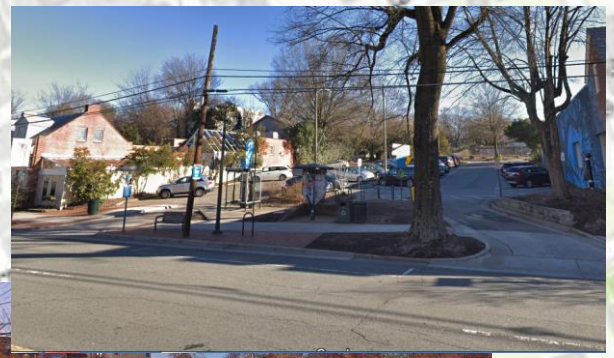
(Plus, private parking spaces accounts for over 3,100 spaces)



How to park additional development?

Future Development





1

2

3

4

5

6

7

8

We need a parking management strategy that moves us in a new direction.

Parking 2000 – 2021:

	Private	Public
1. Carolina Square	800	
2. 140 West	100	
3. Greenbridge	100	
4. Shortbread	121	
5. West Rosemary lot		27
Total	**1121**	**27**

* The last time we added parking downtown would have been when we built the Wallace Deck. Any additions to our parking have been through private spaces being managed publicly.

The Town has not added parking to downtown since it constructed the Wallace Parking Deck in 1991.

We desire a thriving downtown.

PROBLEM: Too much private parking in downtown, especially surface lots. We need better planning to create the kind of land-use and downtown that I believe we have envisioned.

3100 private spaces

1400 public spaces

4500 Total spaces

The Town needs to control 50% of the parking for our policies to affect the economics of downtown.

What is the answer?

Best practices.

SOLUTION:

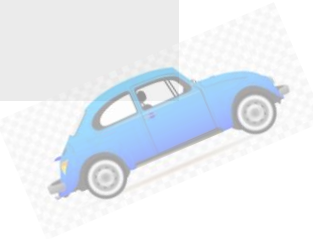
1. Change our thinking about how we approach public and private parking.
2. Change our land-use management approach

Parking Payment in Lieu

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)*



Parking Payment in Lieu

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.

Consider Parking Payment in Lieu

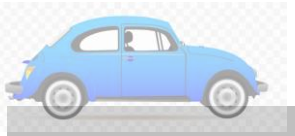
Defined:

- 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

Private Parking Supports Individual Businesses



Public Parking Supports the Entire Downtown

An Imbalance between Public and Private parking creates bad outcomes.

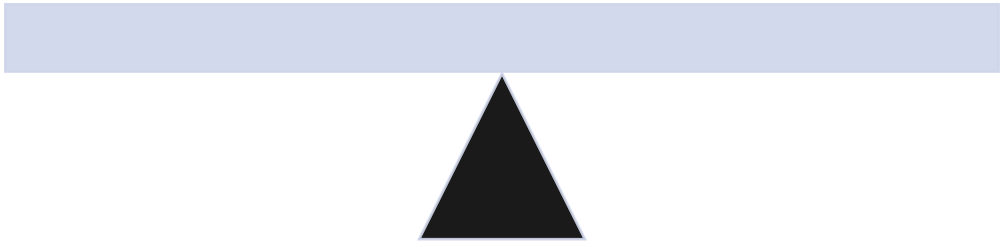
An effective system balances multiple modes of transportation

