



**CITY OF TEMPE
REQUEST FOR COUNCIL ACTION**

**Council Meeting Date: 12/03/2015
Agenda Item: 6B4**

ACTION: Introduce and hold the first public hearing to adopt an ordinance for a Zoning and Development Code Text Amendment for DOWNTOWN PARKING STANDARDS, consisting of changes to general parking ratios specific to properties with the zoning of City Center District, and establishing an alternate standard for parking requirements in the downtown. The applicant is the City of Tempe. The second and final public hearing is scheduled for December 17, 2015. (Ordinance No. O2015.60)

FISCAL IMPACT: There is no fiscal impact on City funds.

RECOMMENDATION: Adopt Ordinance No. O2015.60
Development Review Commission – Approval (7-0 vote)

BACKGROUND INFORMATION: DOWNTOWN PARKING STANDARDS (PL150432) In conjunction with the Downtown Strategic Parking Plan (2014) to improve the parking experience for downtown Tempe users, staff is recommending changes within the Zoning and Development Code for general parking ratios, parking reductions specific to properties with the zoning designation of CC, City Center District and establishing an alternate standard for parking requirements in the downtown. The request includes the following:

1. Code Text Amendment for changes to the Zoning and Development Code Section 4-603 and a new Section 4-607.

ATTACHMENTS: Ordinance, Project File

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Department Director: Dave Nakagawara, Community Development Director
Legal review by: Teresa Voss, Assistant City Attorney
Prepared by: Ryan Levesque, Deputy Community Development Director

COMMENTS:

This is a request for a code text amendment within the Zoning and Development Code pertaining to general parking ratios and parking reductions specific to properties with the zoning designation of CC, City Center District, establishing an alternate standard for parking requirements in the downtown.

Communities and developers recognize that urban, mixed-use, walkable places need parking to thrive. Retail activity in particular requires convenient parking spaces that can handle high turnover. Businesses almost always need some parking for their employees, but the amount needed can vary widely. The need for parking may shift throughout the day as people come to shop, employees head to work, and residents go out for the evening. Residents and employees in more urban areas usually own fewer cars and drive less than is typical in suburban/conventional developments. Yet typical parking regulations and codes simply require a set amount of parking for a given square footage or number of units, assuming all trips will be by private automobile and ignoring the neighborhood's particular mix of uses, access to transit, biking, and walking, within context of a region. Such inflexible parking requirements can force businesses to provide unneeded parking that wastes space and money. The space and money devoted to unnecessary parking could be used to accommodate other homes, businesses, shopping, or other urban opportunities. In some cases, rigid parking standards can discourage or even prevent development, because providing it is just too expensive.

Faced with increased requests in the past couple decades for reduced parking regulations, decision-makers have responded favorably. Future reduction requests could be approached in two possible ways: by offsetting potential demand with a public supply of parking spaces (on-street or municipally financed public garages) or by requiring private sector parking provisions with certain incentives. The latter could either take the form of regulations (i.e., requiring private developers of "parking generators" to build new spaces) or leaving parking provision to market forces. Staff is recommending a market demand approach while establishing a baseline minimum for parking needs on project sites that provide new development for commercial and residential uses. The new standards are based on the City's strong support for alternate modes of transportation within the downtown in the form of a transportation center hub for all local bus routes, two light rail stations for Valley Metro Rail, and recent studies and analysis seeking federal funds for a "street car" program running through Mill Avenue which will further offset parking demands.

The City of Tempe's parking standards are primarily a one size fits all, and does not take into account the urban environment within the downtown with multiple forms of alternative transportation.

Council gave staff direction to study parking issues after awarding a parking consultant, Kimley-Horn, which provided a comprehensive analysis of parking items to address within the downtown area. Staff conducted a review of previously approved parking standards (PADs) and analyzed cities with downtown alternate parking standards. In every instance, parking standards had been drastically reduced, primarily because traditional ordinance parking standards (one size fits all) does not take into account a shared mix of uses, and parking utilized for a captured market. The current "band aid" approach has historically authorized changes to parking requirements through a shared downtown parking model, the Transportation Overlay District (2006) providing some parking reductions and many other sites with reduced parking based on approved Planned Area Development Overlay. The parking in this area is inconsistent with the remainder of the city. The goal is to look at downtown parking as a collective whole and to propose alternative parking standards which will encompass commercial, hotel, office and residential parking scenarios. Proposed provisions for Downtown will require the developments to submit a "parking management plan" and designate a portion of the development's parking for public use.

Proposed Downtown Parking Standards

The following parking standards are proposed for the areas encompassing properties designated with the CC, City Center District zoning:

“Commercial” parking use

The all-in-one “Commercial” use category takes the guessing game out of the initial development review process when trying to guess how much retail or restaurant uses will be provided within a new building.

