



# Memorandum

**TO:** DOWNTOWN PARKING BOARD (DPB)      **FROM:** Arian Collen (DOT)  
**SUBJECT:** PARKING PERMIT AGREEMENT PROGRAM      **DATE:** 10/20/21

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## **RECOMMENDATION**

As initially proposed during the September 1, 2021 DPB Meeting, support staff recommendation to implement an off-street parking permit agreement program at City owned and operated facilities which includes eligibility criteria and prioritization based on the type of development being proposed, along with establishing rates, agreement term length, and allocation parameters.

## **BACKGROUND**

The City regularly receives inquiries and requests for long term parking agreements from downtown developers as well as from current or perspective tenants of downtown offices. These requests generally fall into one of following three categories:

- **Pre-Development:** Developers seeking to secure parking within City facility to offset City's parking requirements for their development, or to increase the parking inventory for their property.
- **Post-Development:** Owners of existing properties seeking to secure parking within City facility to increase the marketability of their property.
- **Attraction & Retention:** Existing or prospective tenants seeking parking within City facility to enhance any parking provided onsite or in the case of properties with no parking, to ensure some parking availability.

Historically, these requests are reviewed by staff on a first come first served basis, analyzed against various metrics including facility occupancy and existing contractual commitments, with recommendations presented to Council for consideration. Without clear guidelines to frame this process, there is a continuing disconnect between parking agreements and broader City goals. Given the finite supply of City owned parking and the City's desire to use this asset as an economic development tool, a formal evaluation and eligibility process should be developed.

As the downtown continues to evolve and densify, a growing number of requests from developers and tenants alike is anticipated. Currently, there are downtown projects totaling over 12 million square feet of commercial office space in various stages of development. These projects range from those under construction like the Adobe expansion along San Fernando and 200 Park, to numerous other proposed projects ranging in size from 500,000 to over 3 million square feet.

To formalize programmatic eligibility requirements which align with broader City goals, a Parking Permit Agreement Program with the following basic framework is proposed:

1. Program targeting commercial office development (in order of priority):
  - a. Existing Property

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- b. Under Construction
  - c. Nearing Shovel Ready
  - d. Proposed
2. To align with broader City goals around greenhouse gas emissions, shifting from single occupancy vehicles, and broader downtown transportation goals, the number of permits any one property or tenant is eligible for would be capped at 1.5 permits per 1,000 sqft when considering existing or planned onsite parking.
  - a. 1.5 permits per 1,000 sqft: Existing or proposed developments with zero parking would be eligible for the maximum of 1.5 permits per 1,000 sqft
  - b. 0 - 1.5 permits per 1,000 sqft: Existing or proposed developments with on-site parking would be eligible for a maximum combined total (on-site & City) of 1.5 permits per 1,000 sqft
  - c. Not eligible: Existing or proposed developments with onsite parking exceeding 1.5 spaces per 1,000 sqft would not be eligible
3. Active Parking Term Length would vary based on the property. Existing properties are generally seeking guaranteed parking for tenants and with shorter terms. Proposed developments tend to need parking guaranteed for a longer period due to financing/lender requirements.
  - a. Existing Property: up to 5 years
  - b. Proposed/Under Construction: up to 10 years
4. Rates would fall into one of two categories, a Holding Period where the permits are not used but secured during construction or while developers/owners seek tenants, or an Active Period where the permits are actively used by parkers. The rates would be no less than the following:
  - a. Hold Period (maximum of 2 years): \$100/month/permit
  - b. Active Period: Higher of Market Rate or \$125/month/permit:
  - c. Fixed annual increases of 3.5%
5. 2,000 permits would be available under this program, with no specific or assigned parking garage (global access permit). Each permit would have access to any one of the following garages (Market Street, 3<sup>rd</sup> Street, 4<sup>th</sup>/San Fernando, 2<sup>nd</sup>/San Carlos and potentially the Convention Center only on non-event days). This program would allow for a larger number of permits to be issued and ensure distribution of parking throughout the portfolio.

If implemented, the program criteria would be communicated to the downtown development and property owner community and would streamline the parking agreement process while aligning with other City goals.

**NEXT STEPS**

Following DPB deliberations, Staff will finalize the program framework and bring a finalized recommendation to City Council to adopt the program via an amendment to the Master Parking Rate Schedule.