Pedestrians

Bicyclists

Bus Riders

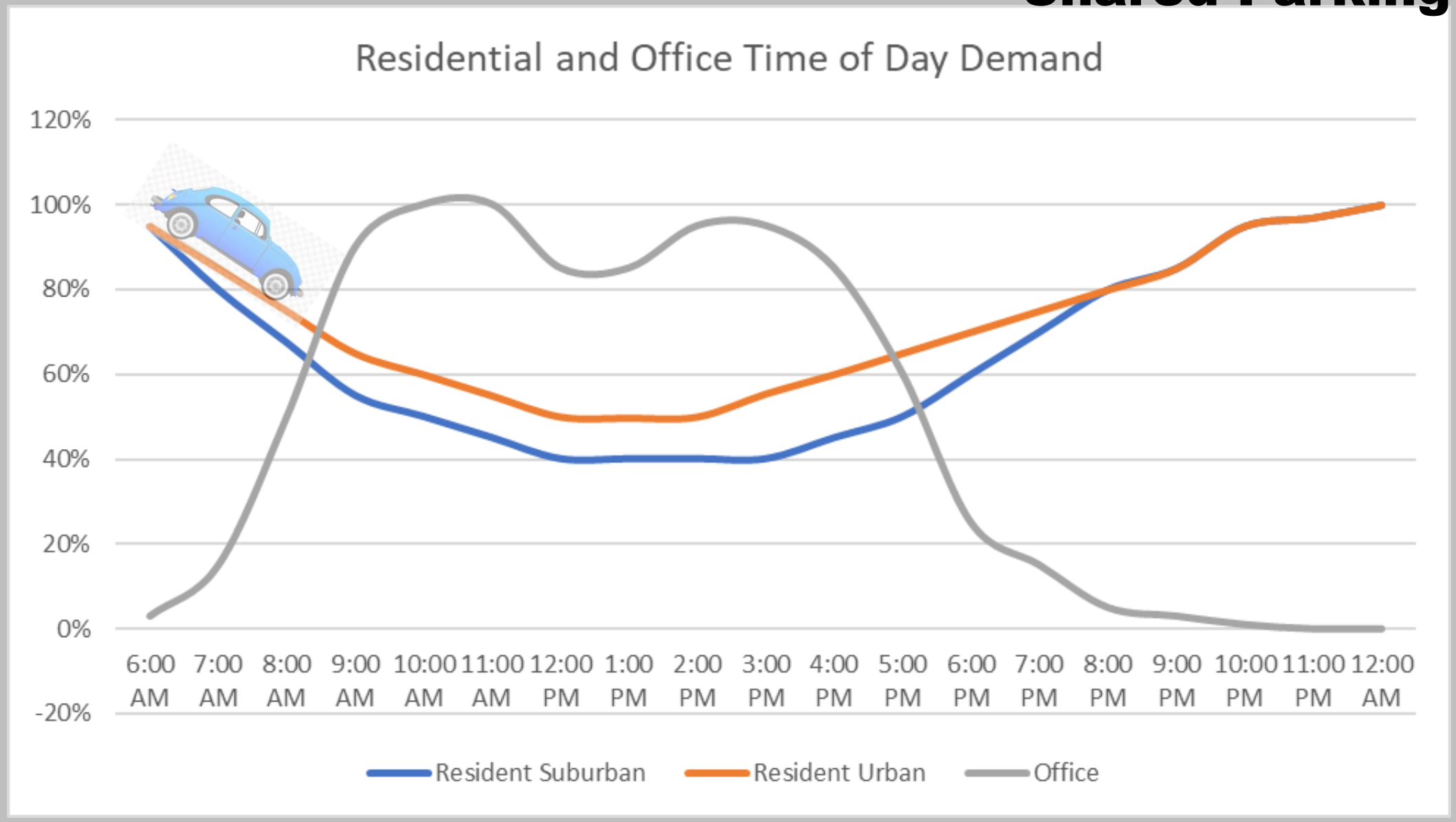
Drivers



Past Actions:

- Changed 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)
- Remove parking fees from budget to begin to move to market based parking
- Engage with UNC leadership to discuss shared needs, assets
- Payment in Lieu of future development