The proposed parking standards for downtown consolidates parking ratios required for retail, office, restaurants, bars and other similar retail uses, into a single category of “commercial”. (1 space per 500 sf. of building area, after waiving the first 5,000 sf). This change will allow existing tenant spaces to creatively change occupancy based on the market demand for such space, and without additional hassle through city processing. Currently a lot of the older tenant sites have operated under a shared parking model, using park-by-demand justification through a professional parking analysis. These changes will stream-line the tenant improvement process in order to open a new business in a reasonable time frame. The 1/500 ratio is also utilized in comparison with the Transportation Overlay District standards that allow reductions for retail and service uses. Along with the waiver of 5,000 sf. and applying the 1/500 ratio, the minimum parking requirement incentive within the TOD overlay will be the same (EX: 30,000 sf. = 50 spaces). Beyond 30,000 sf. the downtown parking ratio will offer a greater reduction in parking requirements than the TOD currently allows. Additionally, staff as well as input from the parking consultants, recognize that downtown is a “captured market” for parking needs. Whereby one parking facility location may serve a parking need for that site, but that parking customer may shop or visit multiple locations in the downtown.

Residential parking reductions

Throughout the city, required minimum parking standards for residential development have sought reductions, on average seeking 10-20% below the base standards, regardless of location. Recognizing in a vertical mixed-use environment, such as downtown, residential parking does not blend well with other land use parking needs. Resident parking typically is restricted from the general public with the rest of the parking left to fend for itself. Through establishing a new base minimum parking intended to be restricted for resident use, the project must also designate and provide certain amount of public parking, intended for guests or visitors of the site. If a resident only project, then half of the guest parking is required for the development (0.1 spaces per unit).

Parking Management Plan

Recognizing parking ratios are established, modified and then a development is left to decide how those spaces will be utilized, a “parking management plan” will take the assumptions out of the equation and require the developer to creatively devise a plan as to how the parking for employees, residents and the public will be allocated. A key component of this process is designating an appropriate amount of “public parking”, intended for unrestricted use for customers and/or guests. This missing element from our current parking requirements and practices will ensure that although the Code is allowing relief from the traditional parking standards, the project must still provide a certain amount of contribution to the general parking pool for the site and greater downtown. Each allocation and need will be evaluated through the Development Plan Review process and determined from the decision-makers on a case-by-case basis.

Example of Parking Standards Comparison

EX #1: 120,000 sf. office building, including ground floor restaurants and retail:

Base Code parking:

(1/300 office, 1/75 restaurant, 1/300 retail; assumption 70/30% restaurant to retail)

$366.6 + 93 + 10 = 470$ minimum parking required

TOD Station Area parking:

(first 15,000sf waived for office/retail then 1/300, first 1,250 sf waived for restaurant, then 1/75)

$326.6 + 76.6 = 403$ minimum parking required

Proposed Downtown Parking:

(first 5,000sf waived for commercial then 1/500)

230 minimum parking required

EX #2: 220 Unit (440 bedroom) building, with 12,000sf ground floor commercial:

Base Code parking:

(avg. 1- 2- & 3- bedroom/units + guest 1/0.2, 1/75 restaurant, 1/300 retail; assumption 70/30% restaurant to retail)
225 + 292 + 365 + 44 + 93 + 10 = 1,029 minimum parking required

TOD Station Area parking:

(0.75 per bedroom + guest 1/0.2; first 15,000sf waived for retail then 1/300, first 1,250 sf waived for restaurant, then 1/75)
586 + 44 + 95 + 8 = 733 minimum parking required

Proposed Downtown Parking:

(0.5 per bedroom (1-2 beds), 0.3 (3-beds); first 5,000sf waived for commercial then 1/500)
75 + 146 + 131 + 14 = 366 minimum parking required (+ dedicated public parking factored into equation)

Conclusion

By creating an environment that supports efficient use of parking, developments can also lead to a better balance between parking needs, reduce traffic demands, and focus additional efforts on other sustainable community objectives and goals. This code amendment will allow for a more appropriate minimum base requirement for the downtown, based on Tempe's past zoning history parking allowances.

HISTORY & FACTS:

Circa 1978-2004	Standard Parking requirements for Ordinance No. 808, applicable to entire City.
January 20, 2005	Zoning Ordinance No. 808 repealed and new Zoning and Development Code was adopted, which included reductions in parking for office and retail uses from (1 space per 250 sf.) to (1 space per 300 sf.).
November 17, 2005	City Council adopted the Transportation Overlay District, consisting of more than half of the properties within the downtown receiving up to 25% in parking standard reductions for office, retail and restaurant uses.
October 2006	The Downtown Tempe Community, commissioned Carl Walker Inc. to provide an assessment of the current parking conditions, supply and demand for the greater downtown area.
April 28, 2011	At the Mill and Lake District Council Committee, comprised of all City Council members, staff presented a draft proposal for the Downtown parking reductions. Council gave staff permission to study parking issues with members of the Development Review Commission, Downtown Community Inc. (DTC), and Arizona State University (ASU) to determine if there should be multiple parking standards for the City of Tempe.
November 21, 2013	City Council awarded Kimley-Horn a one-year contract to develop a Downtown Parking Strategic Plan and implementation plan.
June 12, 2014	Staff presented proposal to Council: Based on Council input staff began the implementation process: Fifth Street improvements, changes to loading zones, changes to Downtown parking standards. Additional process steps pending.
November 10, 2015	Development Review Commission recommended approval for this request (7-0 vote).

December 3, 2015 City Council introduction and first public hearing for this request.
December 17, 2015 City Council second and final public hearing for this request.
January 16, 2016 Anticipated effective date of ordinance.

ZONING AND DEVELOPMENT CODE REFERENCE:

Section 6-304, Zoning Map Amendments and Code Text Amendments