Shared Parking

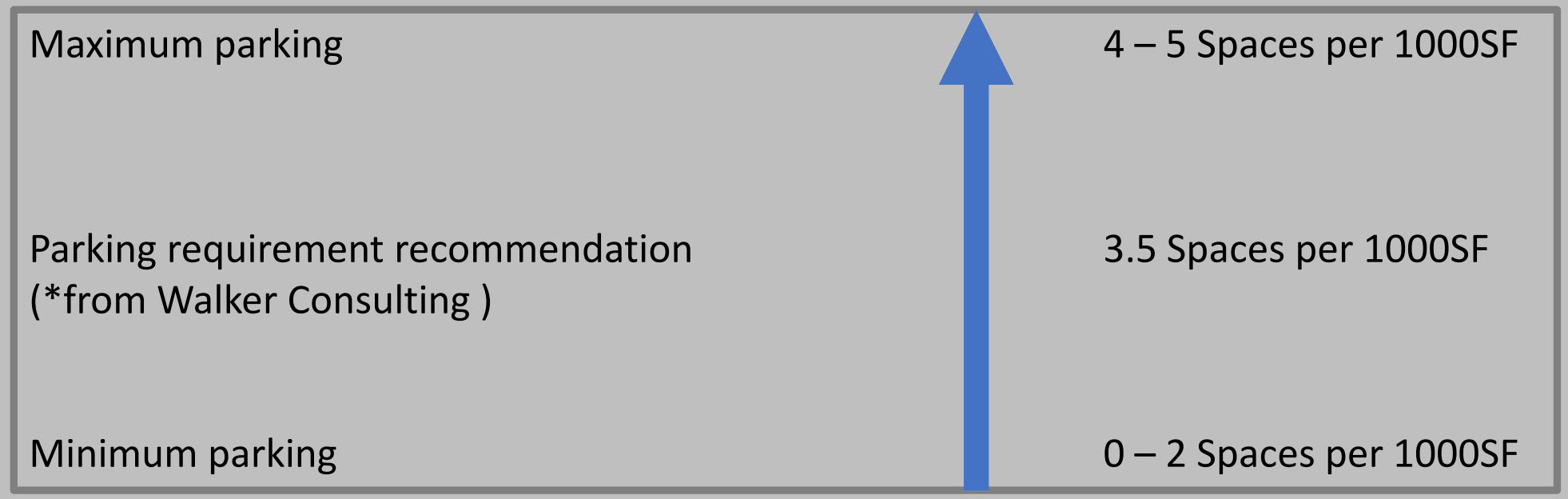


The Shared Parking, Third Edition, Time of day adjustment for planning shared parking for Residents and Office

SOLUTION:

Payment in-lieu Parking Requirements

Number of spaces required per 1000 square feet of Office space



Neither the minimum or maximum, but our parking demand.

PROPOSED AMENDMENT

Downtown Parking Requirements

Use	Standard
Dwelling units, multifamily	0.85 spaces per bed
Hotel or motel	1 space per room
Business, Office-type including clinic	3.5 spaces per 1,000 sq. ft
Business, Convenience and Business, General - retail uses	2.75 spaces per 1,000 sq. ft.
Business, Convenience - Eating and Drinking Establishments	8 spaces per 1,000 sq. ft.

*Developed with over-sight by Walker Consultants and our 2018 Parking Study

Guidelines of Parking Payment in-lieu

1. All entitlements must meet requirements unless otherwise authorized by Council. (Public and private spaces)
2. Developments can meet a maximum of 50% parking requirements privately or can opt for 100% public if resources available.
3. Initiation fee of $10,000 per parking space based on parking requirement
4. Monthly fees are required beyond initiation fee
5. Spaces can be negotiated if some percent of the occupants (housing) will not be using a car on a regular basis. (Pedestrian or bicycle)

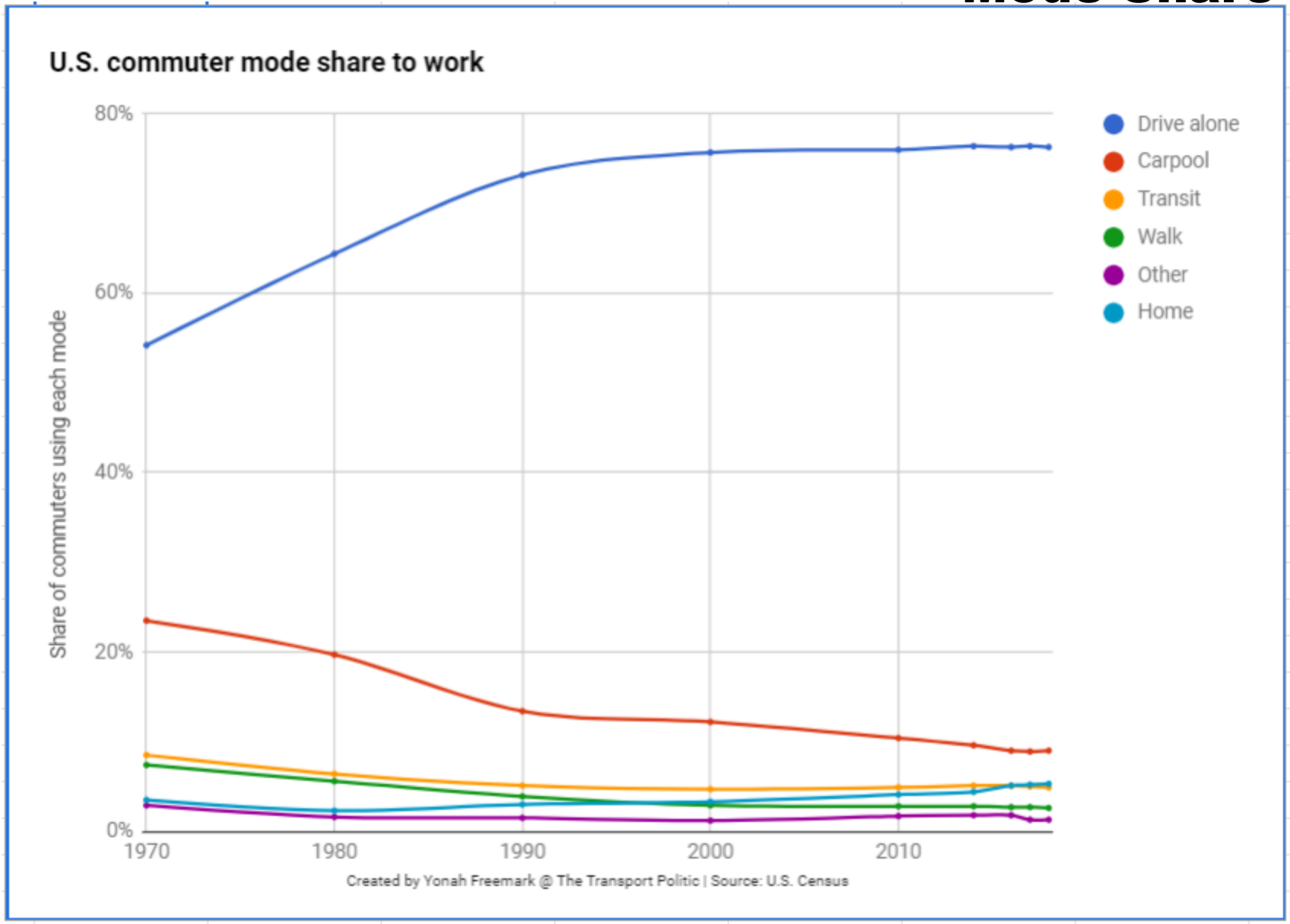
Modal share -

Cars will continue to play a role for some number of years into our future. If we are successful in creating a sustainable parking fund it reduces the $500,000 to $700,000 it takes from the General Fund to support parking.

Those dollars can be a beginning to support greatly expanded multimodal investments.

Mode Share

U.S. figures on mode share – 50 years



https://www.thetransportpolitic.com/databook/travel-mode-shares-in-the-u-s/

Mode Share

City figures on mode share – 4 years

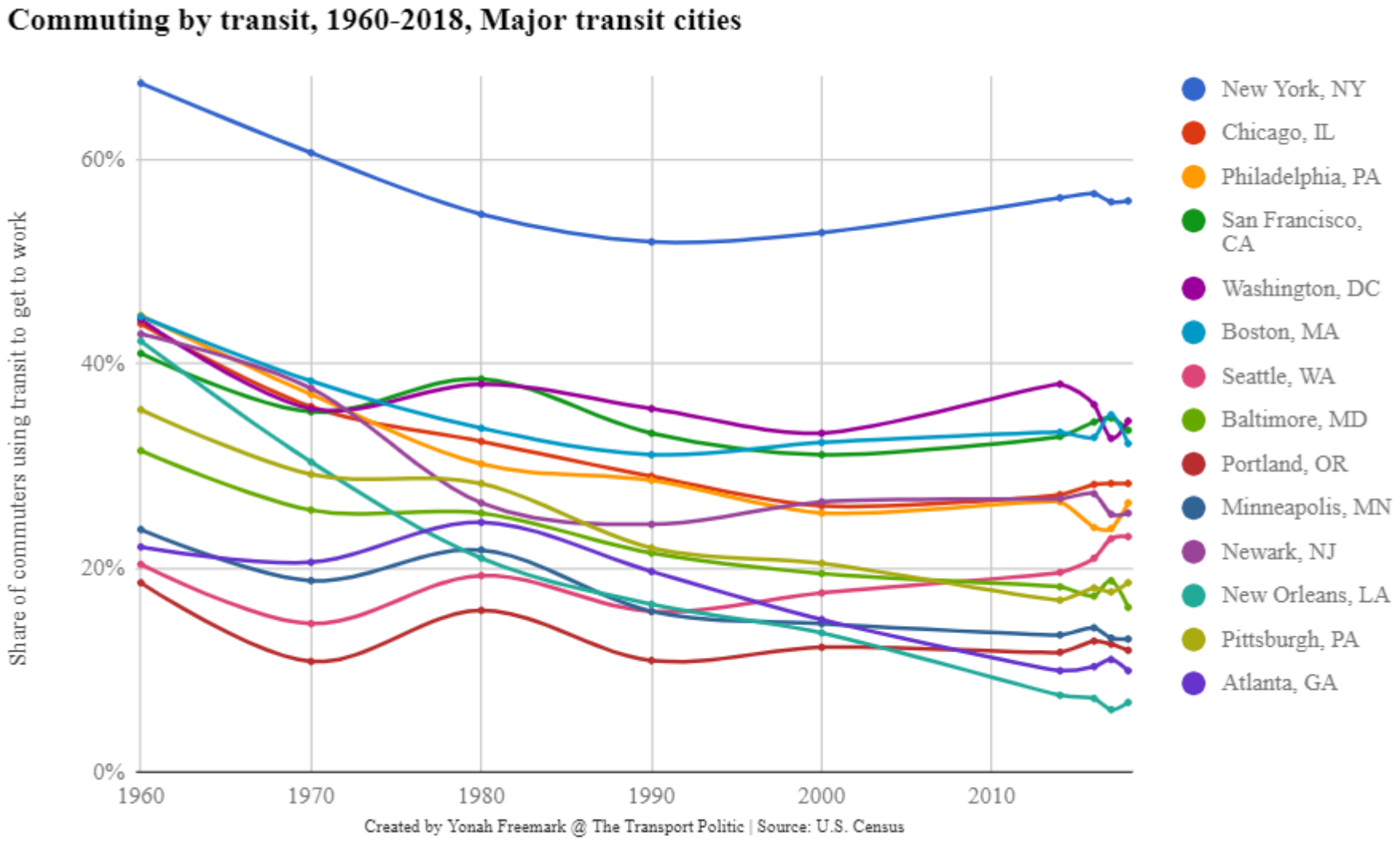
Travel to work by city in 2014-2018

City (top 15 by # of commute	Car drove alon	Carpool	Transit	Bike	Walk	Other	Home
New York, New York	22%	4%	56%	1%	10%	2%	5%
Los Angeles, California	70%	9%	9%	1%	3%	2%	6%
Chicago, Illinois	49%	8%	28%	2%	6%	2%	5%
Houston, Texas	78%	10%	4%	0%	1%	3%	4%
Phoenix, Arizona	74%	13%	3%	1%	1%	2%	6%
San Diego, California	74%	9%	4%	1%	4%	1%	7%
San Antonio, Texas	78%	12%	2%	0%	2%	3%	3%
Philadelphia, Pennsylvania	50%	7%	26%	2%	9%	2%	4%
Dallas, Texas	77%	11%	4%	0.2%	2%	1%	5%
Austin, Texas	75%	8%	3%	1%	3%	2%	8%
San Jose, California	76%	12%	4%	1%	2%	1%	4%
San Francisco, California	30%	9%	34%	4%	13%	4%	6%
Columbus, Ohio	78%	10%	3%	1%	3%	1%	4%
Charlotte, North Carolina	75%	10%	3%	0%	2%	2%	8%
Seattle, Washington	44%	7%	23%	4%	12%	2%	8%

https://www.thetransportpolitic.com/databook/travel-mode-shares-in-the-u-s/

Mode Share

City figures on mode share – 58 years



https://www.thetransportpolitic.com/databook/travel-mode-shares-in-the-u-s/

Impacts on Parking requirements by strategy

Table 5-24
Typical Traffic Impacts and Parking Requirement Reductions

Strategy	Vehicle Traffic Impacts	Typical Reductions in the Amount of Parking Supply Required at a Destination		
		Low	Medium	High
Share parking		10%	20%	30%
Regulate parking		10%	20%	30%
Establish more accurate and flexible standards		10%	20%	30%
Establish parking maximums		10%	20%	30%
Provide remote parking and shuttle services		10%	20%	30%
Implement smart growth policies	Reduction	10%	20%	30%
Improve walking and cycling conditions	Reduction	10%	20%	30%
Increase capacity of existing parking facilities		5%	10%	15%
Implement mobility management	Reduction	10%	20%	30%
Price parking	Reduction	10%	20%	30%
Improve pricing methods	Reduction	NA	NA	NA
Provide financial incentives	Reduction	10%	20%	30%
Unbundle parking	Reduction	10%	20%	30%
Reform parking taxes	Reduction	5%	10%	15%
Provide bicycle facilities	Reduction	5%	10%	15%
Improve user information and marketing	Reduction	5%	10%	15%
Improve enforcement and control		NA	NA	NA
Establish transportation management associations and parking brokerage	Reduction	NA	NA	NA
Establish overflow parking plans		NA	NA	NA
Address spillover problems		NA	NA	NA
Improve parking facility design and operation		NA	NA	NA

NA = not appropriate, indicating strategies that do not directly affect parking requirements.

Indication of whether a parking management strategy tends to reduce vehicle traffic and the typical reductions in parking requirements it provides relative to conventional practices.

SAMPLE PROJECTS – GREENSBORO STATION

- WMATA Silver Line Metro Phase 1 Expansion opened in 2014, spurring major TOD development at new stations in previously car-centric communities
- Historic Census Data → 90%
- Walkable Urbanism
- 60% modal split in Arlington, VA after 30 yrs
- Multi-phase project built with decreasing drive ratios to 75%
- Master Plan documents related to public transportation, bike paths, street grids, public placemaking, TDM program, etc.
- After slow start, Phase 1 opened in 2019
- Modal split has fallen to 87%

Example:

Alexandria City, VA	2019 Estimate	
Total:	101,178	95,143
Car, truck, or van:	77,586	
Drive alone	68,508	72%
Carpooled:	9,078	
In 2-person carpool	6,625	3.5%
In 3-person carpool	942	0.3%
In 4-person carpool	974	0.3%
In 5- or 6-person carpool	478	0.1%
In 7-or-more-person carpool	59	0.0%
Public transportation (excluding taxi):	10,862	
Bus	3,759	4.0%
Subway or elevated rail	6,100	6.4%
Long-distance train or commuter rail	896	0.9%
Light rail, streetcar or trolley	107	
Ferry boat	0	
Taxicab	494	
Motorcycle	86	
Bicycle	395	0.4%
Walked	4,219	4.4%
Other means	1,501	
Worked from home	6,035	

Source: Means of Transportation to Work for Workplace Geography, 2019

(total less worked from home)

76% = drive ratio adjustment for employees

- **Opening the new WMATA (Washington Metropolitan Area Transit Authority) Silver line in 2014 with various TMD programs to reduce the need for parking.**
- **Historically the model split (from Census data) was 90%**
- **As of 2019 Census data the model split has fallen to 87%**
- **Multi-phase project with a goal of getting down to 75%**

Questions:

- The Town sets parking fees based on market demand and regional prices. We cannot raise fees beyond what the market would support.
- This is targeted to future developments that would require a rezoning or Special Use Permit.
- If we look at the last 10 years and our parking shortage from 2008 and 2018, we see public parking needs.
- We discussed elimination of parking minimums or maximums with Walker Consultants, and they stated Chapel Hill is not at a point that this would work. (Context)

Parking Payment in Lieu

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

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

Sept/Oct 2021 – Planning Commission and Transportation and Connectivity Advisory Board

November 2021 – Council considers proceeding with text changes.

CHAPEL HILL OPEN2.BIZ

RESOURCES:

https://www.metroplanning.org/news/6719/Solving-the-parking-predicament-Using-parking-in-lieu-of-payment-for-community-amenities

https://www.metroplanning.org/news/6701/Solving-the-parking-predicament-Using-performance-based-parking-to-manage-demand-in-D-C

https://www.metroplanning.org/news/6718/Solving-the-parking-predicament-Using-parking-as-an-economic-development-tool-in-Boulder-Colo

https://sustainablecitycode.org/brief/parking-in-lieu-fees/

ccdcboise.com

Best Practices- Parking In-lieu Fee

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?

CHAPEL HILL OPEN2.BIZ